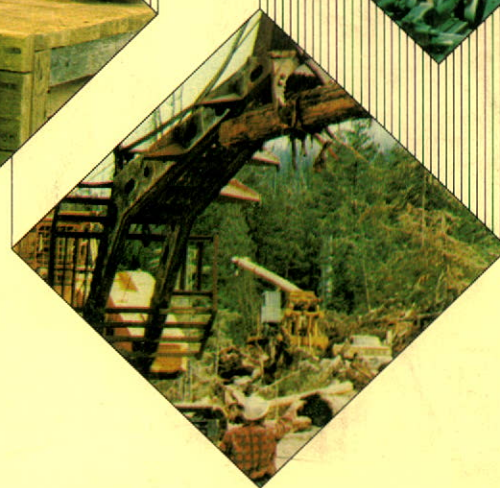
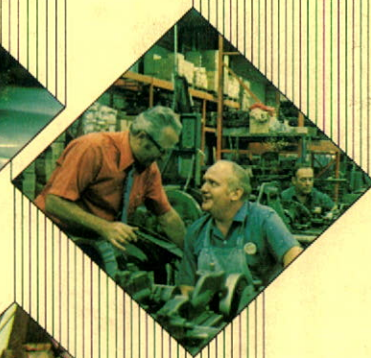
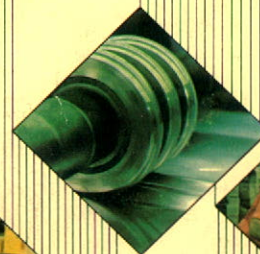




**Quebec Industrial
Development
Corporation**



Annual Report
March 31, 1976

Highlights
March 31st, 1976

1

	1976	1975
Total commitments for the year	\$ 63,525,038	\$ 72,461,218
Net revenue (net loss) for the year	(445,945)	3,861,426
Number of financial assistance grants	257	197
Number of firms assisted	193	147
Loans at current market rates	69	80
Assumptions of part of loan costs	174	91
Purchases of share capital	12	17
Loans and investments outstanding	85,609,604	75,258,392
Investments related to Q.I.D.C. assistance since June 1, 1971	1,055,069,858	921,798,652

Members of the Board of Directors at March 31, 1976

Marcel Bergeron
Québec

Marcel Bundock
Drummondville

Guy Desmarais
Montréal

Ghislain Hawey
Québec

Yvan Jacques
Québec

***Jean Labonté**
Montréal

Louis Lacroix
Rivière-du-Loup

Paul F. McDonald
Montréal

****Jean-Michel Paris**
Montréal

***Paul René De Cotret**
Trois-Rivières

Lucien Saulnier
Montréal

Jacques Sincennes
Plessisville

Assistant Deputy Minister
Department of Industry and Commerce

President
Eastern Paper Box & Tube Company

President
Geoffrion, Robert & Gélinas Ltée

Chartered Accountant
Fortier, Hawey & Associés

Assistant Deputy Minister
Department of Agriculture of Québec

President and General Manager
Québec Industrial Development Corporation

Lawyer

Secretary
Brinco Ltd.

Assistant General Manager
Québec Deposit and Investment Fund

Chartered Accountant
René de Cotret, Saint-Arnaud & Associés

Special Adviser
Executive Council

President
Forano Limited

* Member of the Executive Committee

**Member of the Executive Committee and Vice-President of the Q.I.D.C.

MANAGEMENT

Jean Labonté
Richard L. Fiset
Terrence Griffin
André Fortin

DIVISIONS

René Boutet, Q.C.
Gaston Carrière
Claude Meunier
Jean Meguerditchian
Léo Martin

MONTREAL OFFICE

Yvon Marcil
Pierre Darche
François Meinier
Oleg Revenko

QUEBEC OFFICE AND HEAD OFFICE

Michel Desrochers
Jocelyn Lebel
Jean-Claude Lafleur

President and General Manager
Assistant to the General Manager (Montréal)
Assistant to the General Manager (Québec)
Secretary

Assistant to the General Manager — Legal Affairs
Treasurer
Manager, Insurance Department
Manager, Economics Division
Personnel Manager

Regional Manager
Senior Financial Analyst
Senior Financial Analyst
Senior Financial Analyst
Assistance to Exports

Stock Exchange Tower
Suite 4205
Montréal, Québec
H4Z 1E8
Tel.: (514) 873-4375

Regional Manager
Senior Financial Analyst
Senior Financial Analyst

1126 Chemin Saint-Louis
Room 700
Sillery, Québec
G1S 1E5
Tel.: (418) 643-5172

Montréal, June 1, 1976

The Honourable Guy Saint-Pierre
Minister of Industry and Commerce,
Québec.

