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DES TERRES**

**LANDS
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**THE LAND IMPACT OF FEDERAL PROGRAMS
IN THE COWICHAN VALLEY REGIONAL DISTRICT,
BRITISH COLUMBIA**

WORKING PAPER No. 4



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THE LAND IMPACT OF FEDERAL PROGRAMS
IN THE COWICHAN VALLEY REGIONAL DISTRICT,
BRITISH COLUMBIA

Lorna R. Barr

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dans le District Régional de la Vallée de la Cowichan
en Colombie-Britannique

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Lorna R. Barr,
Victoria, British Columbia
May, 1980

About the Author:

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A Note Regarding This Paper:

This paper was commissioned in 1977 by (what is now) the Policy Research and Coordination Branch of Lands Directorate, Environment Canada. It is viewed as a pilot study to demonstrate one possible approach to the assessment of federal impacts on land use. No forum has existed until now to enable its publication; the Directorate's Working Papers Series makes possible its distribution at this time to a limited number of interested parties in the interest of demonstration of the methodology utilized. Some attempt has been made to update the paper; the reader may find the result slightly schizophrenic in time frame.

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ABSTRACT

The landscape is in a constant state of flux. Typically, changes are induced by natural processes or by human action. In both cases the impact on the landscape may not be predicted or predictable. The consequences of a major flood or earthquake are generally not known until some time after the event; the impact of a new high-rise office, shopping and apartment complex on the structure of the cityscape and the socio-economic environment of the surrounding locality may never be accurately identified. It is also difficult to measure the impact of policies and programs introduced at a national level on the regional and the local scale. The imposition of stringent national water and air quality standards, for example, may result in unforeseen hardships in some areas where industries are forced to close because the costs of conforming are too great. At the same time that national governments are becoming more involved in the regulation of economic and social behaviour, the potential for land use conflicts is growing. It is thus becoming increasingly important for government agencies to know what kinds of impacts their policies and programs are having.

During the past decade in Canada, there has been a rapid escalation in public expenditure, particularly for programs designed to promote an improvement in social welfare. Although provincial and municipal expenditures in combination have recently overtaken those of the federal government, the federal government, by virtue of the constitution and the use of its spending power, exerts a pervasive influence on all sectors of the economy.

Federal government expenditure in the 1976-77 fiscal year is expected to reach a record high of \$42.2 billion, an increase of some \$6 billion over the 1975-76 fiscal year and of \$14 billion over 1974-75 (Canada Treasury Board, 1976). Some 17% of the present federal expenditure can be attributed to some ninety-eight programs that the federal government operates (Smiley, 1976). A number of them, notably those of the resources and housing agencies, are intended to accomplish changes in land-use.

In 1977, three independent studies of the impacts of federal policies and programs on land use were commissioned by (what is now) the Policy Research and Coordination Branch of Lands Directorate, Environment Canada, with a view to development of appropriate methodologies for this assessment. These studies investigated the effects on land of identical lists of federal policies and programs in the Cowichan Valley Regional District, British Columbia, Kings County, Nova Scotia (Ryle and Gervason, 1980) and Wellington County, Ontario. A later study, carried out in-house, investigated impact in the Windermere Valley of British Columbia (McCuaig and Manning, 1980). No attempt was made to co-ordinate the studies; rather, independent approaches to methodology were encouraged to indicate a range of available alternatives and to take into account the unique features of those areas under study.

The purpose of this study is to examine the land impact on a small area of Vancouver Island, the Cowichan Valley Regional District, of a number of selected federal programs, relating

mainly to economic development, agriculture, housing and fisheries. Land impact is defined in terms of the structural elements that result from programs, such as the number of housing units constructed under the assisted rental-housing program, the number of sewage treatment plants and sewers constructed under the sewerage treatment assistance program, the number of units amalgamated under the small-farm development program, or the number of fishing vessels built under the fishing vessel assistance program. While it is clear that many of these programs could have other valuable socio-economic effects, the limitations of time and of funds dictated a concentration on land impacts. The Cowichan Valley Regional District was selected for this case study since it has been the focus for several federal programs. Also, its proximity to Victoria and Vancouver enabled the researcher to easily contact relevant agencies at three levels of government.

Specifically, this study attempted to shed light on two major problems:

- (1) How much federal money filters down to a unit such as the Cowichan Valley Regional District, either directly or indirectly? The latter refers specifically to conditional grants administered by the province and federal/provincial cost-shared programs; and
- (2) What are the measurable results of these allocations? The results will be viewed in terms of structural elements (as defined above).

In addition, the study will highlight some of the problems in administering programs conceived at the national level and implemented on a local scale.

The report has been divided into four main sections. To provide an institutional and political context for the study, the first section describes the constitutional and fiscal relationships between the federal and other levels of government. In particular, the section discusses the concepts of classical federalism versus co-operative federalism, as well as the role of unconditional and conditional payments in the allocation of financial resources. Section 2 deals with the methodology, the application of a three-tier approach to an analysis of federal programs as they affect a small area. The third section provides a detailed discussion of the programs examined. These are then analyzed vis-a-vis the Cowichan Valley Regional District (section 4). The difficulties encountered in pursuing the three-stage approach are also outlined there. Conclusions and recommendations for improving the application of federal government programs at the local level are presented in a final section.

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RÉSUMÉ

Le paysage subit constamment des modifications provoquées en règle générale par des phénomènes naturels ou par l'homme. Dans les deux cas, les effets ne sont pas prévisibles. Les conséquences d'une inondation ou d'un séisme d'importance ne sont généralement connues que quelque temps après qu'ils sont arrivés. L'incidence de la construction d'un nouveau complexe comprenant un immeuble à bureaux, un centre commercial et des appartements, sur l'aménagement urbain et la vie socio-économique de l'agglomération concernée ne sera peut-être jamais déterminée avec précision. Il est également difficile d'évaluer l'influence que les politiques et les programmes destinés à tout le pays auront aux échelons régional et local. Par exemple, l'application de normes nationales strictes en matière de qualité de l'eau et de l'air peut avoir des conséquences pénibles imprévues dans certains secteurs où des entreprises doivent fermer leurs portes parce que les coûts d'application des normes sont trop élevés. Étant donné que les gouvernements centraux participent plus à la réglementation de la vie économique et sociale et que les possibilités de conflits en matière d'utilisation des terres augmentent, il importe que les organismes gouvernementaux connaissent les effets de leurs politiques et de leurs programmes.

Au cours de la dernière décennie, les dépenses publiques du Canada ont connu une hausse rapide, notamment celles reliées aux programmes d'amélioration du bien-être des Canadiens. Même si la somme des dépenses provinciales et municipales est, depuis peu de temps, supérieure à celle des dépenses fédérales, l'État, en vertu de la constitution et de son pouvoir de dépenser, exerce une influence considérable sur tous les secteurs de l'économie.

Au cours de l'année financière 1976-1977, les dépenses fédérales devraient atteindre un chiffre record de \$42.2 milliards, soit une augmentation d'environ \$6 milliards par rapport à l'année 1975-1976 et de \$14 milliards par rapport à l'année précédente (Canada Conseil du Trésor, 1976). Environ 17% des dépenses fédérales actuelles peuvent être associées à la mise en application des quelque 98 programmes fédéraux (Smiley, 1976). Certains programmes, notamment ceux des organismes chargés du logement et des ressources, visent à modifier l'utilisation des terres.

En 1977, trois études indépendantes ont été entreprise des répercussions que pourraient avoir sur l'utilisation des terres les politiques et les programmes du gouvernement fédéral par ce qui est devenu la Direction de la coordination et de la recherche en matière politique, Direction générale des terres, Environnement Canada, soucieux de mettre au point une méthodologie appropriée. Ces études ont permis d'étudier les effets d'ensembles identiques de politique fédérales dans le district régional de la vallée de Cowichan en Colombie-Britannique, le comté Kings en Nouvelle-Ecosse (Ryle and Gervason, 1980), et le comté de Wellington en Ontario. Une étude ultérieure effectuée au sein de nos services a porté sur la vallée de Windermere en Colombie-Britannique (McCuaig et Manning, 1980). Aucune tentative n'ait été faite pour coordonner ces études; au lieu de cela, des approches méthodologiques indépendantes ont été favorisées pour préciser un gamme de possibilités accessibles et pour tenir compte des particularités des régions étudiées.

Cette étude a pour objet d'évaluer l'influence de certains programmes fédéraux sur l'utilisation des terres dans une petite région de l'île Vancouver, le district régional de la Vallée de la Cowichan, principalement des programmes associés à l'essor économique, à l'agriculture, à l'habitation et à la pêche. Cet impact se définit en fonction des édifices construits dans le cadre des programmes. Par exemple, il se rapporte spécifiquement au nombre de logements construits en vertu du programme d'aide aux logements locatifs, au nombre de stations d'épuration et d'égouts construites dans le cadre du programme d'aide à l'épuration des eaux-vannes, au nombre de bâtim construits en vertu du programme de développement des petites fermes ou au nombre de bateaux de pêche construits en vertu du programme d'aide aux bateaux de pêche. Il est évident que bon nom de ces programmes peuvent avoir d'autres effets socio-économiques de valeur, mais vu le manque temps et de capitaux, les efforts se sont concentrés sur les effets fonciers. Le district régional de la vallée de la Cowichan a été choisi pour cette étude, vu qu'il a déjà été visé par plusieurs programmes fédéraux. Comme il se trouve également à proximité de Victoria et de Vancouver, le chercheur a pu communiquer avec les organismes pertinents des trois niveaux de gouvernement.

L'étude avait pour objet précis deux questions importantes:

- 1) Dans quelle proportion une région comme le district régional de la vallée de la Cowichan bénéficie-t-elle des fonds fédéraux, directement ou indirectement? L'apport indirect de fonds comprend notamment les subventions conditionnelles accordées par la province et en vertu des programmes fédéraux/provinciaux à frais partagés; et
- 2) Quels sont les résultats concrets de ces subventions? Ces effets seront évalués en fonction des nouveaux édifices construits (comme il a été mentionné plus haut).

En outre, l'étude soulignera certains problèmes liés à l'application de programmes conçus au niveau national par l'administration locale.

