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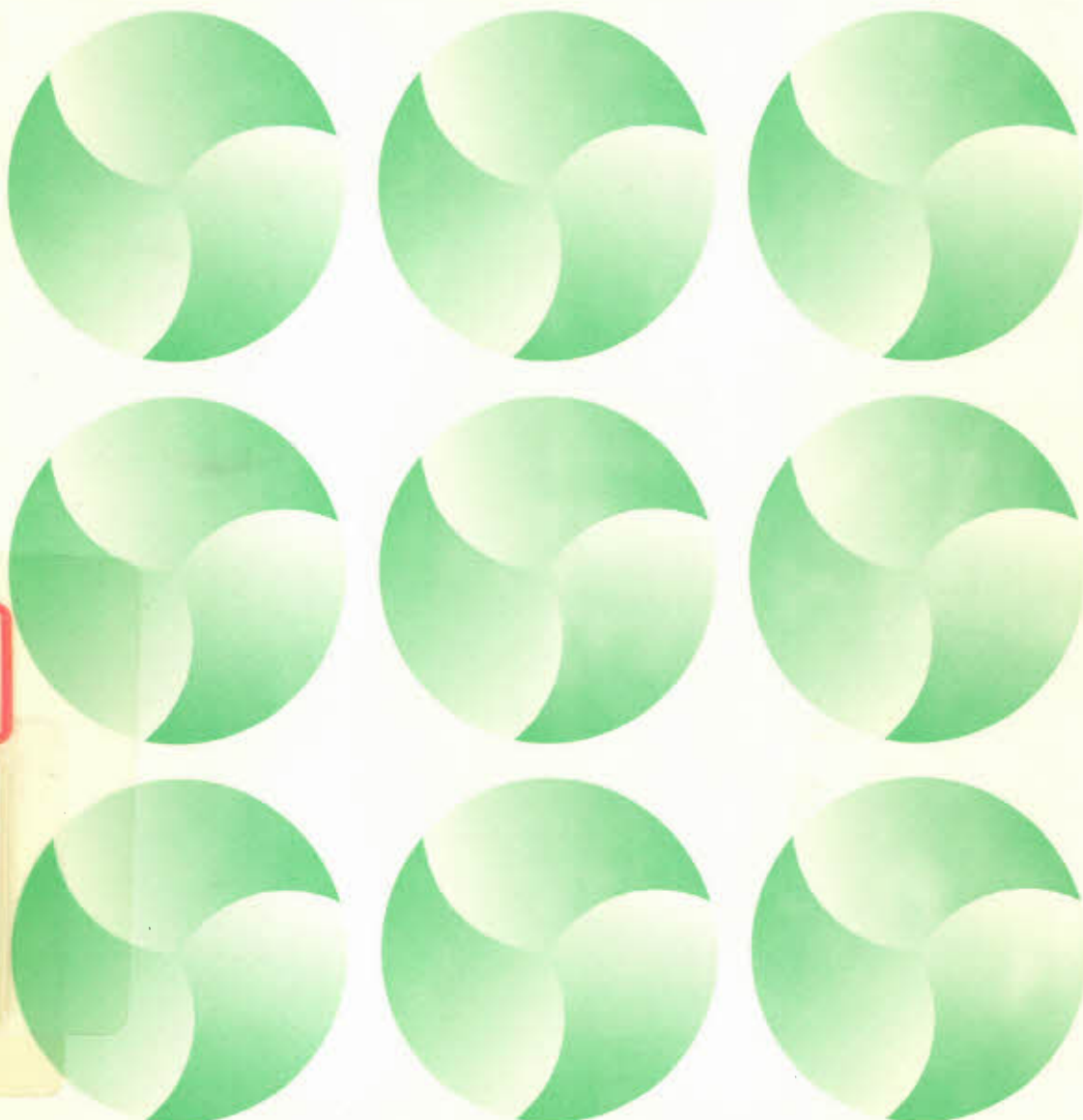


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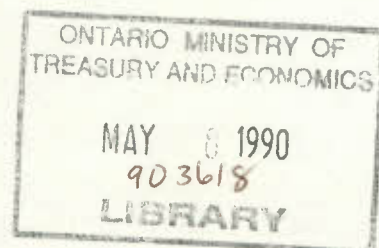
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LOCAL DEVELOPMENT PAPER NO. 18

Manitoba's Interlake Region:
The Fund for Rural Economic
Development Agreement, 1967-1977

by

Michael B. Decter and
Jeffrey A. Kowall



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RÉSUMÉ

L'accord qui a donné naissance au Fonds de développement économique rural (FODER) de la région de l'Entrelacs, au Manitoba, a marqué le début de l'une des plus fructueuses initiatives de développement rural des années 60 et 70. Les sommes considérables consacrées par le gouvernement fédéral et par le gouvernement du Manitoba à la mise en valeur des ressources naturelles et humaines et à l'infrastructure (85,1 millions de dollars au cours de la décennie 1967-1977) ont permis une profonde transformation de la région, d'un point de vue tant social qu'économique.