Sir:

In accordance with the provisions of the Act creating the Québec Industrial Development Corporation, I have the honour, as president of the Corporation, of submitting herewith our report for the fiscal year ended March 31, 1976.

In compliance with the Financial Administration Act, this report includes the Corporation's balance sheet and financial statements duly certified by the Auditor General.

Yours faithfully,

Jean Labonté
President and
General Manager



**Quebec Industrial
Development Corporation**

Year end review

The Q.I.D.C. pursued its mission of fostering economic development by granting financial assistance to 193 firms during fiscal 1975/76. Total commitments under all types of assistance amounted to \$63,525,038, compared to \$72,461,218 for the preceding year.

This decrease is partly the result of current economic conditions, of the Corporation's involvement in a major project last year and of the Québec government's expressed intention of restricting the capital outlays of its departments and agencies in an effort to reduce government expenditures.

As evidenced by the statistical data provided in the following pages, the major recipients of assistance were in those sectors which were most likely to bring about fundamental changes in Québec's industrial structure. This reflects the Corporation's concern to fulfill the mandate entrusted to it by the government authorities.

The objective of increasing participation by Quebecers in the economic mainstream is another feature of the Q.I.D.C.'s activities. Accordingly, it is to be noted that the majority of Corporation involvements related to small and medium-sized firms whose ultimate shareholders are Québec residents.

Furthermore, the inherent conditions governing the provision of assistance by the Corporation enabled the latter to achieve greater efficiency in its endeavours to effect fuller integration of foreign companies investing in Québec. Inter-industrial spin-offs and their multiplier effects on other sectors of economic activity are increasingly noticeable.

Finally, new departures at the exports assistance level have improved the effectiveness of this assistance mechanism. Thirteen firms shared total grants of \$2,621,800 and the number of dossiers under examination with respect to this program is growing rapidly. This effort to expand export markets will play an ever increasing role in the development of small and medium-sized firms.

At the end of March 1976, 1200 Québec companies were benefiting from financial assistance by the Corporation, for a total amount of \$311,194,256. These moneys were used to establish, expand and develop investment projects representing \$1,055,000,000.

Prospects

Québec's economic prospects for 1976 seem rather promising, compared to the major part of 1975. Insofar as the Q.I.D.C. is concerned, its prospects are closely dependent on the overall economic condition, its growth potential being limited only by budgetary restrictions. Indeed, during a period of rapid rises in investments, the Corporation requires large appropriations if it is to channel such investments towards the most profitable sectors for Québec. Its action must also be anti-cyclical and it still seems advisable to support vigorously a climate of investment in the industrial sector during periods of depressed economic activity.

Therefore, it is important to ensure a follow-through of such an action by the creation of extensive programs designed to develop new outlets in foreign markets, to promote an increase in productivity and to stimulate the establishment and expansion of modern industries providing the types of jobs that appeal to Quebecers.

Directors and personnel

During the course of the year, certain changes occurred in the Board of Directors. Mr. Paul Gourdeau resigned. His contribution was most valuable and we wish to thank him for it. Chosen to succeed him on the Board was Mr. Marcel Bundock, president of the Québec Group of Enterprises, whose participation is most welcome.

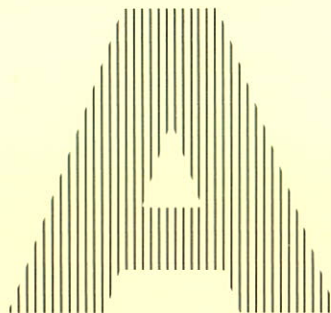
During the second half of the year, Mr. Lucien Saulnier resigned as President of the Corporation, a position in which he had rendered highly valuable services. His wide experience and very sound judgment helped to set the Corporation on a course and endow it with a vitality that will make the task easier for his successors. We are pleased that he has agreed to carry on as a member of the Board.

At year end, Mr. Richard L. Fiset advised us of his decision to continue his career in the public service as Québec Delegate to Germany. Wishing him all possible success in his new duties, we thank him for the efficiency and dedication with which he contributed to the creation and development of the Q.I.D.C. over these several years.

Our thanks are also extended to the Corporation's entire staff, whose competence and hard work enabled it to provide a high standard of services to Québec's industry.

If results achieved so far are a measure of the future, there is every reason to expect that the Québec Industrial Development Corporation will meet all of its objectives.

Program A



In order to promote the establishment and expansion of fast-growth, high-productivity industries, the Q.I.D.C. granted generous assistance to manufacturing firms that:

“invest in the province of Québec in making use of advanced technology to manufacture a newly-conceived product, a product not yet manufactured in the province of Québec or a product whose production on a competitive basis in the province of Québec is insufficient in relation to domestic or international markets which offer prospects of continuous, significant growth”.

From year to year, the number of such projects having substantial multiplier effects on other economic activities has been growing.