Le rapport a été divisé en quatre parties principales. Afin de situer l'étude dans un contexte institutionnel et politique, la première partie décrit les relations financières et constitutionnelles entre le gouvernement fédéral et les niveaux de gouvernement. Elle traite notamment de la notion de fédéralisme traditionnel par rapport au fédéralisme de coopération ainsi que du rôle des paiements conditionnels ou inconditionnels dans la répartition des ressources financières. La deuxième partie est consacrée aux méthodes de l'étude. Il s'agit d'une analys trois phases des programmes fédéraux, dans la mesure où ils touchent une petite région de l'île Vancouver. Cette partie décrit les trois phases. La troisième partie comprend une étude détaillée des programmes ainsi qu'une analyse des résultats obtenus et un exposé des problèmes rencontrés au cours de l'analyse en trois phases. Enfin, les conclusions et les

recommandations en vue de faciliter l'application des programmes fédéraux à l'échelon régional sont données dans la dernière partie.

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The dustbin of recent history is littered with discarded constitutions cast aside after brief withering exposure to reality. Constitutions capable of responding and adapting to the perils of change have sufficient scarcity value to be treated with the deference appropriate to rare achievements.

-Cairns (1970)

The survival of a federal system depends upon the flexibility of its constitutional process in accommodating demands unforeseen at its birth.

-Black and Cairns (1966)

1. CONSTITUTIONAL AND FISCAL RELATIONSHIPS IN THE CANADIAN FEDERATION

In any system where more than one level of government is a law maker and revenue raiser, there is always potential for conflict. This is especially so in federal systems. Gallant (1965) distinguishes two types of federal structure. In the first, all fields of responsibility are precisely and properly allocated; in the second, many fields of responsibility are shared. While the first minimizes the need for intergovernmental co-operation, the second relies on it. Whereas the British North America Act (1867) sets out certain responsibilities for the federal government and the provincial governments, the performance of many of these has required an increasing degree of co-operation between the two levels of government (see Meekison, 1971; Smiley, 1976).

There are two main reasons for the shift in emphasis from one type of structure to the other. First, there has been a widening of the scope of public activity, motivated by a growing desire to achieve universal standards in the provision of essential services such as health and welfare, and in economic opportunities. The hope is to avoid, as Pearson commented, "Cadillac areas and cart areas" (Mallory, 1965). Concurrently, new areas of responsibility, including water quality, national parks and offshore seabed resources, have emerged (see Burton, 1972; Dwivedi, 1974; Swainson, 1976).

The second reason for this shift from one type of structure to another relates to the ability to raise revenue. Downs (1957) has

commented "revenues provide the wherewithal to produce policies." In Canada, the constitution gives the federal government extensive powers for raising revenue. Yet the provinces have been given jurisdiction over three of the most costly responsibilities: health, welfare and education. Consequently, both provincial and municipal governments must look to the federal government for financial support. It follows that the federal government is often accused of using its financial wealth as a lever to encroach on matters which are constitutionally outside its jurisdiction.

1.1 Federal Financial Contributions

The last decade has witnessed a large annual increase in the scale of federal government expenditures and an expansion in the scope of federal government activities. The addition of new policies and programs takes place more rapidly than the attrition of older ones. The federal government gives support directly to individuals (family allowances and unemployment insurance), to groups (local initiative program grants and co-operative housing programs), and to provincial and local levels of government. Most payments, especially those to other levels of government, come in the form of unconditional grants or conditional payments.

1.2 Unconditional Grants

Canada consists of several regional economies offering widely different economic opportunities and standards of material welfare. Per capita incomes in the poorest province remain just over half of those in

the most prosperous (Table 1.1).

The largest portion of the unconditional transfer payment, some \$2 billion in 1975-76 (Canada Treasury Board, 1976), is allocated to the poorer provinces in an attempt to equalize some of these discrepancies. Revenue Equalization Payments have been defined by Clark (Canadian Tax Foundation, 1969) as:

... intergovernmental payments to political units which, on the basis of their capacity to raise revenues from their own taxpayers, are determined to be in need of financial assistance in relation to other units having the same revenue raising capacity.

The purpose of the payments is to ensure that each province has sufficient funds from its own resources and from the equalization payments to provide a standard level of service to its population concomitant with

the general level of services provided by all provinces. The payments have been criticized because they do not take into account the respective needs of the provinces for public services or the cost of providing these services. In particular, Ontario and British Columbia, the two provinces most prosperous in terms of revenue raising capacity, have complained that they do not benefit from these payments.¹ Premier Bennett commented, "B.C. is a goblet to be drained" (Smiley, 1976). However, the cost of providing providing services in remote rural areas, such as northern British Columbia, is likely greater than the cost of services in other areas which receive payments. British Columbia does benefit from the statutory subsidy payment paid to each province as part of the terms of confederation. This payment provides a grant to support the provincial legislatures and gives a per capita grant allowance for undefined purposes. The

TABLE 1.1: PERSONAL INCOME PER CAPITA, 1972 DOLLARS	
Newfoundland	\$2,462
Prince Edward Island	\$2,443
Nova Scotia	\$2,991
New Brunswick	\$2,793
Quebec	\$3,359
Ontario	\$4,324
Manitoba	\$3,580
Saskatchewan	\$2,968
Alberta	\$3,757
British Columbia	\$4,078
Yukon and NWT	<u>\$3,418</u>
Canada	\$3,750

SOURCE: D.V. Smiley (1976), p. 128.

undefined purposes. The province also receives funds from the federal government under the revenue guarantee payment and the withholding tax for corporations agreement. Municipalities receive unconditional payments from the federal government in the form of grants in lieu of taxes. (For details of these payments to British Columbia from 1971 to 1975, see Table 1.2.)

Unconditional payments form a part of the federal contribution to provincial and municipal revenue, and they no doubt assist in the provision of services at the regional and local levels. It is, however, impossible to isolate the direct impact on land (as defined earlier) of this source of funding at the local level.

1.3 Conditional Payments

It was not until after the First World War that the federal government began to experiment with conditional grants as a means of assisting the provinces. Under the

conditional grant system, the recipient, whether the province, the municipality, an organization, or an individual, must adhere to certain criteria, standards, or conditions to qualify for the federal payment. Conditional grants contrast particularly with unconditional grants in that the province is often required to share program costs.

The federal government's use of conditional grants increased substantially in the early 1960s. They rose from \$75.6 million in the fiscal year 1953-54 to \$2,055.3 million in 1969-70. From 1961-62 to 1969-70, total conditional grants increased by approximately 240% (Strick, 1973).

Although there are now over one hundred conditional grant programs (Canada Federal-Provincial Relations Office, 1979), the bulk of the conditional assistance is disbursed in four programs: hospital insurance (1979-80 estimates- \$2.4 billion), medical insurance (\$841 million), Canada Assistance Plan (\$1.7 billion), and support for post-secondary education (\$1.5 billion).

TABLE 1.2: FEDERAL UNCONDITIONAL PAYMENTS TO BRITISH COLUMBIA, 1971 TO 1975* (Millions of Dollars)						
		1971	1972	1973	1974	1975
<u>Provinces</u>	Total	\$1,135.4	\$1,008.0	\$1,278.8	\$1,690.3	\$2,468.6
	B.C.	\$2.7	\$2.6	\$3.0	\$6.4	\$5.8
<u>Local Government</u>	Total	\$58.0	\$61.5	\$65.3	\$71.6	\$75.6
	B.C.	\$4.9	\$4.7	\$5.7	\$6.7	\$6.0

*Totals include statutory subsidies+, public utilities income tax transfer, + and grants in lieu of taxes (+to provinces only).

Sources: Canada Treasury Board (1976); Canada Federal-Provincial Relations Office (1976).

Of the total conditional grants, approximately 80% are open-ended. The relative shares for open-ended grants are determined at the time of agreement. However, no limits are placed on the absolute amount that either the provincial or federal governments will spend. If the cost sharing agreement is 50/50, the federal government is obligated to match the expenditure on the agreed basis, even if the costs change. Since the four major programs outlined above are in the open-ended category, Ottawa can find itself faced with heavy commitments for which it has not budgeted.

The conditional grant structure is perhaps the most significant component of co-operative federalism. However, the use of this system to break down constitutional rigidities between the federal government and other levels of government has not gone unchallenged. Conditional grants have been regarded as a threat to provincial autonomy and perhaps also as a means of undermining provincial priorities. The Hon. J. Robarts, former Premier of Ontario, has been particularly vocal in this regard. In expressing the view of his province he claimed that (Ontario, 1969):

Massive spending initiatives by the federal government, such as medicare, not only rob provincial budgets of any flexibility, but also undermine any real progress toward overall control of expenditures by all governments and fail utterly to recognize provincial priorities We are being pushed into medicare, which from the point of view of this government is not necessary in the province at this time and is not one of our top priorities, by a level of government that is taxing us for it before we get it.

A number of other criticisms have been

levelled at the conditional grant system. Several writers have drawn attention to the problems of rigidly defined criteria, the emphasis on health and welfare, and the inability to take into consideration differences in the fiscal capacity of the provinces (Strick, 1973; Smiley, 1976; Trudeau, 1969). Some provinces find it difficult to provide their share. Sudden changes in federal government program policies can leave provinces and municipalities stranded², and uncertainties over the introduction of new policies and programs make long term budgeting difficult. The 50-cent dollar can be an attractive inducement in determining budgeting priorities. More recently, provincial governments have become concerned about the growing autonomy of local governments. Federal conditional grants to local governments for land assembly, hospital construction and the municipal incentive programs, for example, have reduced the dependence of local governments on revenue from the province.

To accommodate the concern of the provinces that the federal government often makes unilateral decisions about conditional grant programs, there has been an increasing degree of consultation between the various governments about the introduction and implementation of programs and policies in the past decade. As a result, the provinces are now not compelled to participate in programs. They may choose to opt out, as Quebec has done in one or two instances. In addition, the federal government has frequently included elements not previously contemplated in a conditional grant scheme.

