

18.5.4 New Brunswick

The commerce and development department is responsible for developing manufacturing and processing in the provincial economy. Its aims are to support and strengthen existing industries, attract new industry, increase the quality of employment, expand the tax base, maintain or improve social or environmental quality and alleviate regional disparities.

An investment management branch makes recommendations on applications for financial assistance to industries wishing to locate in the province and to industries planning to expand. An industrial development branch is responsible for attracting new industries to New Brunswick. A regional development division is responsible for liaison on federal-provincial development agreements, capital expenditures in provincial industrial parks agreements, capital expenditures in provincial industrial parks and with regional industrial development commissions. A commerce and industry services branch provides management, technical and product improvement services to industry; develops markets for manufactured or processed products; develops local processing of resources; and provides management, technical and financial services to industries in danger of failure. A planning branch evaluates cost-effectiveness of departmental programs and develops and modifies programs.

Three agencies associated with the department report to the commerce and development minister. The New Brunswick industrial development board recommends financial assistance to manufacturers or processors, normally through a direct loan or loan guarantee. Terms and conditions are subject to individual negotiation but specifically require the applicant to provide reasonable equity and security. Provincial Holdings Ltd., a Crown corporation, administers the province's equity position in various companies. This agency is prepared to take an equity position in manufacturing industries wishing to locate in New Brunswick. The research and productivity council (RPC) provides technical support services for New Brunswick industry. RPC carries out research and problem-solving on a cost-recovery basis for clients in Canada and abroad. An industrial engineering service and free technical information are made available to NB (and PEI) companies by RPC in co-operation with the National Research Council.

18.5.5 Quebec

Quebec assistance to manufacturers is provided mainly through the Industrial Development Corp. The corporation's aims are to help transform Quebec's industrial structure through aid to high-technology industries, and to encourage existing industries to consolidate production facilities while adapting to modern techniques to improve their competitive position. Companies unable to obtain financial assistance at reasonable rates elsewhere may obtain aid if their operation contributes to the economic development of the province or any of its regions. Corporation assistance may also be granted to small manufacturing firms toward capital investment to build, buy, renovate or expand plants, buy land, machinery, tools or equipment and facilities, purchase or develop patents, improve the financial organization of the company or purchase shares in manufacturing or commercial firms. Assistance may take various forms: loans at market interest rates; assumption of part of the costs of loans; repayment of part of the loans provided the company meets certain criteria; and purchase of part of a company's capital stock, provided the corporation at no time holds a majority of the capital stock or holds shares which bring its total investment in shares in such companies to more than 30% of its total assets.

The corporation also developed a program for companies exporting goods manufactured in Quebec by providing financing, loan underwriting, interest allowances on short-term credit, and funds for establishing foreign branches.

Three programs of the industry and commerce department come under the Act respecting Fiscal Incentives to Industrial Development (Bill 48). An industrial incentives fund enables small and medium-sized companies to plan expansion, and encourages reinvestment of their profits. This continuing program enables companies with 200 or fewer employees, assets of less than \$7.5 million and at least 50% of their