Highlights

	1976	1975
Number of assistance grants	193	141
Commitments	\$47,174,068	\$53,495,423
Assumption of part of loan costs	144	81
Purchases of share capital	9	9
Subscriptions to share capital	\$5,499,831	\$3,259,925
Main industrial groups involved	Metal fabricating Machinery Chemical products Transportation equipment	Metal fabricating Rubber Primary metals Transportation equipment
Jobs directly created	4,748	5,337
Certificates under the Act to promote industrial development through fiscal advantages	119	103

List of companies that accepted preferential financial assistance during the last fiscal year

A. A. L. Metal Inc.
 A. C. Plastics Inc.
 Aircraft Welding & Sheet Metal Co. Ltd.
 Alma Mecanic Inc.
 Alpha Stainless Steel Fabricators Inc. et Wolfab Industries Ltd.
 Anachemia Chemicals Ltd.
 Arcan Eastern Limited et Mastorak Limited
 Artwood Panel Board Inc.
 Atlas Hoist & Body Inc.
 Ayer's Cliff Industries Ltd.

B & R Choinière Ltée
 Beauce Fibre de Verre Inc.
 Bermatex Inc.
 Bijoux C.L.R. Ltée
 Biraghi-Entreprose Ltée
 Bombardier Limitée
 Brique Antique Ltée

Canada Metal Co. Ltd.
 Canadian Steelplast Limited
 Canadian Vickers Limited
 Canron Limitée
 Charcuterie Roy Inc.
 Cobra Friction Products Ltd. et Canadian Johns-Manville Ltd.
 Cogan Wire & Metal Products (1974) Ltd.
 Compagnie de Papier Rolland Ltée
 Conduits Condell Ltée

Daigle Aqua Inc.

Darling Duro Limitée
 De Muth Products (Canada) Limitée
 Designers Circle (Montreal) Inc.
 Devden Industries Limited
 Didier, Corporation de Produits Réfractaires
 Digital Magnetics Inc. et Core Data Products Ltd.
 Distex Canadienne Ltée
 Dominion Textile Limitée
 Draco Ltée
 Drainbec Inc.
 Duchesne & Fils Ltée

Eddy Jalbert Inc.
 Electrolier Corporation
 Elite Metal Ltée
 Erco Industries Limited
 Essel Optique Canada Ltée

Farrenite Canada Ltée
 Fenêtres et Vitraux C.M. Ltée et Société M. Hofman et C. Draca
 Fertek Inc.
 Folland Enertec Ltée
 Fonderie de Thetford (1969) Inc.
 Fonderie Magog Limitée
 Fonderie Ste-Croix Ltée
 Fontac Inc.
 Forex-Leroy Inc.
 Forged Steel Valve Manufacturing Co. Ltd.
 Formex Ltée
 Fournier Steel Works Ltd.

Garant Inc.
 Giant Electric Manufacturing Co. Limited
 Granby Steel Tanks Inc.

Hagen Industries Ltd.
 Hamelin Entreprises Inc.
 Henkel Chemicals (Canada) Ltd.
 Hercules Canada Ltd.
 Hoplab Inc.
 Hurtsteel Products Ltd.

Ideal Equipment Co. Ltd.
 Industrial Fasteners Limited
 Industries Couture Ltée
 Infranor Canada Inc.
 Institut de Bio-Endocrinologie Inc.
 Inteltron Limitée
 Invar Industries Limited

Jenkins Bros. Limited

La Cidrerie du Québec Ltée
 Laiterie Cité Ltée
 Les Aciers Canam Inc.
 Les Aliments Nash (Québec) Ltée
 Les Ateliers Bisaillon Inc.
 Les Bâtisses d'Acier Hercule Ltée
 Les Entreprises de Métal de l'Estrie Inc.
 Les Équipements Hardy Inc.
 Les Équipements Laporte Inc.
 Les Industries du Hockey Canadien (1975) Inc.
 Les Industries Plastifab Inc.

Les Industries Provinciales Limitée
 Les Industries P.H.L. Inc.
 Les Industries Saguenay Ltée
 Les Industries Vadco Inc.
 Les Manufacturiers de Précision de Beauce Ltée
 Les Meubles Carrier Inc.
 Les Plastiques Bou-Chell Inc.
 Les Produits Blanchet Inc.
 Les Produits Chimiques Aldex Cie Ltée
 Les Produits d'Acier Welfab Ltée
 Les Produits Marcono Ltée
 Les Produits White Star du Canada Ltée
 Les Tapis Maxime Ltd.
 Lessard Machineries Inc.
 Liberty Brand Products Inc.
 Literie Ruban Bleu du Canada Ltée
 Lodding Limited
 Lynn MacLeod Engineering Supplies Ltd.
 L.P. Royer

Machinerie Industrielle Proceco Ltée
 Marine Industrie Limitée
 Mendes Inc.
 Mercico Inc.
 Metalworks Limited
 MLW-Worthington Limitée
 Modern Kitchen Equipment Co. Ltd.
 Modern Plastic Co. Ltd.
 Mono-Lino Inc.
 Mulco Inc.