Several conditional grant programs have been

introduced in British Columbia. However, there is a lack of knowledge of their provisions, applications and effects. It seems pertinent to ask therefore:

- (1) What conditional grant programs operate in B.C. and how many of these are applicable to the Cowichan Valley

Regional District?

- (2) Is there any evidence to suggest that priorities are distorted as a result of conditional grant programs? and
- (3) Do any inequities or distortions result from the imposition of national, often rigidly defined criteria?

2. METHODOLOGY FOR EXAMINING THE LAND IMPACT OF FEDERAL PROGRAMS

A primary objective of the study was to develop a standard methodology for analyzing the land impact of federal programs. While this methodology was applied in a small area of Vancouver Island, its use could be extended more widely to similar programs, at different scales, in other parts of the country. The methodology focusses on federal programs, rather than policies. Federal financial contributions are used as a quantitative measure of impact; net economic gains or losses to specific activities are not considered. Provincial and municipal contributions are not included.

The study examined the filtering process involved in the allocation of federal government funds at different levels. A more specific examination of the land impact of those expenditures at the local level was also made, using a three-tier procedure:

- 1) Stage I involved the collection of data on federal government expenditure at the national level for each program;
- 2) Stage II involved the collection of data on federal government financial contributions at the provincial level for each program; and
- 3) Stage III involved the collection of data on federal government expenditure at the local level and the products of that expenditure.

Data for the study were collected through library research, through the collection and analysis of government documents, and through personal interviews for the period 1970 to

1976. A limited amount of information was collected by telephone interviews and by mail.

2.1 Library Research

This phase was undertaken with two major objectives in mind. The first was to obtain as broad a background as possible in federal government programs that had operated over approximately the last decade. The second was to collect basic data on federal expenditures by program at the various levels of government. Information was obtained from a variety of sources ranging from general publications in political science, public administration, and fiscal policy to more specific publications on programs and national government finances. In addition, the annual reports of both federal and provincial government departments were useful in providing up-to-date information on recent policies and programs.

From the library research, it was possible to categorize programs on the basis of their potential impact on land. A clear distinction can be made between those programs that have a direct land impact and those in which the land impact may be indirect or negligible. Such programs as neighbourhood improvement, the municipal incentive grant, small business loans, fishing vessel assistance, medium-density housing assistance (to name only a few), have a measurable physical impact. The structural impact can take the form of housing, street lighting, the amalgamation of agricultural units, dyking, irrigation systems, the construction of marina facilities or the designation of parks.

Most of the social welfare programs, fall into the second category. Programs such as unemployment insurance have an indirect land impact. They may assist in stabilizing the population during periods of seasonal or more general unemployment. Each has a variety of economic and social impacts, reflected by changes in incomes, production, or the use of leisure time. In contrast, a program such as Canfarm, which is a computerized system of accounting available to farmers, has no direct or indirect land impact.

For the purposes of this study, only those programs having a direct land impact will be considered.

2.2 Collection of Data in the Field

The interview has long been a major means of data collection in social science research. It is of particular value in studies of resources management issues. The interview is being used increasingly in assessing public views and identifying the opinions of various participants in the policy-making process. Illustrations include studies of such issues as the location of highways (Garrison et al., 1959), airports (Great Britain Commission on the Third London Airport, 1971), and superports (Thomson, 1972) and the provision of recreational facilities (Sewell and Rostron, 1970).

Interviewing can be accomplished in a number of ways, broadly divisible into scheduled and non-scheduled interviewing. The former involves a formal, rigid interviewing situation where particular questions using specific words are asked in an established sequence. Questions are of the straight poll

type- "Yes," "No," "Don't Know"- or they are specific item questions where a set list of responses or alternatives is given (Sewell and Rostron, 1970). This technique has the advantage of being easy to undertake and analyze and is particularly valuable where large samples are required.

In contrast, non-scheduled or open-ended interviews allow considerable latitude in the phraseology and sequence of questions. Accordingly, this technique does not obtain identical information from one respondent to another and is, therefore, difficult to analyze statistically. Such interviews can also be slow and thus limit the size of the sample that can be covered, but are a useful technique at the beginning of a research project, when an optimum amount of information is sought. For this reason, the open-ended interview was selected for the collection of field data in this study.

Open-ended, face-to-face interviews were conducted with officials from federal and provincial government departments and from local government. Interviews for federal and provincial officials were less structured than those administered to local government officials. The main aims of the former were to elicit background information on programs that might affect the study area and specific statistics on federal financial contributions to the study area.

The major intent of the latter was to determine the impact on land. In addition, views on the operation of federal government programs at the local level were solicited. Topics covered in these interviews are outlined in Table 2.1. The sequence of interviewing, from federal to provincial to

TABLE 2.1: OUTLINE OF FIELD INTERVIEWS

- (1) Purpose of the study.
- (2) Federal programs that have operated in the municipality. (Interviewer had list of potential programs with land impact).
- (3) Number of projects under each program.
- (4) Federal monetary contributions to each project/program.
- (5) Allocation of the funding:
 - lump sum- date;
 - over several years- dates;
 - other dates.
- (6) Nature of the projects undertaken:
 - special purposes;
 - number of units/vessels.
- (7) Impact of some of the projects:
 - service existing areas;
 - open up new areas.
- (8) The influence of federal funding on the activities of the municipality.
- (9) Difficulties in implementing federal programs:
 - criteria;
 - administrative problems.
- (10) Federal research activities in the area.

local, was important in establishing contacts in the district.

2.3 The Cowichan Valley Regional District

Incorporated in 1967 as an administrative unit, the Cowichan Valley Regional District stretches across Vancouver Island from the Pacific Ocean on the west to the Strait of Georgia on the east (Figure 1). The region encompasses an area of 2,300 square km. It contains two distinct morphological units: the coastal lowlands which occupy the area between Mill Bay and Ladysmith and the insular mountains which rise to over 1,500 m which cover the remaining area (Arnell, 1967). Three major rivers, the Cowichan, Koksilah, and Chemainus systems, drain the area.

Prior to 1800, the east coast of Vancouver Island was inhabited by Coastal Salish Indians whose major activities were fishing and hunting. Economic development of the region has taken place gradually since the early 1800's and has focussed on the development of primary industries. The construction of the Esquimalt and Nanaimo Railway in 1886 opened the area for logging and stimulated further agricultural growth, in particular dairying which thereby gained access to the Victoria market.

At the turn of the century, mining of coal and copper became the most important industry. It was soon eclipsed by the forest industry, which continues to be the mainstay of the economy. In 1964, there were 50 logging companies, 20 sawmills and one pulp

mill in the Cowichan Valley district.

The Cowichan River is one of the most important salmon rivers on Vancouver Island. It provides an abundant source of fish stocks for commercial, recreational, and Indian fisheries. For example, the average escapements of chinook, coho and chum from the Cowichan are 7,000, 42,000 and 55,000 respectively (British Columbia Environment and Land Use Committee, 1974). Smaller fish populations are found in the Koksilah and Chemainus Rivers. In the Koksilah, for example, average escapements of chinook are 200, coho 8,000, and chum 5,000. It has been estimated that the value of the Cowichan-Koksilah fish stocks is \$2.2 million to the commercial fisheries and \$2.4 million to recreational fisheries at 1973 prices (Bell and Kallam, 1976).

In addition, the coastal area is important for recreation and boating. Part of the phase 3 Pacific Rim National Park designated area will occupy the west coast portion of the Regional District (see Figure 1).

The variety of activities now present in the Cowichan Valley Regional District supports a population of about 47,000. The population is concentrated primarily in the four municipalities incorporated in the Regional District, namely, North Cowichan, Duncan, Lake Cowichan, and Ladysmith, as well as a number of Indian reserves (see Table 2.2 for a breakdown and trends). Federal programs which have focussed upon rural improvement, the expansion of employment opportunities, housing, and the improvement of the economic and social environment of native peoples, have had an impact on land in this area.

