



THE CITY OF
Thunder Bay
ONTARIO

Archive E-118

DEVELOPMENT BUREAU
OF THE CITY OF THUNDER BAY,
193 Arthur Street,
THUNDER BAY, P, ONTARIO.
807-344-2341

AN INVITATION TO EXPLORE THUNDER BAY

Thunder Bay became the 6th largest city in Ontario and the 15th largest in Canada on January 1, 1970 through the amalgamation of the former Cities of Fort William and Port Arthur and the Municipalities of Neebing and McIntyre.

It is also one of the largest cities, areawise, in Canada having 151.1 square miles or 99,917 acres, accommodating a population of 108,000 persons.

Variously known in the past as the Twin Cities or Canadian Lakehead, the port is the connecting link between east and west trade, water and rail. In excess of 20,000,000 tons of varied cargo annually transit the port including grain, coal, iron ore, minerals, paper, general cargo, etc.

Thunder Bay is the service centre for a vast natural resource and recreational area encompassing 1/4 million square miles of lakes and forests.

The following pages outline some of the development activities underway in the Thunder Bay area. Ontario's Design for Development Program indicates the City is a prime target for future growth, which will include secondary and prime industry, service industry and recreational facilities.

You are invited to communicate with the Development Bureau of the City of Thunder Bay if seeking additional information.

Of course, everything is kept on a CONFIDENTIAL basis.

Sincerely,

G. W. McFadden

G. W. McFadden,
Director.

GWM/ap

T H E C H O I C E C E N T R E

The City of Thunder Bay was chosen a "Prime Centre of Industrial Opportunity" when the Ontario Government unveiled the results of a comprehensive study of Northwestern Ontario under the program "Design for Development" Phase II.

Industrial growth is to be strenuously encouraged but "Quality of Life" is to be retained. It is contended life in Northwestern Ontario now has many fine qualities not found elsewhere. This relates to low pollution, easy access to recreation and relaxed, healthy living.

The Design for Development Report recommends substantial Federal and Provincial Government incentives for the establishment of new industry over and above the current government incentive plans. It suggests Thunder Bay is a choice spot for establishment of a smelter, refinery or primary metal industry. Greater end use of forest products is encouraged.

The primary goal for increased employment in the next 20 years should be a minimum of 18,000 and an optimum of 54,000 new jobs.

Implementation of the first phase of the development program should commence early in 1972.

PLANNING FOR THE FUTURE

Thunder Bay, in addition to participating in the Design for Development Program, has been studiously looking to the future in its own planning.

An Official Plan for Thunder Bay has been unveiled, to direct proper growth of the City and its suburbs over the next 20 years.

A Transportation Study has been completed outlining a forecast of how traffic can be channelled in the City up to 1990.

A Regional Water Supply and Pollution Control Study was completed in 1969 by the Ontario Water Resources Commission to guarantee full use of water facilities in the city, yet control adverse pollution of waterways. This study required indepth review of past experience and the expected growth to the year 2000.

A Survey of Internal Transit Facilities is currently underway as well as a survey to determine expansion possibilities of the City-owned Telephone system, one of the few and most profitable in Canada.

A Thunder Bay Urban Renewal Project was announced in October 1970 to rebuild the core business section of Port Arthur Ward.

Over \$15 million dollars of private capital will be invested in the Development and \$4 million by governments.

The initial rebuilding will commence in the fall of 1971 with the expansion totalling \$3 million of the T. Eaton Company store and the \$1½ million Sayvette Store.

Included in this program is the installation of a connecting climate-controlled mall of all buildings.

M I N I N G A N D N A T U R A L R E S O U R C E S

Historically, silver is the basic mineral found in Thunder Bay area. However, technology has radically changed this and now iron ore is King, followed closely by nickel, copper, zinc, etc.

IRON ORE

Atikokan, 120 miles west is the base operation for Steep Rock Iron Mines, Inland Steel and Caland Ore.

Steep Rock Iron Mines ships raw ore and pellets.

Bruce Lake, 315 miles west is the site of Steel Company of Canada iron ore operations.

Stelco ships only pellets.

The others ship both pellets and raw ore.

Most pellet shipments are processed through Valley Camp Coal Ltd., modern belt loading facilities on the Mission River, Thunder Bay. The storage capacity exceeds 1½ million tons. Some pellets and all raw ore is also shipped over a CNR ore trestle.