National Vintex Corp.

Panelbilt du Canada Ltée
 Panlou Inc.
 P. Bernard Équipement Cie Ltée
 Peak Supervision Controls Ltd.
 Peintures M.F. (1972) Inc.
 Phentex Inc.
 Pierre Thibault (1972) Ltée
 Potton Chemicals Limited
 Prelco Ltd.
 Produits Chimiques G. H. Ltée
 Promecam Industrielle Internationale Limitée
 Punchmaster Limited

Quebec Gear Works Limited

Reichhold Chemicals et Sears Limited
 Rio Algom Ltd.
 Robiplas Ltée
 Rocacier Ltée
 Roger Bureau Ltée

Sachs Canada Ltd.
 Sanco Plastics Ltd.
 Sani-Marc Inc.
 Saro Metal Inc.
 Sea Gliders Inc.
 Sivaco Wire & Nail Company Inc.
 Société d'Aluminium Reynolds (Canada) Limitée
 Sometal Atlantic Ltée
 Soniplastics Compagnie Ltée
 Sopamco Inc.
 Soudure Industrielle de St-Jean Ltée

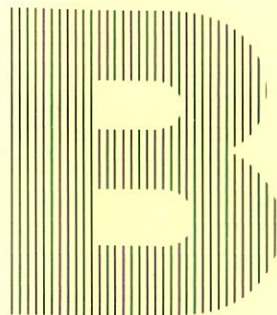
Stemac Manufacturing Ltée
 Steps Inc.
 Sterling Rubber Limited et Casgrain &
 Charbonneau
 Swabette Limitée
 Systèmes Ada-Bec Ltée

Technimeca Ltd.
 The Hughes-Owens Company (Limited)
 Transparent Garment Cover Co.
 Tri-Steel Fabricators Ltd.

United Cutting Dies Ltd.
 Universal Wire & Cable Co. Ltd., Helia Realty
 Corp. et Baer Corp.
 Urecon Ltée

Velan Engineering Ltd.
 Venchem Ltd.
 V. Lacasse Ltée et Les Placements V. Lacasse
 Ltée

Welkin Manufacturing Co. Ltd.



In order to promote the growth and competitive capabilities of firms under Québec resident control, the Q.I.D.C. offers financial assistance to those which:

“consolidate their means of production or pool their operations in whole or in part so as to become more competitive and increase their share of the market and, for such purposes, amalgamate with one another, acquire other businesses or their means of production or pool their resources or interests in any other manner”.

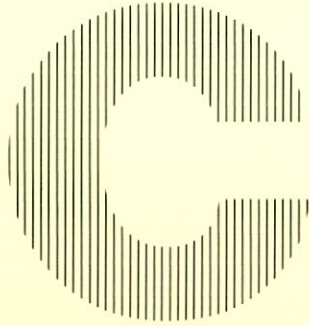
Q.I.D.C. assistance is of special benefit to firms belonging to the more traditional industrial groups and enables them to rationalize their resources with a view to gaining access to broader markets:

**List of companies
that accepted
preferential financial assistance
during the last fiscal year**

Highlights

	1976	1975
Number of assistance grants	29	15
Commitments	\$9,105,900	\$3,942,650
Assumption of part of loan costs	19	9
Loans	9	4
Main industrial groups involved	Food and beverages Transportation equipment Wood products	Food and beverages Wood products Furniture

Boulangerie Pelletier (1975) Ltée
Boulangerie Samson Inc.
Dieco Inc.
Geltex Ltée et Canada Flushwood Door Mfg. Ltd.
Gestion Durivage-Robin Inc.
La Compagnie R. A. Lajoie Ltée
Lépine-Laurier Inc. et Lépine Pesner Inc.
Les Installations Modulaires D.M. Inc. et Fabrication
Modulaire D.M. Inc.
Manna Limitée et Natur Inc.
MLW-Worthington Limitée
Nutribec Ltée
Pacific Mobile Corporation
Paunard Inc. et Lithographie Internationale Inc.
Rodrigue Metal Ltée
Tabago Furniture Ltd. et H. P. Cyrenne Ltée
Vitrerie D.C. Limitée



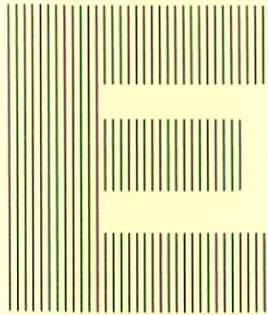
Financial assistance by the Q.I.D.C. in favour of small and medium-sized manufacturing concerns is requested when:

“although profitable, (they are) unable to obtain financial assistance otherwise at reasonable rates and on reasonable conditions, and would contribute more effectively to the economic development of the province of Québec, or any of its regions, if they obtained financial assistance”.

