

tourism development. The forms this assistance takes are in line with the General Agreement on Tariffs and Trade (GATT) standards and criteria or correspond to those foreseeable within the framework of a possible free-trade agreement between Canada and the United States. The government of Quebec adopted a formula for risk-sharing with businesses carrying out new projects; assistance is given in the form of unsecured loans for a maximum of 10 years, with the possibility of a set interest rate for part of the term. The company enjoys a moratorium on repayment of capital and interest for a maximum of three years, with the interest capitalized over that period. In addition, the company is offered two repayment plans, one of which relates more specifically to the profitability of the project. In general, companies must submit projects whose size is significant in the context of their overall activities and which are aimed at a strongly growing market.

The investment assistance program is aimed more specifically at manufacturing and recycling companies, companies providing computer and software services, and research laboratories. Under this program, financial assistance is available to businesses that plan to carry out projects involving the manufacture or provision of goods and services which have good market potential and using the most recent production technology.

The program for funding manufacturing companies provides, on a more limited basis, financial assistance to companies that cannot obtain appropriate financing from financial institutions.

The Quebec government also takes special action to help innovative companies oriented toward high-technology markets through its new program of assistance for research and innovation activities. This program is aimed at companies which plan to carry out projects, in Quebec, that focus directly on profitable commercial applications and would have significant economic and technological impact. Companies wishing to increase their activities outside Quebec can obtain assistance through the export assistance program.

In addition to the action taken by the SDI with respect to businesses, a number of more general measures and services have been established to promote the development of a climate favourable to business growth. Through its fiscal policy, the Quebec government helps ensure that large amounts of capital are available to both public and private companies.

Since 1979, the Quebec stock savings plan (REA) enables taxpayers to build a portfolio by exempting from tax part of the amount invested in shares newly issued by a corporation, thus making large sums available to companies established in Quebec. Employees subscribing to share issues of their employers that are eligible under REA have an additional 25% deduction on the amount of their purchases.

In 1986, the Quebec government introduced a new measure to promote the creation of new companies. The companies are exempted from taxes on profits and capital for their first three taxation years. This exemption applies to the first \$200,000 in taxable income earned each year and to the first \$2 million in capital contributed. A tax credit is also offered to companies engaged in research and development projects.

Industries in Quebec that consume massive amounts of electricity also have benefits such as Hydro-Quebec's rate stabilization and rate discount programs.

Ontario. The Ontario Ministry of Industry, Trade and Technology accelerates introduction and application of new manufacturing technology; assists in product innovation and commercialization of new products and processes; promotes investment, both domestic and foreign; draws more companies into exporting; supports trade through international offices, trade shows, missions and the export success fund; promotes and assists the formation of small businesses and encourages expansion of the domestic market by identifying domestic sources of supply; and supports the growth of productive and stable employment in consultation and partnership with the private sector.

The ministry arranges for Ontario participation at trade fairs and exhibitions, organizes trade missions and business opportunity missions, conducts seminars, supplies information on agents and distributors and works closely with trading houses.

A program initiated in 1980 provides funding for hiring Ontario business or marketing grads to help exporters develop or expand their international marketing efforts.

The Ontario International Corp. (OIC) is a marketing agency for the government in Ontario. It explores world market opportunities for private sector service industries and public sector agencies in the development of major capital projects abroad. Its educational services division seeks markets for Ontario's education resources and services. OIC is not a funding agency. It