FUTURE RESERVES -- IRON

Anaconda Iron Company Limited uncovered and developed a massive iron ore body and mothballed it for the future. The open pit mine is located 40 miles north of Nakina. Steep Rock and Algoma own a large iron ore body in the Lake St. Joseph area which very shortly will have to be opened up by a massive operation including installation of railroad services and lifting of huge quantities of overburden.

NICKEL

International Nickel Company is completing a \$32 million mine site and concentrator at Lake Shebandowan, 50 miles west of Thunder Bay and will likely go on stream early in 1972. Concentrates will be shipped to Sudbury.

Great Lakes Nickel Ltd. is arranging finances preliminary to building a \$100 million plus mine, smelting and refining complex, 38 miles south of Thunder Bay to process up to 140,000,000 tons of nickel, copper, zinc, platinum and pladium ore.

URANIUM

Large areas near Dryden were staked in a uranium rush late in 1967. Claims are currently being examined.

COPPER AND OTHER BASE METALS

Mattabi Mines Limited has expended \$36 million plus other expenditures to construct a mill and concentrator to extract 12½ million tons of base metal ore from its property at Sturgeon Lake, 185 miles west of Thunder Bay. The mill went on stream in the fall of 1971.

South Bay Mines, Utchi Lake, southeast of Red Lake went into production in the summer of 1971 at 500 tons daily. Construction cost to get the mill into operation exceeded \$5 million.

COAL SHIPMENTS

Substantial shipments of Alberta, B. C. and Saskatchewan coal are forecast if test shipments arranged in 1970 through the Port of Thunder Bay prove economically successful. Stelco is interested in coking coal and Ontario Hydro for the thermal plants in Southern Ontario. Up to 5 million tons may be required.

FORESTRY

Eleven paper mills in Northwestern Ontario are assured of continuous wood supplies from the substantial forest cover.

Great Lakes Paper, for example, consume 800,000 cunits annually in the largest paper and Kraft mill east of the Rockies.

New technology in wood harvesting has maintained extraction costs in a rising cost market. Machines are used extensively.

New roads, new transportation systems in the future will undoubtedly open up unknown riches in the area.

T H U N D E R B A Y

S T A T I S T I C A L D A T A (Obtained from Financial Post Survey of Markets 1970)

	<u>1970</u>	<u>1969</u>	<u>1968</u>	<u>1967</u>	<u>1965</u>
Current Growth Rate Per Decade	7%	12%	13%	14%	13%
Population (000) (April 1, 1970)	108.0	105.8	98.6	97.9	95.2
% Of Canadian Total	0.51	0.50	0.48	0.48	0.48
% Change Since 1961 - 1970	+2.56	+10.2	+8.95	+8.18	+5.1
Market - Above National Average	15%	16%	18%	26%	24%
Retail Sales - 1969 (Millions \$)	\$158.3M	\$149.1M	\$134.9M	\$133.6M	\$120.8M
% Canadian Total (Retail)	0.58	0.59	0.56	0.60	0.60
Per Capita (Retail Sales)	\$1,480	\$1,420	\$1,375	\$1,385	\$1,290
Income - Above National Average	15%	13%	11%	11%	14%
Personal Disposable Income - 1969	\$294.1M	\$163.6M	\$222.7M	\$205.6M	\$178.0M
% Of Canadian Total (PDI)	0.58	0.57	0.53	0.53	0.56
Per Capita (PDI)	\$2,740	\$2,510	\$2,275	\$2,130	\$1,910
Building Permits, Value (000)	\$28,427	(\$22,047)	\$15,127	\$22,808	\$21,759

MANUFACTURING INDUSTRIES

	<u>1967</u>	<u>1966</u>	<u>1964</u>	<u>1962</u>	<u>1961</u>
No. of Plants	98	100	99	111	114
Employees	6,878	7,102	5,743	5,431	5,083
Salaries - Wages (\$000)	\$41,581	39,635	28,622	26,113	28,131
Cost of Materials (\$000)	\$95,900	100,434	64,768	61,188	56,477
Value of Shipments (\$000)	\$193,736	196,446	141,113	125,353	116,021
Value Added (\$000)	\$90,816	87,211	70,234	59,657	52,946

CENSUS INFORMATION

	<u>1966</u>	<u>1961</u>
Population, Male	58,958	46,359
Population, Female	47,590	44,131
Total Population	106,548	90,490

RACIAL ORIGIN

	<u>1961</u>	<u>% of Total</u>
British	38,749	42.8%
French	5,607	6.2
German	3,333	3.7
Italian	7,815	8.1
Polish	4,475	4.9
Scandinavian	3,975	4.4
Ukranian	9,336	10.3