The improvement of the firm's financial structure is one of the objectives of the financial assistance provided by the Corporation.

Highlights

	1976	1975
Number of cases	22	40
Commitments	\$4,623,270	\$15,715,345
Main industrial groups involved	Metal fabricating Food and beverages	Wood products Food and beverages Metal fabricating
Jobs directly created	382	528



Becoming more and more familiar, this program of the Corporation offers financial assistance:

“to manufacturing or commercial businesses which, in accordance with the regulations, export products manufactured in the Province of Québec”.

Complementing the other three programs, assistance to exports has taken various forms (loans, loan guarantees, assumption of part of the cost of loans contracted). This program showed considerable growth.

Highlights

	1976	1975
Number of cases	13	1
Commitments	\$2,621,800	\$135,000
Assumption of part of the cost of the loan	11	1
Main industrial groups involved	Metal fabricating Furniture	

List of companies that accepted preferential financial assistance during the last fiscal year

Atlas Hoist & Body Inc.
Cimon Limitée
La Confiserie Comète Ltée
Mulco Inc.
Produits Aqua Sport Canada Ltée
Safeway (Québec) Inc.
Systèmes Ada-Bec Ltée
Tabago Meubles Ltée
Techmire Ltée

Breakdown of Monies Committed under Paragraphs A, B and C and 2nd Paragraph of Section 2 of the Québec Industrial Development Assistance Act by Type of Assistance

From April 1, 1975 to March 31, 1976

	Loans at Current Interest Rates		Loan Guarantees		Assumption of Part of Loan Costs		Equity Capital Subscriptions	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
A	39	11,115,395.	1	5,000,000.	144	25,558,842.	9	5,499,831.
B	9	3,805,000.	—	—	19	5,200,900.	1	100,000.
C	20	3,873,270.	—	—	—	—	2	750,000.
E	1	100,000.	1	900,000.	11	1,621,800.	—	—
	69	18,893,665.	2	5,900,000.	174	32,381,542.	12	6,349,831.

Breakdown of Monies Committed under Paragraphs A, B, C and 2nd Paragraph of Section 2 of the Québec Industrial Development Assistance Act by Type of Assistance

Cumulative figures as at March 31, 1976

Loans at Current Interest Rates			Loans at Reduced Interest Rates		Assumption of Part of Loan Costs		Exemption from Repayment of Parts of Loans		Equity Capital Subscriptions	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
A	55	14,642,353.	121	51,468,275.	312	104,386,990.	18	2,798,000.	27	10,091,479.
B	11	5,405,000.	16	6,334,550.	41	8,796,050.	5	668,471.	4	1,600,000.
C	565	77,769,595.	—	—	—	—	—	—	13	3,280,470.
E	1	100,000.	—	—	12	1,756,800.	—	—	—	—
	632	97,916,948.	137	57,802,825.	365	114,939,840.	23	3,466,471.	44	14,971,949.

Breakdown of Monies Committed by Region and Type of Assistance

From April 1, 1975 to March 31, 1976

	Loans at Current Interest Rates		Loan Guarantees		Assumption of Part of Loan Costs		Equity Capital Subscriptions	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Lower St. Lawrence — Gaspé	1	310,000.	—	—	3	469,500.	—	—
Saguenay — Lake St. John	3	500,000.	—	—	5	551,600.	—	—
Québec City	27	7,955,970.	—	—	34	4,476,977.	—	—
North Shore	1	1,500,000.	—	—	—	—	1	150,000.
Trois-Rivières	9	2,640,200.	1	5,000,000.	15	3,362,575.	3	1,524,825.
Eastern Townships	1	50,000.	—	—	5	1,297,050.	—	—
Montréal	27	5,937,495.	1	900,000.	110	19,697,840.	7	2,975,006.
Ottawa Valley	—	—	—	—	1	126,000.	—	—
Northwest Québec	—	—	—	—	1	2,400,000.	1	1,700,000.
	69	18,893,665.	2	5,900,000.	174	32,381,542.	12	6,349,831.