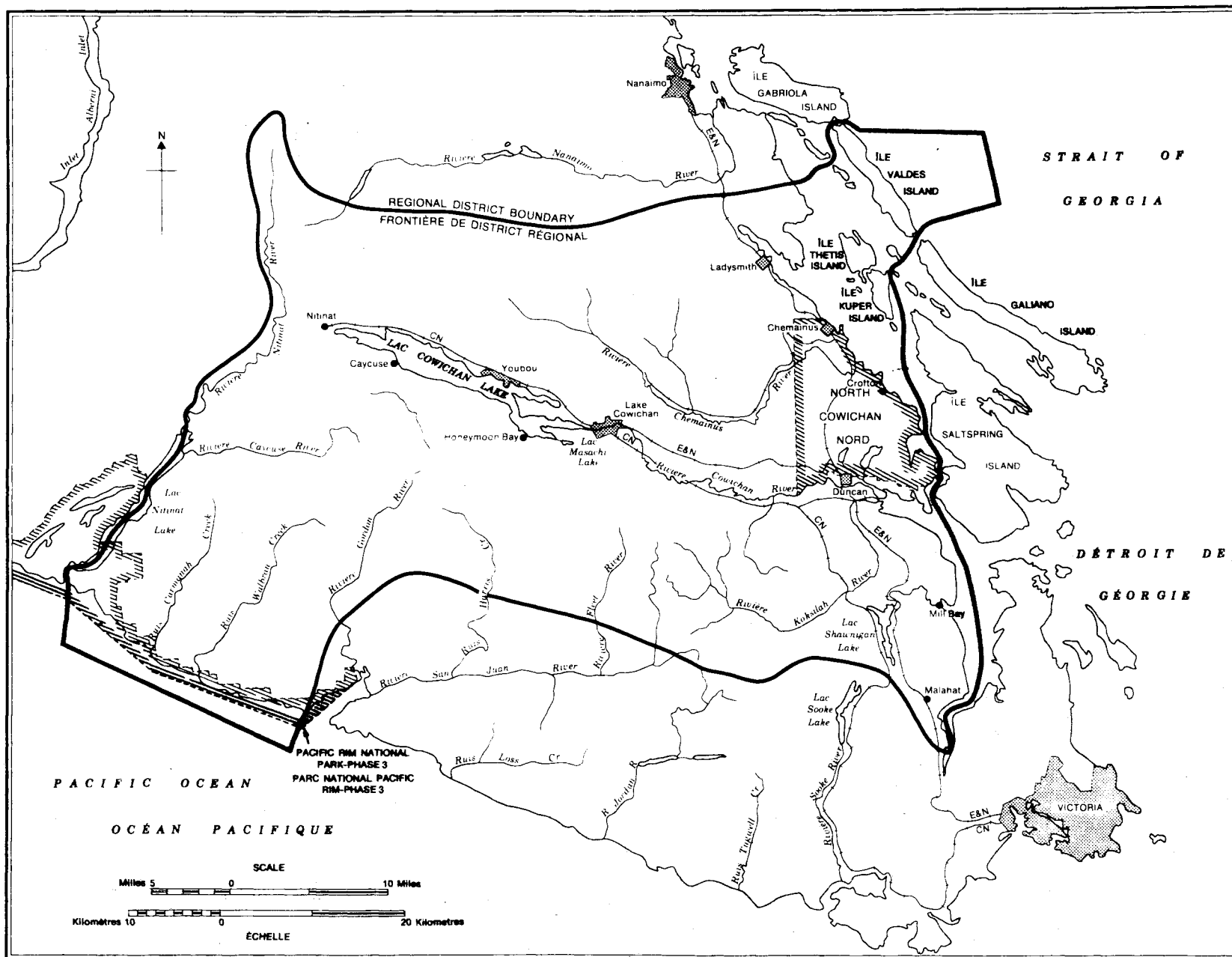


TABLE 2.2: POPULATION BY CENSUS SUBDIVISIONS- COWICHAN VALLEY

	1951	1961	1966	1971	1976
North Cowichan	6,665	9,166	10,384	12,170	15,956
Subdivision A*	9,872	11,529	11,804	14,171	18,556
Indian Reserves*	1,492	2,006	1,997	2,231	2,109
Duncan	2,784	3,726	4,299	4,388	4,106
Ladysmith	2,094	2,173	3,410	3,664	4,004
Lake Cowichan*	<u>1,628</u>	<u>2,149</u>	<u>2,353</u>	<u>2,364</u>	<u>2,369</u>
Cowichan Valley	24,535	30,749	34,247	38,988	47,100

* Between 1951 and 1961, boundary changes occurred in Subdivision A, Indian Reserves, and Lake Cowichan.
Between 1961 and 1971, boundary changes occurred in Subdivision A and Lake Cowichan.

Source: Bell and Kallam (1976).

3. FEDERAL PROGRAMS WITH LAND USE IMPACT

A list of some one hundred conditional grant programs, just under half of which have direct impact on land, is included in Federal-Provincial Programs and Activities: A Descriptive Inventory for 1974-75 (Canada Federal-Provincial Relations Office, 1976). Several of the programs administered by each of the Departments of Agriculture, Environment, Indian and Northern Affairs, Industry, Trade and Commerce, Manpower and Immigration, and Regional Economic Expansion, together with most of the programs administered by the Canada Mortgage and Housing Corporation, impact on land use in British Columbia. These programs will be examined in detail in this section. Not all programs discussed here were examined in the study area, but for the sake of completeness they are included in this section.

3.1 Agriculture Canada

Agriculture Canada, one of the largest established departments (1867), is primarily concerned with maintaining the viability of agriculture as an economic enterprise. It attempts to promote this through regulation, financial inducements including loans, grants, guaranteed prices, and insurance policies, and the provision of technical expertise and information services. The Canadian Dairy Commission and the various marketing boards, provide regulatory functions through the imposition of standards, quotas and guaranteed prices.

3.1.1 Farm Credit

Activities of the Farm Credit Corporation,

established by the Farm Credit Act of 1959, are easily measurable in terms of land impact. Under the Farm Credit Act, the corporation makes long-term mortgage loans to assist Canadian farmers (providing they have gross assets of less than \$250,000) in developing viable farm businesses (Canada Department of Agriculture, 1975a). Loans can be obtained for buying farm land, making permanent improvements, purchasing breeding stock and farm equipment, paying debts, and any other purpose that will assist in the efficient operation of a farm.

Approval is subject to a number of factors being met by the recipient, including the following:

- (1) Canadian citizenship or landed immigrant status;
- (2) repayment ability;
- (3) submission of a plan of operation for the farm business;
- (4) management ability, based in part on experience in operating a farm; and
- (5) the demonstrated need for a loan.

The act and subsequent amendments provide a number of options to potential applicants. Under the Standard Farm Loans plan, a loan for up to \$100,000, or up to 75% of the appraised value of the farm, whichever is the lesser, can be made. There is no maximum age for people whose principal income is farming. Applicants under forty-five years of age contemplating entering farming are eligible under the same criteria. Those under thirty-five years of age, already farming or about to farm and with a demonstrated ability to manage a farm enterprise, are eligible to borrow up to \$150,000 on security under the Young Farmer Loans plan. Beginning Farmer

Loans are available to persons under thirty-five years of age who have demonstrated farm-management ability. They can borrow up to \$150,000 on security and can phase into the business over a five-year period.³ Loans under these schemes are repayable over a period of up to thirty years.

The Farm Credit Corporation is also responsible for administering the Farm Syndicates Credit Act passed in 1964. More recently, it has been given responsibility for administering part of the Small Farm Development Program.

The object of the Farm Syndicates Credit legislation is to provide the financial means for farmers to act in co-operation in purchasing machinery, constructing buildings, and installing equipment. A group must consist of three or more farmers, most of whom pursue farming as their principal occupation. A syndicate can borrow up to 80% of the cost of farm machinery, buildings (including site and other improvements), and installed equipment. The maximum is \$15,000 per member or \$100,000 per syndicate, whichever is the lesser. These loans are repayable over a period of up to fifteen years for buildings and installed equipment, and seven years for mobile machinery. Indians are eligible for syndicate loans through the Department of Indian and Northern Affairs.

3.1.2 Small Farm Development Program

The Small Farm Development Program is an Agriculture Canada program administered in co-operation with the provinces and the Farm Credit Corporation. Introduced in 1972 as a seven-year program, it was designed to build

more profitable farms and assist those who want to leave farming. The program consists of a land transfer plan, rural counselling and farm management consultation services. Only the Land Transfer Plan has a direct impact on land. Administered by the Farm Credit Corporation the plan gives special credit to small farm operators to buy more land or grant assistance to those who wish to dispose of their property and take advantage of alternative opportunities. Before credit or assistance is given, a number of criteria have to be met. To be eligible for credit a purchaser must:

- (1) be a Canadian citizen or landed immigrant;
- (2) be owner of a farm or have been a tenant for three years or more;
- (3) be principally occupied in the operation of that farm;
- (4) be capable of operating a larger farm successfully;
- (5) have less than \$75,000 in assets;⁴ and
- (6) buy from a seller who is eligible for the assistance grant under the plan.

A seller wishing to obtain an assistance grant must:

- (1) be the owner and operator of the small farm on the commencement date of the program;
- (2) be principally occupied in the operation of the farm;
- (3) be able to support himself and his family at least as well after the sale as before;
- (4) sell substantially all of his land;
- (5) sell to a Canadian citizen or landed immigrant;

- (6) sell to a purchaser who will not operate the property as a separate uneconomic unit; and
- (7) sell the property for \$20,000 or less, or as agreed with each province.

Grants are based on \$1,500 plus 10% of the sale price of the farm up to \$20,000, but will not exceed a total of \$3,500 cash value.⁵

In 1970, under the Farm Improvement Loans Act, loans for farm improvement became available. Loans can be made for the purchase of equipment, livestock, and additional farm land, and the costs of construction, repair, and alterations. There is a maximum of \$15,000 for land, \$15,000 for other purposes, or a combined of \$25,000 for both. These loans are available through designated banks and are guaranteed by the Minister of Finance.⁶

3.2 Department of Regional Economic Expansion

Prior to the establishment of the Department of Regional Economic Expansion (DREE) under the Government Reorganization Act of 1969, government policies for rural development had been undertaken on an ad hoc basis. The problems and special needs of particular parts of the country provided the rationale for such policies. The Prairie Farm Rehabilitation Act, the Maritime Marshland Rehabilitation scheme, the Atlantic Development Board Program, the Area Development Program, and the early policies of the Agricultural Rehabilitation and Development Act, all passed in the 1950's and early 1960's, are illustrative (Phidd, 1974;

Canadian Council for Rural Development, 1976).

Commenting on these policies in its Annual Review in 1968, the Economic Council of Canada stated:

...federal policies have, on balance, probably prevented inter-regional disparities in per capita income from widening.... On the other hand, there is little indication that these have contributed to a stronger basis for self-sustaining growth in the lagging regions of the country.

A more coordinated approach appeared to be necessary to combat the three major elements in the problem of regional economic disparities. These central problems were:

- (1) long-term persistence of low income and high unemployment especially in the Atlantic provinces;
- (2) smaller areas of rural economic depression and social deprivation in most provinces; and
- (3) communities with populations of native ancestry lacking a diversified economic base.

Regional disparities clearly affect the social and economic climate of the entire country.

The present phase of federal regional policy in Canada began with the establishment of DREE in 1969. DREE's strategy is composed of three major and closely related activities: industrial incentives, infrastructure assistance, and social adjustment and rural development.

Industrial employment opportunities in the slow-growth regions have not kept pace with

employment opportunities in the rest of Canada. Under the Regional Development Incentives Act 1969, DREE has attempted to promote development in these regions by providing grants to private industry. An amendment to the legislation in 1970 now enables DREE, in consultation with the provinces, to designate broad regions for the purposes of this program. A designated region could cover an entire province or a portion larger than 5,000 square miles. The designations are governed by two general guidelines:

- (1) the existing opportunities for productive employment in the region are exceptionally inadequate; and
- (2) the provision of development incentives for the establishment of new facilities, or for the expansion or modification of existing ones, promises to make a significant contribution to economic and social adjustment within the region.

By 1970, all ten provinces had identified such designated regions.

Incentive grants under this program apply to secondary manufacturing and to most processing industries. The level of incentive is determined by a number of factors. The upper limit on the size of the incentive is defined as \$30,000 per job created directly in the facility, or as one-half of its capital investment, the lesser amount being applied. In addition, the grants are exempt from income tax.