Les bénéfices économiques de cette initiative ont été abondamment décrits, mais on en a moins fréquemment souligné deux aspects essentiels : le rôle joué par la collectivité elle-même et l'adoption d'une approche "décentralisée". Des comités régionaux de développement ont participé à l'établissement des plans et des priorités. Grâce à leur intervention, l'accord, puis l'application de celui-ci, ont pu tenir compte de la situation réelle de la région de l'Entrelacs.

Sous l'impulsion du FODER, cette région rurale très défavorisée, marquée par la pauvreté et le chômage, a accédé à un développement économique durable. La souplesse et l'ampleur de la stratégie adoptée ont permis une action en profondeur sur le tissu socio-économique de la région. Dix années ont suffi pour une transformation permanente.

L'initiative de développement rural de la région de l'Entrelacs nous apporte la preuve qu'un plan de développement régional souple, élaboré de concert avec la population, peut donner en une décennie des résultats substantiels.

ABSTRACT

The FRED Interlake Agreement in Manitoba was one of the most successful rural area development undertakings of the 1960s and 1970s. The investment by the governments of Canada and Manitoba of some \$85.1 million in resource management, human resource development, and infrastructure over a decade (1967-77) changed the social and economic fabric of the region profoundly.

FRED's positive economic impacts are well documented. Less frequently discussed is the essential role of community participation and bottom-up planning in the FRED experience. Area Development Boards were involved in both the planning and priority setting under the agreement. These inputs helped shape the Agreement and its implementation to the realities of the Interlake situation.

The decade of FRED saw a significant transformation of the Interlake economy from a severely disadvantaged rural area of poverty and widespread underemployment to a region with sustainable economic development. The flexibility and breadth of the area development approach enabled broad impacts on the socio-economic fabric of the Interlake. Ten years proved sufficient to produce ongoing change.

The central lesson of the FRED Interlake experience is that a decade-long, flexible area development plan, shaped by the residents of a region, can succeed in creating development.

CONTENTS

FOREWORD

vii

1 PROJECT HISTORY	1
Introduction	1
The Early Studies - 1961-64	3
The Consultative Process - Guidelines for Development 1965-66	5
The Interlake in 1967-68	7
The 1967 Agreement - A Comprehensive Rural Development Plan for the Interlake Area of Manitoba	11
The Implementation of the FRED Agreement	14
2 ANALYSIS: OPERATIONAL ISSUES	17
Design Phase	17
Planning Phase	18
Implementation Phase	19
3 ANALYSIS: THE IMPACTS OF THE FRED AGREEMENT	21
Labour Force: Employment, Education Levels and Business Activity	21
Major Economic Developments Since 1977	27
Quality of Life	30
Resource Management - Agriculture and Fishing	33
Sustainability	34
Replicability	38
Lessons Learned from the FRED Interlake Experience	40
APPENDIXES	45
I The FRED Interlake Agreement	47
II FRED Plan Expenditures by Program, 1967-77	57
III Interlake Area Development Boards	59
IV A Chronology of the FRED Interlake Initiative	61
LIST OF TABLES, CHARTS, FIGURES AND MAPS	
Map of the Interlake	4
Chart III	16
Table 1	9
Table 2	23
Table 3	26
Table 4	37
BIBLIOGRAPHY	63

FOREWORD

The purpose of the Economic Council's project on Directions for Regional Development was to look at situations in which local communities had assumed more responsibility for their own development, and to see what lessons could be learned from these experiences. Fourteen case studies were undertaken, while a number of Issue Papers examined subjects of general concern to communities and development practitioners. The research was deliberately designed to be different from work typically undertaken by the Council in the past. The primary task was to collect instructive evidence, and to verify it where possible by drawing upon existing evaluation studies. The authors were not expected, for example, to undertake the extensive data collection needed to do cost-benefit studies. Rather, they were asked to capture the diversity of the local development experience in Canada.