Breakdown of Monies Committed by Industry Group and Type of Assistance

From April 1, 1975 to March 31, 1976

Industry groups	Loans at Current Interest Rates		Loan Guarantees		Assumption of Part of Loan Costs		Equity Capital Subscription	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Food and beverages	4	1,050,000.	—	—	10	2,070,550.	—	—
Tobacco	—	—	—	—	—	—	—	—
Rubber	3	439,400.	—	—	14	786,357.	—	—
Leather	1	50,000	—	—	1	42,700.	—	—
Textiles	2	700,000.	—	—	5	697,900.	—	—
Knitted goods	—	—	—	—	—	—	—	—
Clothing	—	—	—	—	—	—	—	—
Wood products	9	2,725,320.	1	900,000.	6	3,199,200.	2	1,850,000.
Furniture and fixtures	3	785,000.	—	—	9	1,334,700.	—	—
Paper and allied products	—	—	—	—	5	1,413,500.	1	1.
Printing	1	180,000.	—	—	2	65,600.	—	—
Primary metals	4	3,965,000.	—	—	6	2,538,300.	1	24,825.
Metal fabricating	8	1,097,300.	—	—	37	2,976,900.	—	—
Machinery	14	2,765,000.	—	—	24	2,309,285.	3	450,000.
Transportation equipment	9	2,719,700.	—	—	15	4,952,300.	—	—
Electrical products	5	1,192,745.	—	—	8	1,242,400.	3	2,600,005.
Non-metallic mineral products	1	99,000	1	5,000,000	5	2,405,750.	1	1,350,000.
Petroleum products	—	—	—	—	1	37,500.	—	—
Chemical products	4	660,000.	—	—	18	5,804,700.	1	75,000.
Miscellaneous industries	1	465,200.	—	—	8	503,900.	—	—
	69	18,893,665.	2	5,900,000	174	32,381,542.	12	6,349,831.

Breakdown of Monies Committed by Industry Group and Type of Assistance

Cumulative to March 31, 1976

Industry groups	Loans at Current Interest Rates		Loans at Reduced Interest Rates		Assumption of Part of Loan Costs		Exemption from Repayment of Parts of Loans		Equity Capital Subscriptions	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Food and beverages	85	15,026,990.	15	5,448,000.	30	6,793,950.	1	50,000.	2	1,010,000.
Tobacco	1	250,000.	—	—	—	—	—	—	—	—
Rubber	18	3,689,400.	10	2,136,500.	33	11,976,957.	3	176,700.	3	575,000.
Leather	16	1,396,000.	1	900,000.	1	42,700.	—	—	—	—
Textiles	20	3,109,950.	2	450,000.	12	7,554,900.	—	—	—	—
Knitted goods	7	1,869,700.	—	—	—	—	—	—	1	45,000.
Clothing	15	1,228,400.	2	1,800,000.	1	150,000.	—	—	—	—
Wood products	122	17,221,895.	8	3,190,000.	18	4,177,350.	—	—	4	2,100,500.
Furniture and fixtures	37	3,966,073.	2	320,775.	17	2,498,150.	—	—	—	—
Paper and allied products	8	8,633,000.	2	640,000.	11	3,127,625.	—	—	3	1,850,001.
Printing	22	1,644,975.	2	711,000.	4	249,100.	—	—	—	—
Primary metals	14	5,729,150.	3	2,700,000.	22	31,116,200.	2	387,500.	1	24,825.
Metal fabricating	78	9,423,500.	22	7,898,850.	55	4,668,770.	3	395,000.	—	—
Machinery	32	5,137,000.	17	6,065,000.	40	4,041,375.	3	350,000.	8	1,854,925.
Transportation equipment	40	6,596,770.	13	9,356,150.	3	8,791,817.	2	53,000.	3	150,000.
Electrical products	27	4,482,645.	20	10,096,000.	24	4,930,500.	4	1,345,800.	13	5,290,698.
Non-metallic mineral products	32	2,545,470.	4	986,800.	11	3,727,850.	1	68,471.	4	1,971,000.
Petroleum products	—	—	—	—	2	1,037,500.	—	—	—	—
Chemical products	25	2,381,180.	8	3,103,750.	35	19,397,250.	3	565,000.	2	100,000.
Miscellaneous industries	33	3,584,850.	6	2,000,000.	18	1,142,846.	1	75,000.	—	—
	632	97,916,948	137	57,802,825	365	114,939,840.	23	3,466,471.	44	14,971,949.

Breakdown of Investments Related to Q.I.D.C. Assistance by Industrial Groups

From April 1, 1975 to March 31, 1976

Industry groups	Number of projects	Investments
Food and beverages	14	\$ 4,855,541.
Tobacco	—	—
Rubber	15	4,828,400.
Leather	2	403,000.
Textiles	6	3,889,800.
Knitted goods	—	—
Clothing	—	—
Wood products	13	19,047,900.
Furniture and fixtures	10	4,829,500.
Paper and allied products	5	7,636,300.
Printing	2	180,000.
Primary metals	6	11,458,600.
Metal fabricating	38	26,304,050.
Machinery	26	11,398,775.
Transportation equipment	17	10,067,100.
Electrical products	10	4,432,680.
Non-metallic mineral products	5	19,458,120.
Petroleum products	1	150,340.
Chemical products	19	51,707,000.
Miscellaneous industries	8	2,624,100.
Total:	197	\$183,271,206.