AVERAGE WEEKLY EARNINGS

	<u>THUNDER BAY</u>	<u>CANADA</u>
1962	\$81.04	\$80.54
1964	86.20	86.51
1966	97.71	96.30
1967	102.36	102.79
1968	105.68	109.88
1969	117.02	117.63

RETAIL TRADE 1966 CENSUS

Total Sales (\$000)	\$130,295.1
No. of Stores	642
Year End Inventory (\$000)	15,705.0
No. of Employees	4,383
Payroll: Total (\$000)	13,271.6

T H U N D E R B A Y H Y D R O

H Y D R O - E L E C T R I C

General Rates -- Industrial Commercial (Monthly)

Loads from 0 -- 5,000 Kilowatts

Demand Charge

First 50 kilowatts of billing demand per month - nil
Balance at \$1.60 per kilowatt of billing demand per month

Energy Charge

4.0¢	per kilowatt-hour for the first	50 kilowatt-hours per month
1.6¢	" " " " " next	200 " " " "
1.3¢	" " " " " "	9,750 " " " "
0.5¢	" " " " " "	2,240,000 " " " "

Balance of monthly consumption at 0.3¢ per kilowatt hour.

Loads over 5,000 kilowatts

Demand Charge

\$2.50 per kilowatt for all kilowatts of billing demand per month

Energy Charge

All consumption be billed at 0.3¢ per kilowatt-hour.

NOTE: The general rate is based upon service at utilization voltage. Where the customer provides transformation facilities the authorized allowance of .25¢ per kilowatt of billing demand per month for stepdown from sub-transmission voltage and .15¢ per kilowatt billing demand per month for stepdown from distribution voltage will apply.

Residential Service (Monthly)

4.0¢	per kilowatt-hour for the first	50 kilowatt-hours per month
1.4¢	" " " " " next	200 " " " "
0.9¢	" " " " " all additional monthly consumption.	

All rates are net and subject to a late payment charge of 5% if not paid on or before due date.

W H A T A B O U T T H U N D E R B A Y ' S W E A T H E R ?

The Mid-Canada Development Corridor Foundation Inc. is working to dispel the myth that Canada's North is uncomfortable and unproductive. Some day soon it is anticipated a new and exciting era will open up the north with new growth centres and greater populations of people enjoying a new and clean environment.

Thunder Bay is on the extreme southern edge of the contemplated development corridor on the Northwestern shore of Lake Superior, the largest lake in the world. The lake, 601 feet above sea level, controls the winds passing over it and tempers the climate of the City both winter and summer. It could be named a "built-in air conditioner".

WEATHER RECORDS

Records have been kept since 1879 and indicate temperatures average over a period 1921 - 1950 as follows: -- (Degrees)

Annual Average	36.8	(Ottawa Average 41.6)
January Average	7.6	(Montreal Average 15.4)
April Average	35.4	(Toronto Average 43.8)
July Average	63.4	(London Average 69.6)
October Average	42.6	(Calgary Average 42.1)
Extreme Maximum	104	
Extreme Minimum	-42	

Killing frost -- last in spring average June 4, first in fall average September 7.

Average annual total precipitation -- 27.62 inches

Average annual total snowfall -- 68.8 inches (Montreal average -- 100.8)

Sunshine records show an average of 2174 hours per year making Thunder Bay one of the brightest and sunniest cities in Canada.

Average yearly wind is 8.4 M.P.H. The prevailing winds in winter are west and northwest and in summer easterly winds edge westerly for the prevailing direction.

Humidity is extremely low at all times of the year and the area is a delightful refuge for sufferers of Hay Fever.

Thunder Bay is located in the centre of Canada as the hub city of what is commonly known as Northwestern Ontario. Actually, this is a misdirection as geographically it is in the southwestern portion of the Province of Ontario -- Latitude 48.23 N. Longitude 89.16 W.

The City is in the Eastern Standard Time Zone, but reverts to Eastern Daylight Saving Time during the same period as other major cities.

N O R T H E R N O N T A R I O D E V E L O P M E N T C O R P .
P E R F O R M A N C E L O A N S

The Northern Ontario Development Corporation, a Crown Corporation of the Province of Ontario, maintains a head office at 134 S. May Street, Thunder Bay, F, Ontario. A subsidiary office is in Timmins, Ont.

The purpose of the Corporation is to assist in the development of secondary industry in Northern Ontario extending from the Manitoba border to the Quebec border and approximately north of Hwy. 17. The City of Thunder Bay is eligible for full qualifications for its business interests.