The incentive program also provides a loan guarantee scheme to assist in overcoming difficulties in obtaining funds to establish

industries or to set up commercial facilities including shopping centres, hotels, and recreational centres. It was estimated that 120,923 new jobs would be created under the scheme (Canada Department of Regional Economic Expansion, 1976).

The Department of Regional Economic Expansion Act (1970) provides for the designation of more specific areas for assistance under the Special Area Program. These areas are not necessarily within the broader incentive regions. They are determined in consultation with the provinces to be those areas where special action is needed to promote economic expansion and social adjustment.⁷

Twenty-three areas were designated as a result of this program. All except three received both infrastructure and industrial incentives assistance. Most of these agreements terminated in 1975. In addition to the Regional Development Incentives and the Special Areas programs, the department has a number of programs concerned with improving employment opportunities and productivity in rural areas. Most of these programs were introduced in the early 1960's, but have been broadened in scope under DREE.

3.2.1 Agricultural and Rural Development Act (ARDA)

The purpose of this program, introduced in 1961, is to assist rural areas in dealing with problems of economic and social adjustment. ARDA programs operate in all provinces except Prince Edward Island. The program provides for the establishment of federal-provincial schemes (on a 50/50 cost shared basis) for soil and water conservation, farm consolidation, and rural development. It operates under five-year agreements with the provinces.

3.2.2 Special ARDA

Special ARDA is designed to improve the economic circumstances of Indians in rural areas. It operates only in Manitoba, Saskatchewan and British Columbia. The main emphasis of the program is on the provision of financial and other assistance to create job opportunities. To qualify, disadvantaged people must reside in a remote rural community or a rural area. The former means a community that has a population of less than 2,000, at least 50% of which is Indian. The latter is a community with a population of at least 25,000 at least 30% of which are Indian, located ten miles or more from the outer boundaries of a city or metropolitan centre. Assistance can be obtained for a number of purposes including infrastructure development, recreation facilities, counselling, training, the development of primary producing activities, and the establishment, expansion, or modernization of a commercial undertaking engaged in primary, secondary or tertiary functions. The federal government will meet up to 100% of the costs of determining the feasibility of a project, 50% of the capital costs and initial working capital, 100% of counselling and training costs of Indians, and 50% of the cost where those counselled and trained are non-Indians (Canada Department of Regional Economic Expansion, 1975). In some instances additional federal financing may be provided by the Department of Indian and Northern Affairs.

3.2.3 General Development Agreements (GDA)

More recently, DREE has adopted a more comprehensive approach towards regional development through the institution of GDA's, which themselves do not commit resources for implementing programs or policies. However,

GDA's set a framework for making these types of commitments through subsidiary agreements over a 10-year period. Objectives of the agreements are drawn up with the province and relate to the specific needs of the socio-economic environment (Canada Department of Regional Economic Expansion, 1974c). One of the main functions of Subsidiary Agreements established under a GDA is to co-ordinate existing federal and provincial programs in a particular development opportunity.

The DREE regional development strategy appears to be drifting from the problem-specific solution method towards a more comprehensive type of problem identification, and towards a more integrated approach to problem solution. This appears to be especially true of the recently negotiated agreements between DREE and British Columbia. The five-year agreement, signed in 1977, provides for heavy federal involvement in economic programs aimed at stimulating the overall provincial economy. As Premier Bennett commented (Victoria Daily Colonist, 1977a):

We are trying to get away from the force-feeding of isolated areas. We want the DREE funds to be used in every part of the province except the Lower Mainland.

3.2.4 Winter Capital Works Program

The intent of this program, established in 1972, was to encourage the development of winter work opportunities, and thus reduce seasonal winter unemployment. Under the scheme, loans with forgiveness provisions were made available to provinces and municipalities for capital works projects such as building construction, road construction, and the development of recreational facilities. Provinces made

application on their own behalf, or on behalf of the municipalities. To be eligible for assistance, projects had to be:

- 1) within an established development plan;
- 2) in the interests of the community; and
- 3) not met by other federal government programs.

The forgiveness factor was equal to 50% of the direct on-site labour costs. However, the remaining 50% of the direct on-site labour costs was forgiven if these costs were incurred during the three winter months. This program operated from 1972 to 1975.

3.3 Department of Indian and Northern Affairs (DINA)

The British North America Act (1867) gave the federal government legislative authority over Indians and Indian lands. Relationships between the federal government and the Indians and the special programs for Indian communities are outlined in the Indian Act (1876). Under this legislation, native Indians became wards of the Crown. They were then dependent on a single federal agency, the Indian Affairs Branch in the Department of the Secretary of State, for protection and services. These functions were normally the responsibility of provincial and local governments. Revisions to the Indian Act in the 1950's gave the Indians a greater degree of self-government with an emphasis on equal opportunity for Indians in Canadian society. The Indian Affairs Branch, then under the Department of Citizenship and Immigration, pursued programs to expand the education, welfare and economic development of Indian

communities.

When the department was established in 1966, the Indian Affairs Branch was transferred to it. Not long after, proposals were made to give Indians more recognition and freedom to determine their own affairs (see Doerr, 1974). Although the proposals were finally rejected as a result of dissatisfaction on behalf of the Indian community, they fostered the development of consultation and negotiation.

Recent increases in expenditure for programs involving community affairs, education, and economic development reflect the present policy of the Department of Indian and Northern Affairs. Often these programs are operated in conjunction with other federal departments such as Regional Economic Expansion, Canada Mortgage and Housing Corporation, and National Health and Welfare. The department also administers national parks and historic sites and coordinates the assembly and transfer of lands to the federal government for establishment as national parks. The costs of acquiring land are shared on a federal-provincial basis. Generally provincial Crown lands are transferred to the federal government without cost, providing no private interests are involved. In addition, the department provides for the preservation of sites with national historical or national architectural significance on a cost-shared basis with provinces or municipalities. Private organizations can also receive assistance under this program.

A new program introduced in 1975 provides for agreements with the provinces for the establishment of recreation and conservation

corridors. This is a continuing program, but no agreements had been made with British Columbia as of 1977.

3.4 Canada Employment and Immigration Commission/Department

Some of the job creation programs administered by the Canada Employment and Immigration Commission/Department (constituted in 1966) may have a direct impact on land use. In particular, the youth programs which emerged in the early 1970's have included projects such as the construction of bikeways and recreation facilities and schemes for park beautification, (Victoria Daily Colonist, 1977b). The first youth program of significance, the Opportunities for Youth (OFY) program,⁸ was initiated in 1971 to provide employment opportunities, mainly for students, during the summer months. Funds were provided to small groups for projects. Treasury Board set criteria for the selection of projects. The Board considered that ten to fifteen jobs represented an ideal project. Relative cost of salaries in terms of the total cost of the project were considered; salaries for post-secondary students were not to exceed \$100 per week, those for secondary students, \$60.

The Local Initiatives Program (LIP) emerged about the same time. It was designed to attack seasonal unemployment and was geared particularly towards alleviating unemployment during the winter months. The program was not restricted to young people, but was open to individuals, municipalities, organizations, partnerships or groups. It provided a maximum of \$150,000 for

municipally-sponsored projects and \$100,000 for others. Project employees were to be paid \$125 a week. The maximum project length was thirty weeks.

Both OFY and LIP were primarily concerned with combatting seasonal unemployment. Projects funded under these programs were for the short term. In 1973, the Local Employment Assistance Program (LEAP) was introduced to support longer-term job creation projects. This program was designed for people unable to obtain regular and adequate employment. Groups or communities could apply for funding to support local level projects for up to three years.

A program to ease youth unemployment was introduced in 1976. The Canada Works Program funds projects for up to 14 weeks. However, in debate in the House of Commons, this program was strongly criticized. Paul Dick (Lanark-Renfrew-Carleton) noted that young people were disenchanted with government make-work programs. He commented that "they no longer want government handouts in 14-week programs" (Victoria Daily Colonist, 1977c). How long the Canada Works program will survive is an open question. If the longevity of the OFY and LIP programs is any indication, Mr. Dick could well be under-estimating the attraction of financial hand-outs.

3.5 Canada Mortgage and Housing Corporation (CMHC)

The activities of CMHC have expanded in scale and scope since its inception under the Central Mortgage and Housing Corporation Act in 1946. Previous housing legislation, the

Dominion Housing Act of 1935, focussed on two aspects of housing policy. One was to ease the flow of mortgage capital. The other was designed to increase the stock of low-cost housing by providing loans to lending institutions or local authorities for house building (on a 25%/75% share ratio).

Under the National Housing Act of 1944, the joint lending technique was continued, and programs designed to alleviate specific problems introduced. In the late 1940's, CMHC became responsible for administering these programs. Provisions were made with municipalities for direct grants of 50% of the cost of slum clearance and for joint loans to aid rural housing. Later amendments approved of direct loans to home owners and authorized federal-provincial co-operation in housing and land assembly. Since that time, further expansions in authority have emerged. Included are low-interest loans for university housing and municipal sewage treatment projects (1960). The slum clearance provisions have expanded to include most aspects of urban renewal, a new program for public housing (1964), assistance for establishing new communities, subsidized rental housing, co-operative housing, neighbourhood improvement and residential rehabilitation (1973).

The large number of programs now administered by CMHC has evolved over time and reflects a policy geared to deal not only with housing problems per se, but also with the more general problems of the urbanization process. Most of these programs have a direct, measurable impact on land and operate by providing assistance through loans, grants or other cost-sharing arrangements.

3.5.1 Insured Loans

Federal assistance for home-ownership housing and for rental projects built by private entrepreneurs is provided mainly through a system of mortgage insurance introduced in 1954. CMHC guarantees the investment of the lenders approved under the Housing Act to make these loans. Insured mortgage loans are available to individual home-owner applicants, to builders constructing houses for sale or for rent and to co-operative housing associations. Conditions vary with the type of loan.

a) Loans for New Homes.⁹

Home-ownership loans can be as high as 95% of the first \$47,000 of lending value plus 75% of the balance to an established maximum. The maximum is established in consultation with each province and shifts over time with inflation and changes in government policy. These loans can be obtained for a single-family dwelling, duplex, semi-detached, row-house, or condominium style apartment. Construction must start within ninety days of the approval of the loan by approved lenders, or within forty-five days if the loan is obtained directly from CMHC.¹⁰

b) Loans for Rental Housing.