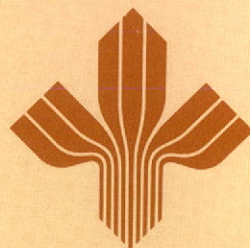
Breakdown of Investments Related to Q.I.D.C. Assistance by Industrial Groups

From June 1, 1971* to March 31, 1976

Industry groups	Number of projects	Investments
Food and beverages	68	\$ 42,274,089.
Tobacco	—	—
Rubber	50	88,913,300.
Leather	11	2,541,900.
Textiles	18	77,881,300.
Knitted goods	2	652,000.
Clothing	8	11,721,300.
Wood products	67	35,517,666.
Furniture and fixtures	26	6,439,500.
Paper and allied products	18	39,234,801.
Printing	11	2,954,200.
Primary metals	28	354,047,900.
Metal fabricating	98	48,461,540.
Machinery	61	31,313,275.
Transportation equipment	55	44,950,700.
Electrical products	49	44,957,166.
Non-metallic mineral products	23	34,917,220.
Petroleum products	2	10,717,340.
Chemical products	50	163,665,640.
Miscellaneous industries	34	13,909,021.
Total:	679	\$1,055,069,858.

*Date of coming into
force of the Québec
Industrial Development
Assistance Act.

**Balance sheet
and
financial statements
at March 31, 1976**



**Quebec Industrial
Development Corporation**

Balance sheet at March 31, 1976

assets

	1976	1975
Cash	\$ 3,093,019	\$ 2,011,747
Accounts receivable (Note 2)	6,819,964	1,976,780
Interest due and accrued	546,063	476,006
	10,459,046	4,464,533
Loans	80,299,481	72,517,532
Participation in the share capital of firms	4,633,005	2,661,715
Industrial buildings (Note 3)	677,118	79,145
	96,068,650	79,722,925

liabilities

Accounts payable and accrued expenses (Note 4)	1,011,362	219,692
Government of Québec (Note 5)	82,944,115	66,944,115
Reserve Fund	12,113,173	12,559,118
	96,068,650	79,722,925

Approved on behalf of the Board of Directors: Jean Labonté
Jean-Michel Paris

**Statement of revenue and expenses
for the fiscal year ended March 31, 1976**

revenue

	1976	1975
Income from loans:		
Interest from borrowers	\$ 6,396,666	\$5,229,215
Compensation payments by the Government of Québec with respect to loans granted at below-market interest rates	1,558,648	1,303,293
	7,955,314	6,532,508
Québec Government contribution to the cost of loans contracted by firms	13,070,607	2,399,101
Other revenue	79,121	1,320
	21,105,042	8,932,929

expenses

Salaries and other remuneration	1,123,981	829,187
Transportation and communications services	161,218	79,808
Professional, administrative and other services	40,882	49,729
Maintenance and repair	1,930	537
Rents	25,552	18,441
Materials and supplies	19,438	18,914
Equipment	5,248	46,886
Other expenses		913
Total administration expenses	1,378,249	1,044,415
Less: Expenses assumed by the Québec Government	1,378,249	1,044,415
Assumption of part of the cost of loans contracted by firms	13,070,607	2,399,101
Interest on advances by the Québec Government	3,462,287	1,928,074
Reserve for losses	5,018,093	744,328
	21,550,987	5,071,503
Net Revenue (net loss) for the year	(445,945)	3,861,426

Statement of the reserve for losses for the fiscal year ended March 31, 1976

	1976	1975
Balance at beginning of the period	\$1,631,000	\$ 907,000
Loans and accounts receivable written off	70,093	20,328
	<u>1,560,907</u>	<u>886,672</u>
Reserve for the year:		
Accounts receivable	—	2,071
Interest due and accrued	2,164	14,698
Loans	2,895,269	658,890
Participation in the share capital of firms	2,160,660	68,669
	<u>5,018,093</u>	<u>744,328</u>
Balance at the end of the period	<u>6,579,000</u>	<u>1,631,000</u>
Breakdown of net balance at year end:		
Interest due and accrued	16,862	14,698
Loans	4,372,809	1,547,633
Participation in the share capital of firms	2,189,329	68,669
	<u>6,579,000</u>	<u>1,631,000</u>