FORMULA FOR CALCULATING LOANS:

For Canadian companies qualifying for Performance Loans, NODC can assist with cash grants of up to 50% of capital costs of building and equipment up to a maximum Performance Loan of \$500,000.

For companies other than those of Canadian registry, the formula is as follows:

33 1/3% of the first \$250,000 of building and equipment cost.

25% of the balance of building and equipment cost up to a maximum loan of \$500,000.

1. Loans are progressively forgiven over a five-year period at 10% per year. Final forgiveness is in the 6th year. No interest or charges are involved.
2. Maximum \$500,000 additional loan at regular interest rates can be arranged under certain circumstances for both categories of Canadian and foreign companies.
3. The loans are income tax exempt.

Businesses establishing in Thunder Bay are eligible for either the Federal Incentive Program and Grants or the Northern Ontario Development Corporation Performance Loans, but not both. In practice it is desirable to approach the Federal Department of Regional Economic Expansion for financial assistance. Should this assistance be inadequate or refused, an approach can then be made to the Northern Ontario Development Corporation for their assessment of the application. For further information on the Northern Ontario Development Corporation Performance Loans, contact the head office at 134 S. May Street, Thunder Bay, F, Ontario or:

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ONTARIO INCENTIVE TO INDUSTRY

September 19, 1967, the Ontario Government announced a new incentive plan -- "Equalization of Industrial Opportunity", directed primarily to improve secondary industry in underdeveloped areas of the Province. All industry in Northwestern Ontario is eligible to participate in the program.

In June, 1971, the Ontario Equalization of Industrial Opportunity changed certain terms of grants to industry.

Canadian companies are now eligible to receive 50% of the cost of construction and equipping new plants. The old formula of 33 1/3% and 25% continues for foreign-owned companies.

ELIGIBILITY

- (1) Secondary manufacturing companies establishing new facilities or making approved additions to existing facilities. The grants will also be available to companies building a new plant. If 75% of the machinery installed is new, then the grant will also apply on the machinery. Companies buying, renting or leasing a building and installing machinery can apply for a loan on the machinery only, if such machinery is 75% new.
- (2) Warehouses and other concerns of a closely related nature to secondary industry, which can contribute substantially to the local economy.
- (3) Tourist developments that will effectively raise the occupancy levels in local tourist establishments.

NOT ELIGIBLE

- (1) Primary industries such as mining, logging, fishing and agriculture.
- (2) Service industries.
- (3) Companies transferring operations from other areas of the Province into an incentive area only to become eligible for the grant.
- (4) Those companies not organized on a businesslike basis and lacking management ability and proper financing.
- (5) Companies receiving financial assistance under any other government program such as Federal Incentives, ARDA, etc.

CALCULATION OF GRANTS

For Canadian companies 50% of the full cost of construction and equipping of plant up to a total Performance Loan of \$500,000.

FOR FOREIGN-OWNED COMPANIES

33 1/3% of the first \$250,000 of the approved capital cost of new buildings and equipment.

25% of the balance of the approved cost of these facilities. The maximum grant will be limited to \$500,000.

ADMINISTRATION OF GRANTS

Grants are administered by the Northern Ontario Development Corporation, 134 South May Street, Thunder Bay, F, Ontario, and will be made available to qualifying firms in the form of interest-free loans for a period of six years.

Each year 10% of the loan will be forgiven through the 5th year. At the end of the 6th year, provided the company has stayed in the locality and performed satisfactorily, the balance of the loan is forgiven.

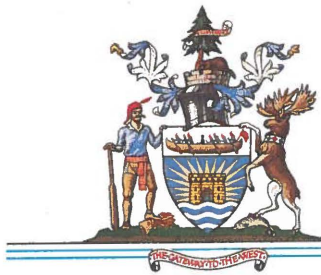
CONSULTANTS

Expert consultants are provided to assess applicants for loans. This service is free. Advice is also supplied by consultants on business matters, finances, etc., to any company. The Northern Ontario Development Corporation may also provide Conventional loans to deserving firms, ineligible for Performance Loans, or unable to secure adequate financing through normal banking channels.

Speculative enquiries to Northern Ontario Development Corporation consultants for "Performance Loans" are not encouraged as it is most difficult to assess a project without complete and factual information.

It is desirable to have a fully documented outline of the projected installation, financial background and future planning, available for examination by the NODC consultants.

All interviews are strictly CONFIDENTIAL.



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R E G I O N A L D E V E L O P M E N T I N C E N T I V E S A C T

Bill C-202 creating the Regional Development Incentives Act was first read May 26, 1969, and became law July 1, 1969.

