

ventional lenders and, in practice, the corporation must be satisfied that the funds required could not be obtained from conventional sources on reasonable terms and conditions. In addition to financial aid, the NBDC offers free research and investigative services to assist companies setting up initially or expanding and provides a range of after-care services.

The New Brunswick Industrial Finance Board was set up to provide financial assistance to manufacturers or processors in the province. Such assistance normally takes the form of a bank loan guarantee. Terms and conditions are subject to individual negotiation but specifically require the applicant to provide reasonable equity and security in the form of a first charge on assets. The Board is considered to be a lender of last resort and the applicant must, therefore, have unsuccessfully approached normal conventional lenders.

Provincial Holdings Limited was established by the New Brunswick government as a Crown corporation to hold and administer 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 extent of the equity taken by Provincial Holdings is negotiable and depends on various factors in a particular proposal.

The New Brunswick Multiplex Corporation was established by the federal and provincial governments to promote and implement the establishment of a metal-working complex in and around Saint John. The project incorporates a relatively new industrial development concept — the planned establishment of a group of main manufacturing plants along with the associated ancillary industries. The principal financial incentives available for companies investing in the metal-working complex are administered by the federal Department of Regional Economic Expansion and consist of capital grants and loan guarantees. The actual 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 reorganize the production facilities of existing industries to improve their competitive position. 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 30% of the paid-up capital stock of the company.

Under 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.