The results of the research are being reported in a special collection of Local Development Papers listed at the end of this document.

A subsequent phase of the project will analyse the context within which local development initiatives take place and evaluate their actual and potential impact on reducing regional disparities.

This Paper presents one of the 14 case studies produced by the Directions for Regional Development project under the direction of Dal Brodhead. Geographically, these studies span almost the entire country, from Nanaimo, British Columbia, to St. Anthony's, Newfoundland. The range of initiatives described is almost equally broad; it goes all the way from the establishment of a small credit union designed to provide basic financial services to the residents of a single community to a comprehensive long-term area development initiative involving all three levels of government and designed to achieve a wide variety of socioeconomic objectives over a ten-year period. A unique feature of the project was its regional orientation through the use of three regional consultants who played a major role in the development of the case studies and the consultation process. Equally important were the numerous joint research ventures undertaken with a wide range of regionally based partners.

Our work in the first part of the project suggests that programs sensitive to the needs of individual communities, and based on some type of partnership between government and local groups, may make a contribution to economic development in Canada's diverse regions. In particular, our research suggests that communities have an important role to play in identifying development priorities and particular skills requirements of individuals and

local businesses. Our findings also indicate that such "bottom-up" strategies can be assisted by a Local Development Organization (LDO), whose mandate is sufficiently broad and constituency base sufficiently large to enable it to take a long-term development perspective. An important feature of "bottom-up" community development strategies is their focus on community capacity-building aimed at increasing local self-reliance and innovation.

The cases on which we have chosen to focus illustrate a number of the ways in which Canada's communities have mobilized their available human, financial, and material resources to help assure a future for themselves. We believe that these cases will be of value both to community and regional development practitioners and to regional policy-makers at all levels of government.

Michael Decter, now a Montreal consultant, was Partner-in-Charge of Peat, Marwick Consultants in Winnipeg at the time this paper was written. Jeffrey Kowall served as a researcher under Mr. Decter's direction.

Judith Maxwell
Chairman

1 PROJECT HISTORY

INTRODUCTION

Manitoba's Interlake region lies between Lake Winnipeg and Lake Manitoba. For many decades, the region was severely economically disadvantaged as a result of a long, slow decline in the fortunes of fishermen and farmers who populated the region. The region's decline, aggravated by an unpromising physical environment -- most of its land is flat and either lightly wooded or marshy -- combined to create a sense of hopelessness throughout the region. But out of this region arose significant political will. That political will led to the belief that the Interlake region could be developed.

In 1967, the Governments of Canada and Manitoba signed a joint Fund for Regional Economic Development (FRED) Agreement for the Interlake area of Manitoba. The Agreement had a ten-year mandate, from 1967 to 1977, and was part of a new approach to rural development in Canada, one focusing on geographical areas of low rural income. Its efforts were very specific and involved local, provincial, and federal governments in joint programs designed to improve public infrastructure, as well as to develop human and natural resources. An underlying principle was that improvements in physical resources such as land and water would be ineffective unless the area's human resource potential was also developed.

The FRED Agreement was signed under the Fund for Rural Economic Development Act passed by the House of Commons in May, 1966. The purpose of that Act was to provide an incentive for economic and social growth in rural areas. It was this legislation and its forerunner, the Agricultural Rural Development Act (1961), which provided the basis for cost-shared development projects between the governments of Canada and the provinces in rural areas of Canada. In this connection, it is perhaps worth noting that in the early 1960s, a number of studies were done in the Interlake region which established the presence of low income levels and, therefore, eligibility for a special rural development area under Section 6 of the 1965 ARDA Agreement between Canada and Manitoba.

During 1965 and 1966, ARDA advisory boards were established and meetings held in the Interlake region. It was also in 1965 and 1966 that the Interlake FRED plan evolved. Three main areas of focus were identified: education and schools, adult education and training, and development of available natural resources. A comprehensive development agreement was evolved and was signed in May, 1967.

