

level of a grant which might be paid to any particular company (up to a defined maximum) is determined by the economic impact of the investment and its relationship to the over-all project.

The Research and Productivity Council was established primarily to provide a source of technical support services for New Brunswick industry. The Council maintains a well-equipped centre for engineering and problem-solving, industrial research and development, and management consulting. RPC carries out research and problem-solving on a cost-recovery basis for clients in Canada and abroad. An industrial engineering service is made available to New Brunswick (and Prince Edward Island) companies by RPC through a National Research Council contract. In addition, the National Research Council, in co-operation with RPC, provides free technical information and assistance to New Brunswick (and PEI) companies.

**Quebec.** In 1971 legislation dealing with financial aid to industry was combined under two Acts: Bill 20, the Quebec Industrial Development Assistance Act, which created the Quebec Industrial Development Corporation; and Bill 21, "an Act to promote industrial development through fiscal advantages". The aim of these programs is to help transform Quebec's industrial structure through aid to high-technology industries and to encourage existing industries to consolidate their production facilities while adapting them to modern techniques to improve their competitive position. Moreover, companies unable to obtain financial assistance at reasonable rates elsewhere are eligible for aid under these programs if it would contribute to the economic development of the province or any of its regions. The amount of assistance granted depends on the area, the kind of goods manufactured and the production techniques used.

The Industrial Development Corporation may grant financial assistance to a manufacturing establishment making a capital investment for construction; purchasing or expanding a plant or factory; investing in machinery, tools or equipment; purchasing licences or patents; or improving the financial organization of the business. Depending on the nature or needs of the company concerned, the assistance may take various forms: loans at lower-than-market interest rates; assumption of part of the costs of a loan; exemption from repayment of part of the loans which the business has contracted with the Corporation subject to meeting certain criteria as to productivity and the creation of new jobs; purchase, by the Corporation, of buildings or machinery for resale or rental to a manufacturer; and purchase of shares of any manufacturing industry up to a maximum of 50% of the paid-up capital stock of the company but not more than 30% of the total assets.

Under the Act to promote industrial development through fiscal advantages (Bill 21), the government may grant a reduction in income tax on corporation profits from any investment in Quebec by manufacturers provided the amount of the investment is at least \$150,000. Permissible investments are for building or expansion of plants or factories or for the purchase of new machinery, tools or equipment. In computing their profits, approved companies may deduct up to 30%, 50% or 100% of their investment depending on the region in which the investment is made.

A manufacturing or processing plant selling and delivering part of its Quebec production outside the province may receive exemption from provincial sales tax on goods purchased for its use or consumption in the proportion that its out-of-province sales bears to its total sales for the year. Under the same program, a business may be exempt from provincial sales tax on gas or electricity used directly for processing. Moreover, the manufacturer is entitled to a partial reimbursement of sales tax paid on construction materials used in his industrial buildings.

A manufacturing firm may also receive total repayment of the tax paid on gasoline or diesel fuel if the fuel is used to operate machinery or as a raw material in the manufacture of certain products. Industrial machinery used in Quebec for manufacturing or processing is also exempt from provincial sales tax.

For a number of years the provincial government has sought to find easier access to export markets for Quebec producers. To this end, through its International Services Branch, the Department of Trade and Industry has economic advisers attached to its delegations and offices abroad, provides financial and technical assistance to firms wishing to participate in industrial shows, organizes trade missions and provides information on export techniques and the various aspects of external trade. In addition, recent amendments to the Quebec Industrial Development Act permit the Industrial Development Corporation to grant financial assistance