Statement of reserve fund for the year ended March 31, 1976

Balance at beginning of the period	12,559,118	8,697,692
Net earnings (net loss) for the year	(445,945)	3,861,426
Balance at end of the period	<u>12,113,173</u>	<u>12,559,118</u>

source
of funds

	1976	1975
Net revenue (net loss) for the year	(445,945)	3,861,426
Expenditures not requiring an outlay of funds:		
Reserve for losses on loans	2,895,269	658,890
Reserve for losses on purchases of firms' share capital	2,120,660	68,669
Funds from operations	4,569,984	4,588,985
Repayment of loans	8,442,027	7,729,499
Reimbursement by the Québec Government of amounts paid for the acquisition of shares		192,383
Realization of guarantees on unreturned loans	289,053	220,219
Advances by the Québec Government	16,000,000	22,000,000
	29,301,064	34,731,086

application
of funds

Amounts disbursed on loans approved	18,270,892	29,054,967
Purchases of capital stock of firms	3,491,950	1,698,978
Interest due charged to unreturned loans and expenses incurred to protect the guarantees on such loans	1,737,406	835,847
Industrial building	597,973	79,145
	24,098,221	31,668,937
Increase in working capital	5,202,843	3,062,149
Working capital at beginning of the period	4,244,841	1,182,692
Working capital at end of the period	9,447,684	4,244,841

Notes to Financial Statements for the Fiscal Year Ended March 31, 1976

1. Accounting conventions

- Financial assistance by the Corporation in the form of share acquisitions appears on the balance sheet under "Participation in the share capital of firms". Where the Corporation deems it impossible to recover assistance provided in this form to a given firm, the anticipated loss, as is the case for assistance in the form of loans, is recorded in the Reserve for Losses and charged to expenses for the current year.
- Administration expenses of the Corporation are assumed by the Government of Québec and are paid out of appropriations voted for this purpose by the National Assembly. The unpaid balance of such expenses at the end of the fiscal year is included in the Accounts Payable of the Government of Québec and does not appear on the Corporation's balance sheet; it is, however, taken into account in the Statement of revenue and expenses.
- The cost of the fringe benefits granted to Corporation employees and the cost of support services such as telephone service, space allocation, etc., paid out of the voted estimates of the various departments concerned, are not included in the Corporation's statement of revenue and expenses.

2. Accounts receivable

The Corporation's accounts receivable include the amounts receivable from the Government of Québec as compensation for loans granted at below-market rates and for the Corporation's contribution to the cost of loans secured by companies. At March 31, 1976, the balance receivable from the Québec Government for the above-mentioned purposes was \$6,776,324 (March 31, 1975: \$1,929,444).

3. Industrial Buildings

The cost of the buildings erected for manufacturing purposes includes construction finance charges at the effective rate of advances granted to the Corporation by the Minister of Finance.

4. Accounts payable and accrued expenses

Administration expenses, unpaid at March 31, 1976, and excluded from the Corporation's balance sheet in accordance

with the accounting convention outlined in the 2nd paragraph of Note 1, amounted to \$70,021 (March 31, 1975: \$15,876.)

5. Government of Québec

- Interest-free advances, whose terms of repayment are undetermined \$32,944,115
- Other advances granted on the terms and conditions indicated hereunder:

Rate	Due Date	Amount	
8%	1-11-78	\$12,000,000	
9.6%	1-08-79	22,000,000	
9.94%	1-05-80	16,000,000	50,000,000
			<u>\$82,944,115</u>

6. Commitments

- The amounts authorized but undisbursed at March 31, 1976 were \$13,846,213 for loans (March 31, 1975: \$15,746,283) and \$5,020,006 for participation in the share capital of firms (March 31, 1975: \$2,862,925).
- In accordance with terms and conditions laid down by the Corporation, exemptions from repayment amounting to approximately \$2,500,000 are anticipated on loans granted at March 31, 1976. Amounts thus exempted will be reimbursed to the Corporation by the Government of Québec out of annual appropriations voted for this purpose by the National Assembly.
- Commitments arising from the assumption of part of the cost of loans contracted by firms amounted to \$80,319,407 at March 31, 1976 (March 31, 1975: \$70,530,072). Payments made under these commitments will be reimbursed to the Corporation by the Government of Québec out of annual appropriations voted for this purpose by the National Assembly.
- The Corporation has guaranteed, up to a maximum amount of \$1,296,223 (March 31, 1975: \$396,223), the repayment of loans contracted by various firms. The amount actually covered by this guarantee at March 31, 1976 was \$888,162 (March 31, 1975: \$396,223).

Auditor's Report

In accordance with Section 35 of the Québec Industrial Development Assistance Act, I have examined the balance sheet of the Québec Industrial Development Corporation at March 31, 1976, as well as the statement of the reserve fund, the statement of revenue and expenses and the statement of changes in the financial situation for the year ended on the above date. My examination included a general review of accounting procedures as well as such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1976, as well as the results of its operations and the changes in its financial situation for the year ended on that date, in accordance with generally accepted accounting principles, applied on a basis consistent with those of the preceding fiscal year.

Gérard Larose, C.A.,

Auditor General

QUÉBEC, May 18, 1976.



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