Loans of up to 90% of the first \$49,600 of lending value, plus 75% of the balance up to an established maximum, can be made for the construction of rental houses and apartments. For hostels and dormitories, loans of \$15,000 per accommodated person are available. Construction targets are the same as above.

3.5.2 Direct Assistance

a) Assisted Home-Ownership Program (AHOP).

Under this program, CMHC can provide interest reduction loans to assist in the purchase of

moderately-priced new housing. Often this is supplemented by additional subsidies from the province to qualified applicants. Units qualify for AHOP if they fall within the price limit set for an area. Local CMHC offices have names of builders with qualifying homes under construction. Individual homes may also qualify if they conform to the AHOP price limits. Under AHOP, financial assistance is available in three stages for families or households of at least two persons who purchase qualifying new homes:

- (1) CMHC interest reduction loan- Interest free loans are available for the first 5 years. They are repayable with interest after that time or when the house is sold or refinanced. The loan acts to reduce mortgage interest to 8%.
- (2) Subsidy from CMHC (\$750)- A grant is available under this scheme to families with children who need assistance to keep their monthly payments under 25% of income. The maximum of this non-repayable subsidy is \$750 per year or \$62.50 per month.
- (3) Subsidy from the province (\$750)- An additional subsidy is available from the province if payments still exceed 30% of the family income. The program is designed to encourage builders to produce houses in the low and medium-price range.

b) Rental Housing Assistance.¹¹

This program makes loans available to organizations prepared to build or acquire housing for rental at agreed rates to people of limited means. This program is of particular benefit to the elderly. Non-profit organizations such as churches can

get loans for 100% of the lending value, 10% of the capital cost, and an interest reducing grant. Other applicants can get loans up to 95% of the lending value.

c) Privately-Funded Rental Housing.

This program is designed to attract more private capital into the construction of moderately-priced rental housing. CMHC makes repayable loans interest free for ten years in conjunction with agreements relating to rent.

d) Co-operative Housing Assistance.

There are two kinds of co-operatives: building co-operatives for construction of houses to be owned individually and housing co-operatives in which the members jointly own the housing and occupy a unit under a lease agreement. Since 1973, co-operatives, eligible for loans for new construction previously, have been eligible for the same assistance as non-profit corporations (100% loans, 10% capital contributions, interest reducing grants, and start-up funds up to \$10,000).¹⁴ A building co-operative with families of low or moderate income is eligible for loans under AHOP.

e) Public Housing Assistance.

Assistance under this program takes the form of an agreement between the federal government and a province, municipality, or public housing agency for a partnership or loan. Under a partnership arrangement the federal government contributes 75% of the capital and covers 75% of deficits. Frequently the remaining 25% is shared between the province and municipality. Alternatively, CHMC lends 90% of the cost of a project, and may offset up to half of annual operating losses.

f) Land Assembly Assistance.

Assistance is available to provinces and municipalities wishing to set aside or develop land for residential or associated purposes. Projects can be undertaken in partnership or by a CMHC loan covering up to 90% of the cost. Loans are made to provinces or to provincial agencies or municipalities subject to provincial approval. Under a partnership the cost-sharing ratio is 75%/25%. The aim of the program is to encourage local governments to participate more effectively in planning development, as well as to increase the supply of reasonably-priced building lots.

g) New Communities.

Assistance to create new communities is given either by federal-provincial cost-sharing agreements or by loans and grants to provinces and provincial agencies. This program is designed to combat urban sprawl by encouraging the development of regional growth centres.

h) Assistance for Sewerage and Water Projects.¹²

Aid for financing water and sewerage projects is available to provinces and municipalities in the form of a CMHC loan with a 25% forgiveness clause. These projects are intended to create new residential development and help control water and soil pollution. Loans cover up to two-thirds of the cost of sewerage collection and treatment projects, trunk storm sewers, trunk water mains, water pumping stations, and treatment plants. When projects are not financed through CMHC, grants of one-sixth of the cost of the project may be available. Special additional grants are available to offset excessive per capita costs in smaller

communities and areas with difficult topography. Grants of up to half the cost are available for the preparation of regional sewerage/water plans (Canada Central Mortgage and Housing Corporation, 1976).

i) Neighbourhood Improvement Program (NIP).

This program helps municipalities and local residents preserve and improve older neighbourhoods, subject to a federal-provincial agreement designating eligible municipalities within the province. The municipality then decides which neighbourhoods will receive assistance. Local residents must be involved in the development and implementation of the plan. To qualify for assistance, the neighbourhoods should be mainly residential with a large proportion of the population in the low to moderate-income category. Federal contributions of up to 50% are available for choosing the areas and formulating plans, for providing community, recreational, and social facilities, and for clearing land for open spaces and low and medium-density housing. Grants of up to 25% are available for other related activities. In addition, CMHC will lend the municipality up to 75% of its share of the project.

j) Residential Rehabilitation Assistance Program (RRAP).

This program is designed to extend the life of existing homes in low-income localities. It is closely associated with NIP and with low profit housing projects. Partly forgivable loans are available to restore existing property in NIP areas or in other areas designated by federal-provincial agreements. Non-profit corporations and

housing co-operatives are eligible regardless of location.

k) Grants to Municipalities for Moderate-Cost Housing (The Municipal Incentive Program).

To encourage municipalities to approve more medium-density housing projects, the federal government, in conjunction with provincial governments, offers a grant of \$1,000 for each eligible unit constructed in their locality. These grants applied to new housing units issued with permits between 1 November 1975 and 31 December 1978. The units were required to meet certain size, density and servicing specifications. For example, a one-bedroom apartment could not exceed 600 square feet, a four-bedroom 1,200, and a one-bedroom house 650. On land serviced for over five years, the eligible density was ten to forty-five units per acre. For all other lands, it was ten to thirty units per acre. In addition, units had to be constructed for permanent occupancy and be connected to municipal water supply and sewerage systems, and roads had to be gravel surfaced.

In addition to the programs already examined, CMHC has recently instituted a program to examine new forms and types of residential development. Development and demonstration projects are designed to experiment with energy conservation techniques and waste recycling. It would seem that CMHC programs are becoming increasingly sensitive to the social and economic aspects of residential development.

3.6 Environment Canada

Although the constitutional powers of the

federal government over natural resources are far from clear-cut and are often under dispute, the federal government takes an active part in environmental management. In recognition of the growing significance of environmental problems, the federal government, under the Government Organization Act, created Environment Canada 1970. This department brought together several areas of activity, including forestry, land-use planning, water and air quality management, and the management of wildlife, all previously administered by different departments. The department's main emphasis is on environmental protection, which it seeks to achieve through the regulatory functions of such legislation as the Canada Water Act, the Arctic Waters Pollution Act, the Clean Air Act, and the amended Canada Shipping Act and through its role in environmental impact assessment stemming from policies introduced in recent years. The impact on land of these and other activities, including the Canada Land Inventory and various research projects, can only be readily measured in qualitative terms.

3.7 Fisheries and Oceans Canada

This department has a number of programs with easily quantified effects. These include programs relating to fisheries development, such as the salmonid enhancement program, fisheries improvement loans, fishing vessel assistance and those programs relating to harbour development.

3.7.1 Fishing Vessel Assistance

This program was extended in 1970 to include new vessels for the Pacific and inland fisheries from only those of the Atlantic

seaboard and Great Lakes. Under this program, new fishing vessels between thirty-five and seventy-five feet are eligible for 35% construction-cost assistance. For vessels over seventy-five feet, combined assistance may be available from the Department of Industry, Trade and Commerce and Fisheries and Oceans Canada. The former can grant a subsidy to the builder of the vessel under the Shipbuilding Assistance Program, while the latter may provide assistance to the owner.

3.7.2 Fisheries Improvement Loans

The department does not directly administer loans under the Fisheries Improvement Loans Act of 1955. The loans are available from chartered banks, credit unions, co-operative societies, trust companies, loan companies, and insurance companies and are guaranteed by the Minister of Finance. Fishermen may take out loans for a number of purposes, including purchase or construction of a fishing vessel or of such fishing equipment as engines, electronic equipment, and auxiliary boats. Loans can be made for the purchase or construction of shore installations including piers or for the repairing or overhauling of vessels when the cost exceeds \$400. To be eligible for these loans, the applicant must not have more than \$50,000 currently outstanding, he must provide a reasonable amount of money for the project from his own resources, and he must repay the loan within a certain period (three years for vehicles, and ten years for other purposes).

Similar assistance is available to Indians under the Indian Fishermen's Assistance Program.

3.7.3 Assistance for Small Craft Harbours

Under this program, federal government assistance is available on a cost-shared basis for small craft harbours used by the commercial fishery and recreational boaters. Included are the administration of the harbour assistance policy and the tourist-wharf program, which provide assistance for the construction of marinas, launching ramps, and tourist wharves.

The foregoing discussion by no means covers all federal government programs that directly impact land use. For example, the activities of the Department of Public Works, the Department of Transport, and the Solicitor General's Department are not examined. Provisions for health units and sports and recreation facilities under the Department of Health and Welfare or the small-business loans program administered through the Department of Industry, Trade and Commerce are not taken into account. Neither the incentives provided to industry, including tax allowances, sales tax exemptions, and customs regulations, nor federal government research activities are considered. However, the major programs that were examined in the study area and, in particular, those that have a quantifiable impact on land use have been touched upon.

4. ANALYSIS OF LAND IMPACTS OF FEDERAL PROGRAMS

For each level of federal government expenditure (i.e. national, provincial, district) tables were prepared for a selected number of programs indicating by year the moneys spent/allocated and effect (e.g. number of housing units). A summary of the data for the Cowichan Valley Regional District is provided in Table 4.1.