HEREWITH ARE SOME EXTRACTS FROM THE ACT: -

DESIGNATION OF SPECIAL AREAS

The Governor and Council after consultation with the government of any province may by order designate as a special area for the period set out in the order, any area in that province that is determined to require by reason of the exceptional inadequacy of opportunities for productive employment of the people of that area or of the region of which that area is a part, special measures to facilitate economic expansion and social adjustment. (All NWO below the 51st parallel has now been designated.)

CO-OPERATION WITH PROVINCES

In formulating and carrying out these plans, the Minister shall make provision for appropriate co-operation with the provinces in which special areas are located and for the participation of persons, voluntary groups, agencies and bodies in those special areas, and the Minister in co-operation with any province may formulate a plan of economic expansion of social adjustment in a special area and with the approval of the Governor in Council and subject to the regulations, enter into an agreement with that province for the joint carrying out of such a plan.

DEVELOPMENT INCENTIVES

Upon application therefore to the Minister by an applicant (company) proposing to establish a new facility or to expand or modernize the existing facilities in a designated region, the Minister may authorize a provision to the applicant subject to this Act and upon such terms and conditions as prescribed by the regulations of:

I N D U S T R Y D E V E L O P M E N T I N C E N T I V E P L A N S

All of Northwestern Ontario, including the City of Thunder Bay, has been designated as a "Growth Area" and industry will qualify for substantial cash grants.

F E D E R A L I N D U S T R I A L I N C E N T I V E P R O G R A M S

This plan is administered by the Department of Regional Economic Expansion. Here is how it looks:

1. P R I M A R Y D E V E L O P M E N T I N C E N T I V E G R A N T

\$	\$
Not to Exceed	
20%	
\$	\$

For establishment, expansion or modernization of plants producing an established product line.
Minimum Capital Cost -- \$30,000 for Expansion or Modernization
-- \$60,000 for a new plant
Maximum Grant -- \$6,000,000

2. S E C O N D A R Y D E V E L O P M E N T I N C E N T I V E G R A N T

\$	\$	\$	\$	\$5,000
Not to Exceed		5%		per
20%				Employee
\$	\$	\$	\$	

Up to 25% and up to \$5,000 per employee for construction and equipping new plant or expansion of an existing plant to introduce a new product line.

Minimum Capital Cost -- \$30,000 for modernization or expansion
-- \$60,000 for a new plant
Maximum Grant -- \$12,000,000 or \$30,000 per employee.

- New or used machinery purchased to equip plant will qualify for grant.
- No contractual arrangements can be made prior to signing grant agreement.
- The Secondary Development Incentive shall not exceed half of the capital employed in the operation.
- The plan is aimed primarily to assist secondary industry.

Numerous other conditions are stitched into the plan to ensure good business practices are maintained.

Further information can be obtained by contacting the Department of Regional Economic Expansion, 66 Slater Street, Ottawa, Ontario, K1A 0M4 or by direct contact with the:

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PHONE: AREA CODE 807-344-2341.

- (a) A primary development incentive by way of financial assistance to the applicant for the establishment, expansion, or modernization of the facility and,
- (b) In the case of a proposal to establish a new facility or to expand an existing facility to enable the manufacturing or processing of a product not previously manufactured or processed in the operation, a secondary development incentive by way of additional financial assistance to the applicant for the establishment of the new facility, or the expansion of the existing facility for that purpose.

MAXIMUM AMOUNTS

- 1. The amount of a primary development incentive shall be based on the approved capital costs of establishing, expanding or modernizing the facility in respect of which the primary development incentive is authorized and shall not exceed:
 - a. 20% of those approved capital costs or
 - b. \$6,000,000 whichever is the lesser amount.
- 2. The amount of a secondary development incentive shall be based on the approved capital costs of establishing or expanding the facility in respect of which the secondary development incentive is authorized and on the number of jobs created directly in the operation and shall not exceed:
 - a. 5% of those approved capital costs plus
 - b. \$5,000 for each job determined by the Minister to have been created directly in the operation.
- 3. A secondary development incentive in respect of any facility shall not exceed an amount that when added to the amount of the primary development incentive authorized, in respect of that facility would result in a combined development incentive that exceeds:
 - a. \$30,000 for each job determined by the Minister to have been created directly in the operation.
 - b. \$12 million or
 - c. Half of the capital to be employed in the operation which ever is the least amount.