Implementation followed over the next decade. One aspect of this rural development project was research mandated by Part IV of the Agreement. This research continued the analytical work of the pre-Agreement period and added a series of evaluations (noted in the bibliography). A number of individuals from the University of Manitoba's Department of Agricultural Economics undertook a wide

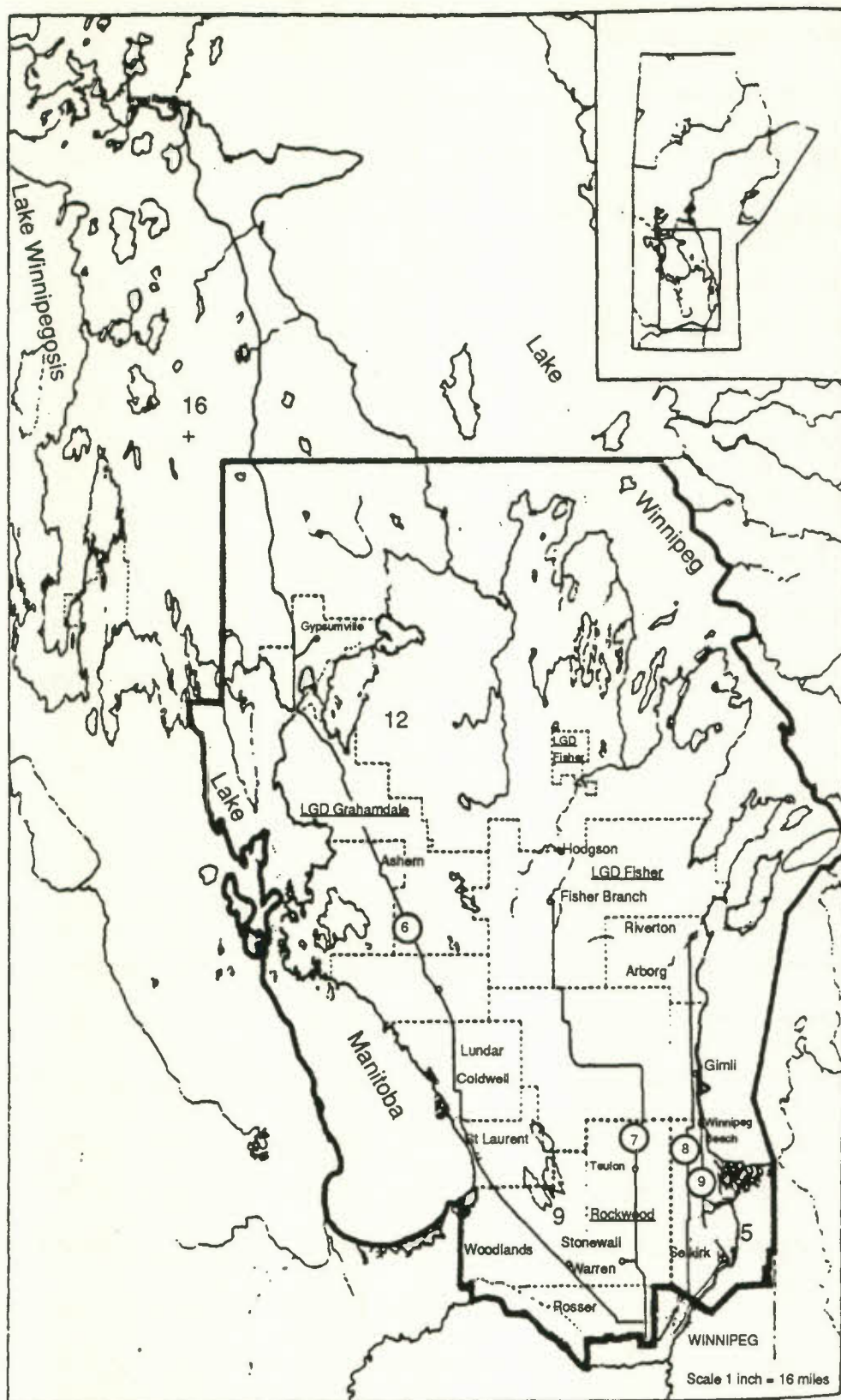
range of evaluation studies on the implementation of the FRED Agreement and the impacts of various component programs. This case study attempts to synthesize and build upon that work rather than repeating it. A great deal of material is therefore drawn from various evaluations.

This case study examines the FRED experience from the perspective of community-based, bottom-up development with an eye to determining whether it represents a useful model for today's community and regional development efforts. As well, given that it has been ten years since the FRED project's completion, its impacts and contributions are now clear; thus the paper will seek to provide some understanding of those impacts and contributions.

THE EARLY STUDIES - 1961-64

During the early 1960s, two types of activities were undertaken to gain a better understanding of the Interlake region. A number of studies and research initiatives were undertaken by government, directed particularly at the ARDA pilot research area¹ of the Interlake. Under the ARDA legislation, these research efforts focused on establishing income levels and basic socio-economic data. As well, the local people were actively involved in nine area development boards. These boards analyzed and evaluated the feasibility of various projects, including training, education, and resource development.