In interpreting the data, especially in examining the relationship between expenditure at the national, provincial level and the local level, it must be recognized that some of the allocations are made on the basis of market demand. For example, the market for low-rental housing in the study area is currently saturated. Consequently, funds are being channelled into the construction of low-cost single-family dwellings instead. Secondly, some difficulties were encountered in determining precisely when the money for a particular project was allocated, but it has been assumed that the expenditure was budgeted for the year that the project was approved. However, to overcome discrepancies in the data, where some figures were available only for the approved amount and others for project completion, only the total expenditure for a program from 1970 to 1976 has been presented as a more reliable figure. Such is the case for sewerage treatment assistance.

4.1 Federal Programs in British Columbia

In spite of these difficulties, some important general findings can be identified

from the data. With the exception of fishing vessel assistance, and some of the housing programs, allocations to British Columbia are less than a quarter of the total federal expenditure by program, with some programs receiving less than 10% of the total. This primarily reflects the distribution of population in the country and the nature of the province's economy. British Columbia has some 11% of Canada's population, but it is among the richest provinces in Canada. Even so it has some significant problems, resulting in particular from its dependence on seasonal as well as cyclical variations in primary industries. These activities have made the province economically vulnerable. To accommodate this, the federal government has responded with programs, such as assistance to fishermen and other workers during periods of unemployment. Percentages allocated to British Columbia in some of these programs are above the national average. Both the fishing and forest industries tend to lay off employees during the winter months. In addition, the province receives a relatively high proportion of assistance under special ARDA; British Columbia has a substantial Indian population and shares federal allocations with two other provinces under this program.

Perhaps the figures of the most interest are those concerning the allocations under the Land Transfer plan of the Small Farm Development Program. Agriculture is one of the more important occupational categories in the province, yet the province receives less than 1% of the total for this program. The relative inactivity under this program in the province and the Cowichan Valley Regional District reflects the high value of British Columbia agriculture. This phenomenon will

be discussed at greater length below.

4.2 Federal Programs in the District

A conspicuous feature of these data is the range of programs with direct impact on land in the Cowichan Valley Regional District. The programs administered by DREE, the Farm Credit Corporation, the Department of Indian and Northern Affairs, Canada Mortgage and Housing, and the Fisheries and Oceans Canada have been selected for more detailed analysis. There is a noticeable absence of information on loans for small businesses and new homes and on the impact of quota systems and tariff regulations on the forest industry. The information for the former was considered to be too dispersed to collect at this time since there are numerous lending agencies in the district. Tariff impact determination can only be based on a qualitative assessment.

Programs administered by the Canada Mortgage and Housing Corporation and Department of Regional Economic Expansion under special ARDA, in conjunction with programs administered by the Department of Indian and Northern Affairs have had the greatest impact.

4.2.1 Urban Land

Since 1970, over \$1.5 million has been spent in the district for sewerage treatment assistance. A further expenditure of over \$1.78 million is anticipated. Most of this supported eleven projects involving the construction of sewers, treatment plants, and pumping stations to service existing areas. The respondents from the municipalities noted that the assistance under this program

enabled infill on vacant lots in established residential districts. One respondent pointed out that this program was only available for the construction of new sewers or the extension of old ones and not for refurbishing existing systems. This particular municipality currently has the option of spending \$250,000 on upgrading the existing sewerage system or \$1 million on providing a new one. Only the latter is eligible for federal government assistance. On the basis of the 60% loan available from the federal government, the municipality would have to raise just over \$330,000. However, as part of the loan is forgivable, the municipality would fare as well, if not better, by promoting the new scheme.

Over the past year or so, 149 units have been constructed under the assisted rental scheme and forty-five units have been constructed under the Assisted Home-Ownership Program. According to a respondent from the Canada Mortgage and Housing Corporation, emphasis is now being placed on the construction of low-cost single-family dwellings rather than on apartments or row-houses. Market demand indicates that public preference has shifted in this direction. There is a high apartment vacancy rate in the Duncan area at present.

Four projects with a total expenditure of \$2.1 million have been undertaken in the non-profit housing sector and have provided 104 units for senior citizens over the last decade. Two municipalities have approved schemes involving a total of thirteen units under the Municipal Incentive Grant program, and a further three schemes are pending. The Municipal Incentive Grant money will be used to provide infrastructure facilities such as street lighting, road paving and sidewalks.

TABLE 4.1: SUMMARY OF FEDERAL FUNDING IN THE COWICHAN VALLEY REGIONAL DISTRICT FOR SELECTED PROGRAMS

		(Funding- \$'000)											
		Prior to '70	'70	'71	'72	'73	'74	'75	'76	Outstdg.	Pending	Total	
Urban Land (4.2.1):													
Sewage	Projects	41	-	1	-	1	1	2	2	2	2	15	
Treatment	Funding	\$120	-	\$81	-	\$67	\$6	\$148	\$923	\$281	\$2,000+	\$3,627+	
Assistance													
Rental	Units			NC				120	29		NC	149	
Housing	Funding							\$172	\$45			\$217	
Assistance													
Assisted Home													
Ownership	Units			NP				NC	45		NC	45	
(AHOP)	Funding								NC			NC	
Non-Profit													
Housing	Units	65	-	-	-	5	-	34	-		NC	104	
(Sr. Cit.)	Funding	\$1,747	-	-	-	\$42	-	\$334	-		NC	\$2,123	
Municipal	Units			NP					13	NC	42	55	
Incentive	Funding								\$13	NC	\$ 42	\$55	
Grants													
Neighbourhood	Projects			NP			-	1	-		NC	1	
Improvement	Funding						-	\$70	-			\$70	
(NIP)													
Residential	Projects			NP			-	1	-		NC	1	
Rehabilitation	Funding						-	\$217	-			\$217	
(RRAP)													
Water	Project	-	-	-	-	-	-	-	-	NC	1	1	
Supply	Funding	-	-	-	-	-	-	-	-	NC	\$1,000	\$1,000	

Key to symbols: NC- Not collected/not appropriate.

NP- Program not operative.

TABLE 4.1 (cont'd): SUMMARY OF FEDERAL FUNDING IN THE COWICHAN VALLEY REGIONAL DISTRICT FOR SELECTED PROGRAMS

		(Funding- \$'000)										
	Prior											
	to '70	'70	'71	'72	'73	'74	'75	'76	Outstdg.	Pending		Total
Urban Land (4.2.1, cont'd.):												
Winter	Funding		NP	-	\$95	-	-		NC			\$95
Capital Works												
Indian Reserve Land (4.2.2):												
ARDA Special	Projects	-	-	-	-	2	1	-	NC			3
(Co-op Farm)	Funding	-	-	-	-	\$152	\$77	-				\$229
Housing	Projects				NC			7	NC			7
	Funding							\$492				\$492
Fisheries Areas (4.2.3):												
Fishing	Number	-	-	-	1	2	-	-	NC			3
Vessel	Funding	-	-	-	\$35	\$180	-	-				\$215
Assistance												
Indian	Number	-	-	-	-	2	3	1	NC			6
Fishermen's	Funding	-	-	-	-	\$7	\$17	\$8				\$32
Assistance												
Agricultural Land (4.2.4):												
Farm Credit	Number	NC	4	3	6	5	8	2	-	-	-	28
Loans	Funding	NC	\$134	\$107	\$348	\$219	\$619	\$185	-	-	-	\$1,611

Key to Symbols: NC- Not collected/not appropriate.

NP- Program not operative.

One or two respondents commented that they were unable to take advantage of this program because of the density requirements. These are ten to forty-five units per acre on serviced land and ten to thirty units on other land. However, the rezoning of lot sizes was being contemplated in one municipality. In the other, the need for higher residential densities was not considered of critical importance.

So far, Duncan is the only municipality to have taken advantage of the Neighbourhood Improvement Program and the Residential Rehabilitation Assistance Program. Some \$250,000 was allocated to upgrade a designated residential area in the municipality. Apparently, there are few overt signs of residential improvement other than the creation of an "unnecessary park" to quote one respondent. An official in the participating municipality had no idea where the project was located, even though it was only a few blocks from city hall!

4.2.2 Indian Reserve Land

Among the more significant federal contributions in the Cowichan Valley has been the \$1.2 million allocation to the Cowichan Indian band for the development of an agricultural complex on reserve land. Both DREE and DINA have been involved in funding. DREE provided some \$250,000 for land improvement, irrigation equipment, and establishment of a fish hatchery. DREE made a further commitment of \$72,000 as part of a 50/50 cost-shared agreement to develop Sun Valley markets in 1976. The market is primarily a produce retail outlet for the band farming co-operative. The Department of Indian and Northern Affairs has provided over a million dollars in the form of guaranteed

loans and grants for land improvement, dyking, and the construction of buildings and a processing plant. Prior to the establishment of the co-operative farming enterprise, the 550 acres of land was split into 100 parcels owned by approximately forty land owners. It was divided into two acre and five to twenty acre sections producing rye and hay. Under the co-operative, individual land owners lease land to the co-operative to produce vegetables and small fruits. The co-operative employs some fifty to sixty people, including pickers, many of whom were previously unemployed. There have been some setbacks. Not all land owners have agreed to lease their land to the co-operative. Fluctuations in the demand for agricultural products, associated with stringent quota restrictions placed by the marketing boards on vegetable products, have posed some difficulties.

For the budget year 1976-77, DINA has also allocated \$491,500 to six Indian bands in the Cowichan Valley Regional District for housing and infrastructure facilities.

4.2.3 Fisheries

There has been some federal government activity in fisheries development in the Cowichan Valley. It has mainly taken the form of fisheries enhancement and studying of the impact of development on the Cowichan Valley estuary. One or two pilot projects have been undertaken on the Cowichan River to improve spawning conditions and incubation techniques. A pilot study conducted on the Indian reserve, assessing incubation boxes for chum, has shown that chum can have a survival rate of 97 to 98%.

In addition, the Cowichan Valley will benefit from the recently announced \$250 to \$300 million federal-provincial cost-shared salmonid enhancement program (British Columbia Department of Economic Development, 1975). Under the scheme, individuals or groups submit applications relating to fisheries improvement. They receive grants for capital and administrative costs. One respondent pointed out that there are no funds available for labour costs and older fishermen were dissatisfied because they would not be able to reap the long-term benefits of the program. In addition, it appears that there has already been an overwhelming response with too few personnel to deal with it. Consequently, pressure is being exerted on local fisheries officers to participate in the program. It seems that this was not the original intent.