DETERMINATION OF AMOUNTS OF INCENTIVES

Subject to this act, the Minister may authorize the provision of development incentive in the maximum amount provided for by this Act or in any lesser amount, and in determining whether to authorize the provision of a development incentive in the maximum amount so provided for, or in any lesser amount, the Minister shall take into consideration the following factors:-

- a. The extent of the contribution that the establishment, expansion or modernization of the facility would make to economic expansion and social adjustment in the designated region.
- b. The probable cost of provincial, municipal or other public authorities of providing service or utilities required for in connection with the facility.
- c. The amount or present value of any federal, provincial or municipal assistance given or to be given other than under this Act in respect of the establishment, expansion or modernization of the facility.
- d. The probable cost of preventing or eliminating any significant air, water or other pollution that could result from the establishment, expansion or modernization of the facility.
- e. In the case of any proposal to establish or expand a facility constituting the necessary components of a processing operation whether the resources to be exploited would be adequate or on a sustained-yield basis to support the facility together with the existing facilities that utilize the same resources and
- f. Such other factors relating to the economic and social benefits and costs of the facility as the Minister considers relevant.

INELIGIBLE FACILITIES

No development incentive may be authorized under this Act for the establishment, expansion or modernization of any facility if in the opinion of the Minister:

- a. It is probable that the facility would be established, expanded or modernized without the provision of such an incentive or
- b. The establishment, expansion or modernization of the facility would not make a significant contribution to economic expansion and social adjustment within the designated region.
- c. No development incentive may be authorized under this Act for the establishment, expansion or modernization of any facility the capital costs of which would not in the opinion of the Minister exceed such minimum amount as is prescribed by the regulations.

LIMITING PROVISIONS

In calculating the amount of any development incentive for the establishment, expansion or modernization of any facility, there may be included in the approved capital costs of establishing, expanding or

LIMITING PROVISIONS (Cont'd)

modernizing the facility, any capital expenditures made by the applicant to provincial, municipal or other public authorities for the provision of services or utilities required for or in connection with the facility if the Minister is of the opinion that the expenditures were reasonably and responsibly made, but no such expenditure shall be so included in excess of 20% of the total amount of the approved capital cost of establishing, expanding or modernizing the facility after deducting from those approved capital costs all federal, provincial and municipal grants or other financial assistance made or to be made in connection herewith or for which the applicant would ordinarily have been eligible by reason of the establishment, expansion or modernization of the facility.

In calculating the amount of any secondary development incentive for the expansion of any facility there may be included in the capital to be employed in the operation only such part of that capital as is to be employed in connection with the manufacturing or processing of a product not previously manufactured or processed in the operation.

No development incentive may be authorized under this Act for the establishment, expansion or modernization of a facility for which a contractual commitment was made whether or not the commitment remains in force before

- a. The first day of July 1969 or
- b. The day on which an application for the development incentive is received by the Minister, whichever is the later date.

Where an application for a development incentive is received by the Minister before the first day of January, 1970 in respect of a facility for which a contractual commitment was made on or after the first day of July 1969 provision of the development incentive may be authorized and the development incentive may be paid in accordance with this Act as if the contractual commitment has not been so made.

No development incentive may be provided under the Act.

- a. For the establishment of a facility that is not brought into commercial production until after the 31st day of December 1976 or
- b. In the case of the expansion or modernization of a facility if the expanded or modernized facility is not brought into commercial production until after the 31st day of December 1976.

No development incentive may be authorized for the modernization of any facility in respect of which a development incentive has previously been authorized under this Act.

PAYMENT OF INCENTIVES

When the Minister is satisfied that facility for the establishment of which a primary development incentive only has been authorized, has been brought into commercial production or in the case of a facility for the expansion or modernization of which a primary of which a primary development incentive only has been authorized, the expanded or modernized facility has been brought into commercial production, the Minister shall pay to the applicant, an amount on account of the primary development incentive not exceeding 80% of the amount estimated by the Minister to be the amount of the incentive and the remainder of the incentive shall be paid in such amounts and within such period not longer than 30 months from the day the facility or the expanded or modernized facility was brought into commercial production as are prescribed by the regulations.

COMBINED DEVELOPMENT INCENTIVE

When the Minister is satisfied that a facility for the establishment of which a primary development incentive and a secondary development incentive have been authorized, has been brought into commercial production or in the case of a facility for the expansion of which a primary development incentive and a secondary development have been authorized, the expanded facility has been brought into commercial production, the Minister shall pay to the applicant an amount on account of a combined development incentive not exceeding

- a. 80% of the amount estimated by the Minister to be the amount of the combined development incentive or
- b. \$24,000 for each job that the Minister estimates will be created directly in the operation, whichever is the lesser amount and the remainder of the combined incentive shall be paid in such amounts and within such a period not longer than 42 months from the day facility or the expanded facility was brought into commercial production.

TAX PROVISIONS

An amount payable to an applicant on account of a development incentive under this Act is exempt of income tax.

GENERAL LIMITATIONS

Where in the opinion of the Minister, a development incentive could be provided under this Act, in respect of an undertaking, an agreement providing for a guarantee (loan and interest) may be entered into only if in the opinion of the Minister the approved capital costs of the undertaking would exceed

GENERAL LIMITATIONS (Cont'd)

- a. \$75,000 for each job that the Minister estimates would be created directly in the undertaking or
- b. \$30,000,000.

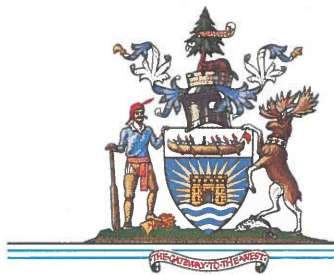
NOTE:

In Bill C-173, an Act re-organizing various departments of the government there is an interesting section relating to the Department of Regional Economic Expansion and its relationship to co-operation with the Provincial Governments.

One section reads as follows:

"The Minister may provide for the payment to a province of contributions in respect of the costs of the programs and projects to which the agreement relates and are to be undertaken by the government of the province or any agency thereof or any of those programs or projects and

- a. May provide that Canada and a province may procure the incorporation of one or more agencies or other bodies to be jointly controlled by Canada and the Province for the purpose of undertaking or implementing programs or projects to which the agreement relates or any part of such programs or projects."



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F E D E R A L A N D P R O V I N C I A L
I N C E N T I V E S T O I N D U S T R Y

This outline deals with major government incentives available to manufacturers. It is intended as a guide only, and appropriate authorities should be referred to for detailed information and confirmation.

Federal Incentives to be dealt with --

- (1) (IRDIA) Industrial Research and Development Incentives Act
- (2) Income Tax Allowances
- (3) (IRAP) Industrial Research Assistance Program
- (4) (PAIT) Program for the Advancement of Industrial Technology
- (5) Federal Sales Tax -- Exemption / Reduction
- (6) Customs Incentives
- (7) Tariff Relief -- Manufacturers
- (8) Dies and Moulds
- (9) Duty Drawbacks
- (10) Defence Production
 - (a) (DIR) Defence Industrial Research
 - (b) Defence Development Sharing Program
- (11) National Design Program
- (12) (BEAM) Building, Equipment, Accessories and Materials

O N T A R I O I N C E N T I V E P L A N

- (1) EQUALIZATION OF INDUSTRIAL OPPORTUNITY

The Development Bureau of the City of Thunder Bay is prepared to assist any firm seeking participation in any of these incentive plans.

(IRDIA) INDUSTRIAL RESEARCH AND DEVELOPMENT INCENTIVES ACT

Initiated March 1967. Taxable Canadian Corporations may apply for cash grants or credits against federal income tax equal to 25% of --

- (a) All capital expenditures (other than for land) incurred in the past fiscal year on research and development carried out in Canada; and
- (b) The increase in current expenditures in Canada for scientific research and development over the average of such expenditures in the preceding 5 years.

Grants made under the Act are not subject to Federal income tax and are in addition to the normal 100% deduction of all expenditures for scientific research under the Income Tax Act.

For details write: IRDIA
Department of Industry
Ottawa 4, Ontario

INCOME TAX ALLOWANCES

Under Section 72 of the Federal Income Tax Act a corporation may deduct from its income all expenditures of a current nature made in Canada for scientific research and all expenditures of a capital nature (for the acquisition of property other than land) for scientific research, in the year in which they were incurred.

In some cases, expenditures to develop, test and evaluate a prototype are considered as scientific research expenditures.

(IRAP) INDUSTRIAL RESEARCH ASSISTANCE PROGRAM

Program was initiated in 1962 by National Research Council. Assistance is in the form of grants on a 50-50 basis with industry, primarily for applied research and development up to, but not including, pre-engineering preparation for production.

Financial assistance is concentrated mainly of relatively long term research through the establishment of new industrial research teams or the expansion of existing research groups. Commercial security of industrial projects is maintained and all title and rights to research results are retained by industry.