In terms of the Fisheries Vessel Assistance program, there has been relatively little activity in the district. Three subsidies for a total of \$215,450 were allocated between 1970 and the program's cessation in the region in 1974. The subsidies met up to 35% of the completed cost of the boats, which remained in fishing for five years.

Under the Indian Fishermen's Assistance Program, a combination loan and grant is available to buy new or used boats and to install equipment. Restrictions are placed on the types of fisheries for which these boats may be used. For example, boats financed through this program are not permitted to fish for salmon, herring and halibut or to troll for bottom fish. To receive the grants, an applicant must be an Indian registered in British Columbia and have a minimum of two years in fishing. On

recommendation, some younger applicants are accepted with less experience. They must have a record of fish production and possess a reasonable credit record. The program was extended to 1977-78. The terms of reference have been expanded to include shellfish production and the establishment of shore installations such as packing plants. Over the years 1974 to 1976, \$32,275 has been contributed in the district in the form of loans and grants to buy new engines and used boats and to upgrade existing boats.

4.2.4 Agricultural Land

According to the 1971 census, there are 423 farms in the Cowichan Valley Regional District, covering 28,374 acres (Vancouver Island Agricultural Program Development Committee, 1976). The majority of the farms are dairy operations, followed by beef, sheep and poultry in decreasing numbers. While the dairy support program, through the allocation of quotas, has had some impact on reducing the size of herds over the past year,¹³ the land transfer scheme (under the Small Farm Development Program) has had no effect in the district. As a recent study undertaken to examine the Small Farm Development Program indicates (Hill, et al., 1976), Nanaimo and the Cowichan Valley have the lowest numbers of potential beneficiaries under the old, as well as the recently modified, income and capital assets criteria.¹⁴ The capital assets criterion in the scheme was based on land values of just over \$100 per acre. However, the average land value per acre in B.C. is \$274 (Hill, et al., 1976). In the Cowichan Valley this rises to \$2,000 or more an acre. One of the major objectives of the Small Farm Development Program was to improve the

efficiency of agriculture by amalgamating small, inefficient units with larger ones. In many cases the Cowichan Valley problem is still one of efficiency. Many farmers have incomes under \$10,000. However, the problem appears to be related to the costs of production, particularly in buying and maintenance of machinery, rather than in scale of operation. As the program stands, there are people in the district who derive insufficient incomes from their farms, though their capital assets, generally \$125,000 or more, make them ineligible for land transfer assistance.

Twenty-eight loans involving a total commitment of \$1.6 million,¹⁵ were made in the district under the Farm Credit Act between 1970 and 1976. No loans have been made under the Farm Syndicates Credit Act over the same period. It is interesting to note from Table 4.1 that only two loans were approved in 1975, and none at all in 1976. According to a respondent from the Farm Credit Corporation, there are several reasons for this. Farm values in the study area have risen rapidly. As a result, many potential borrowers now exceed the eligibility ceiling of \$250,000 gross assets for a loan from the Farm Credit Corporation. In addition, marketing board quotas restricting increased production have discouraged expansion. Increased interest rates and the emergence of alternative sources of credit, offering competitive rates as a result of the interest rebate provision under the B.C. Agricultural Credit Act, also seem to have had effect.

The agricultural designations made in the district under the Canada Land Inventory, a federally funded project, were used for determining agricultural land reserves under

the B.C. Land Commission Act.

A number of respondents from the municipalities and the Regional District also mentioned that they had received federal funds under the Opportunities for Youth, the Local Initiatives Program and the Local Employment Assistance Program. However, details of this assistance were not readily available.

4.3 Evaluation of Methodology

The methodology used in this study is simple, can be readily applied over small or large geographical areas, and can be used to collect information on programs by department or by sector. In addition, the relative significance of federal financial contributions to lower levels of government can be calculated by program on a percentage or a per capita basis by region.

A number of problems, however, were encountered in applying the methodology at federal, regional and local levels. At the federal level, it was difficult to obtain precise data on funding allocations by program. Statistics from documented sources such as the Public Accounts, Budgetary Estimates, National Government Finances, Canada Treasury Board (1976), and the Annual Reports of individual departments tended to be presented under general headings such as Fisheries, Environmental Management, Social Housing or Economic Development. The Inventory of Federal/Provincial Programs, has attempted to overcome this problem, but it too has substantial gaps (Canada Federal-Provincial Relations Office, 1973, 1976, 1979).

In many cases this problem was compounded at the provincial level. Annual reports of federal government departments included program statistics at a national level more frequently than they included statistics relating to the provinces. A notable exception is the Annual Report of the Farm Credit Corporation. In addition, provincial government publications merely indicated the extent of the federal government contribution in the total costs of programs or projects. For example, the 1973 Annual Report of the British Columbia Water Resources Service quotes the total authorized expenditure under the ARDA water projects program, since the program began in 1963, as being \$37,433,000. Under the ARDA 50/50 cost shared agreements, presumably half of this will have come from the federal government! However, the British Columbia Water Resources Service Annual Report lists projects by location and number within the province, and costs (without federal-provincial breakdown) are provided in the majority of cases. Statistics for the district were practically impossible to get from documented sources.

While secondary sources of information generally lacked program statistics, difficulties also arose in obtaining the information from primary sources. Few departments appear to keep statistical data on provincial expenditures by program at their regional headquarters. More important, many respondents did not know who might have this information and where it might be located. Typical responses were "it must be in the computer somewhere" or "they should have that in Ottawa." Deficiencies in

provincial statistics were made up for by the provision of detailed information on programs and projects in the districts.

In most cases, the problem here was not just one of inadequate information. Difficulties were found initially in the actual collection of the information. The gathering of this information is not just a question of time or of the provision of additional helpers, it is also one of understanding how to interpret the data. One respondent mentioned that he would need to hire someone to provide this type of information.

Respondents in the district also appeared to have problems of recall. Data provided by federal government departments on projects within the district were not always corroborated by information obtained in the field.

Most of the methodological problems outlined are surmountable. However, if this project was to be replicated, a slightly different procedure might be adopted. By starting in Ottawa, it may be possible to obtain more precise information on program expenditures at national and provincial levels. Data at the local level are available at regional offices in the province or within the district, providing the resources are present to collect it.

More information could also be collected by mail. This technique was used to collect information from the Farm Credit Corporation in Kelowna. However, this process takes longer and its success relies on a detailed description of the data required.

5. SUMMARY AND CONCLUSIONS

The study not only highlights the large number of federal programs, it also indicates their utilization within a small administrative unit. Although the funding amounts are generally small in terms of federal expenditures at national and provincial levels, the impact on land of these expenditures is significant in the district. Without the federal contributions, most municipalities claimed they would not have been able to undertake projects on such an extensive scale or in the same time period. Some would not have been undertaken at all.

While there is little concrete evidence to suggest that priorities are altered to accommodate federal funding programs, one respondent commented that if a recreational facility required eight ping-pong rooms before it was eligible for funding, eight ping-pong rooms would be built regardless of the demand. In addition, there seems to be some pressure to take immediate advantage of any programs introduced. It is an open question whether a municipality had the project already planned and the introduction of the federal program was fortuitous or the project was a response to the program. Intuition would suggest the latter is more likely the case.

The imposition of national criteria did appear to have an adverse impact in two instances. It seems that there might be some advantage in extending the terms of reference under the sewerage treatment assistance program to include the upgrading of existing systems. The counter argument is that it will

probably need replacing eventually, so why not sooner rather than later. However, technological advances which might take place in the next twenty-five years (the life expectancy of the refurbished system) are unknown.

Secondly, unless the eligibility requirements of the land transfer plan under the Small Farm Development Program are altered, there are few potential candidates for the program in the district. Greater flexibility in the allocation of funding to incorporate local problems would overcome the needs in the study area. For example, the provision of grants for the purchase and maintenance of equipment would be especially beneficial.

Difficulties in monitoring projects and in relating proposals to the market demand in the district appeared to be important problems. While most departments attempt to carry out inspections in the field, regional offices must cover extensive areas and it is not always possible to examine every project in detail. One department admitted that it did not have the facilities to carry out an effective monitoring program. One respondent suggested that there should be regional/local officers responsible for apprising local authorities and others of the programs available. These officers should also perform a monitoring role. A recent advertisement for a Neighbourhood Improvement Program (NIP) co-ordinator in Victoria suggests that there is movement in this direction.

The difficulty of attuning programs to market demand may be precipitated in part by the uncertainty concerning the length of programs. The NIP co-ordinator position is

illustrative; it can only be guaranteed for two years. Local authorities may be over-zealous in promoting schemes for fear the opportunity may be lost.

It also appears that it might be possible to co-ordinate programs more closely. For example, labour employed in NIP and RRAP

programs could be taken from the unemployment pool.

In spite of criticisms and complaints about the way some of the programs were administered and the endless forms that must be filled out, most recipients considered the effort worthwhile.

FOOTNOTESSECTION 1.

- 1 B.C. received \$5.9 million in 1961-62, but has not received any further funding.
- 2 For example, the Winter Works Program; see Strick, 1973, p. 123.

SECTION 3.

- 3 These amendments were introduced in 1975.
- 4 Originally the ceiling was \$60,000; in 1976, it was \$100,000.
- 5 Newfoundland does not participate in this scheme.
- 6 The legislation of both DREE and Veterans Affairs impinge on agriculture.
- 7 50/50 grant-loan basis.
- 8 Transferred from the Secretary of State in 1973.
- 9 Loans for existing housing are not included. The impact is not considered to be direct, since the housing stock is already in place.
- 10 This occurs only in remote and rural areas.
- 11 War veterans can get further housing assistance from Veterans Affairs.
- 12 Water supply assistance has only been introduced recently.

SECTION 4.

- 13 This was not verified by the researcher in the field.
- 14 The ceiling was raised from \$75,000 to \$100,000 capital assets.
- 15 This figure includes loans refinanced between 1970 and 1976.

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