For details, contact Secretary,
NRC Committee on Industrial
Research Assistance
National Research Council
Ottawa, Ontario

(PAIT) PROGRAM FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY

Direct financial assistance, administered by the Department of Industry, to stimulate sound industrial growth through the application of science and technology and upgrade technology and innovation in industry activity by underwriting specific development projects which involve a significant advance and if successful, offer good prospects for commercial exploitation.

Under the program, for Canadian companies undertaking development projects, the Department can share up to 50% of the cost of special equipment and prototypes.

When the projects have been successfully put into commercial use, the company will be required to repay the Department's contribution with interest, on an arranged basis. If the project is not commercially successful, the Department's contribution need not be repaid.

For details contact	PAIT Program Office
	Department of Industry
	Ottawa, Ontario

FEDERAL SALES TAX EXEMPTION/REDUCTION

Effective March 30, 1966, the following are exempt from federal sales tax when for use by manufacturers or producers directly in the manufacture or production of goods.

- (a) Dies, jigs, fixtures and moulds
- (b) Patterns for dies, jigs, fixtures and moulds
- (c) Tools for use in or attachment to production machinery that are for working materials by turning, milling, grinding, polishing, drilling, punching, boring, shaping, shearing, pressing or planing.

Effective June 2, 1967 the federal sales tax was removed on machinery and apparatus sold to or imported by manufacture or production of goods.

CUSTOM INCENTIVES

Canadian customs legislation contains a number of concessions favourable to domestic manufacturing activity - including -

(a) Tariff Relief

With the intention of encouraging processing operations in Canada, certain items may be imported duty free if used in the manufacture of merchandise in Canada.

The Minister of Finance can also authorize certain reductions in duty on a temporary basis.

(b) Dies, Moulds

Authority may be obtained to import into Canada on a temporary basis for a maximum of 12 months, plant equipment such as dies, moulds, patterns, and related jigs and fixtures, paying duty in Canada, subject to a minimum \$25.00 per entry.

(c) Duty Drawbacks

The customs Tariff includes several drawback items which permit the return of duty to the importer when materials, machinery or equipment are applied to specified uses. In addition, drawback provisions also apply in the case of goods imported for further processing in Canada and re-exported. In such circumstances, a 99% duty drawback is normally available.

DEFENCE PRODUCTION

(a) (DIR) DEFENCE INDUSTRIAL RESEARCH

Research projects are aided by the Defence Research Board to ensure no such worthwhile projects are abandoned through lack of funds.

(b) DEFENCE DEVELOPMENT SHARING PROGRAM

Encourages developments which have commercial defence export potential and is administered by the Department of Industry.

NATIONAL DESIGN PROGRAM

The object is to promote the improvement of design of Canadian products.

This is achieved by clinics and selection of well-designed products on which awards are made. Also in co-operation with industry encouragement is given in the form of scholarships and exhibitions to designing new products by professionals.

(BEAM) BUILDING EQUIPMENT, ACCESSORIES AND MATERIALS

Formulated by the Department of Industry, the program, in conjunction with the building equipment industry encourages increased productivity, efficiency, exchange of information, the adoption of modular co-ordination in the manufacture of building material, and the adoption of universal building codes.

Further information

The Director
Materials Branch
Department of Industry
Ottawa, Ontario

T H U N D E R B A Y , O N T A R I O C A N A D A
M I D - C A N A D A D E V E L O P M E N T C O R R I D O R
C O N C E P T

The first Conference to investigate the feasibility of developing another coast-to-coast strip of land in Canada's Mid-North took place at Lakehead University, Thunder Bay, August 18 - 22, 1969.

This first step is a long-term plan of development to open up vast, inhabitable but untapped, potentially rich natural resources.

Problems are being attacked in a systematic manner and long-held ideas that extracting the northern natural resources economically was impossible are being rapidly discarded.

One hundred twenty-five industrialists, economists, and academics discussed and argued the pros and cons of the initial concept at this week-long conference.

Since then, members assigned to special Task Forces have spent 60,000 man-hours travelling 1,000,000 man-miles travelling and examining the 4,000 mile arc stretching from coast to coast and 200 - 500 miles wide, and known as the "boreal forest" of Canada.

Officials have also visited Scandinavia and the Soviet Union gathering information for further research.

A final Report of the Conference and travels is now prepared and in the hands of the Federal and Provincial Governments.

No ready-made answers are forthcoming but step by step progress is being made. The plan is long term -- aiming at the need in the year 2000 for more space to settle an ever increasing population demanding job opportunities and the necessities of life.

THUNDER BAY, being the only city in the entire corridor, stands to gain substantially from the initiation of this pioneering effort.