Interlake Rural Development Area



SOURCE Department of Regional Economic Expansion, "FRED: 1967-1977, A Decade of Development in the Interlake." Ottawa: Queen's Printer, 1979, p.16.

In 1963, emphasis was placed on direct development of the region's natural resources, in particular agriculture, fishing, and forestry. Surveys of resources were undertaken to identify both the quantity and quality of various available resources.

The local participation effort led to two resource conferences in the spring of 1964. At these conferences there was discussion of existing programs as well as potential future programs. Communities did not await the signing of the overall agreement, but initiated several community-based projects of their own. Among the projects undertaken were a pilot project in rough fish utilization, construction of community pastures, installation of sewers and water mains, and upgrading curling rinks.

THE CONSULTATIVE PROCESS - GUIDELINES FOR DEVELOPMENT 1965-66

The work of the early sixties culminated in the publication of a document called "Guidelines for Development - The Interlake Region of Manitoba, A Designated ARDA Area". It was published in May 1966 as a framework for the economic and social development of the Interlake region. This framework document brought together the work of the consultative process, the work of the early ARDA studies, and the results of a 1966 Manitoba Economic Consultative Board study. In the Consultative Board study, five areas of emphasis were identified for encouraging economic development in Manitoba. These areas also corresponded almost identically to the

concerns raised by Interlake residents ARDA's "guidelines" study case (see above). They are as follows:

Education

Education was seen as the most important development objective by the Interlake people. A consolidated elementary school system and improvements to secondary and technical schools were seen to be integral components of a comprehensive development program.

New Knowledge About Development

It became apparent that the economic development of the Interlake region would require use of the latest technological advances. The exploitation of the resource endowment of the Interlake region was inherently dependent on technology. For example, the Interlake has significant Kaolin clay deposits. These deposits could not be mined, as, in their natural state, there were too many impurities in the deposits. Without research into the separation of clay from its impurities, mineral resource development in this area could not proceed.

Management Skills

It was recognized that the managerial skills of Interlake farmers and business people were not sufficiently developed to provide competitive production or distribution of goods and

services. The improvement of managerial and technical skills thus became an objective of regional development for the Interlake.

Development of Natural Resources

Given the Interlake economy's high dependence on natural resources, programs to enhance the development of these resources were a necessary part of a regional development policy.

Coordination of Development Activities

For the implementation of a successful regional development program, local participation and organization are essential. Given the range of government programs available to the region, effective coordination of these programs to their most productive local uses was dependent on a bottom-up development strategy.²

These areas of emphasis provided a context and a framework for the subsequent negotiations and agreement.

THE INTERLAKE IN 1967-68

Based on the evidence presented in Pre-FRED studies of the Manitoba Interlake region, it is apparent that the region exhibited signs of stagnation. In 1968, the population of the Interlake region was 53,748. This figure includes about 4,000 Native people located on seven reserves.³ As well, about 40% of

the population lived on farms.⁴ Initially settled by Native people, the Interlake region throughout the 20th century witnessed successive waves of immigration from Eastern Canada, Iceland, the Ukraine, Poland, and Germany. The region's population peaked in the 1920s and has remained relatively stable since then. But the period from 1951-61 saw a population shift from isolated farms to small towns and cities.⁵

Rural poverty was a particularly serious problem. In 1968, one-third of the 14,733 households had an income of less than \$3,000 per year.⁶ Fifty per cent of the region's jobs were in agriculture and thirty per cent were in the service sector, which in turn was either directly or indirectly related to the agricultural industry.⁷

An earlier (1961) review of the Interlake had indicated that there were 6,300 farms in the region, but that fewer than 1,200 were viable commercial enterprises.⁸ A further 1,300 were viewed by the government as non-commercial farms which provided their residents with a "fairly satisfactory standard of living."⁹ The remaining 3,000 farms provided returns below a satisfactory level. It was estimated in 1961 that some 3,000 commercial farms with annual sales above \$10,000 could exist competitively in the Interlake region.¹⁰ Of the 2,000 Interlake residents engaged in the fisheries, it was estimated that fully half would need to be adjusted out of that sector in order to allow the remainder to achieve satisfactory levels of income.¹¹

Any long-term development initiative also required significant improvements to the educational system. In 1961, only 15 per cent of the region's school-age population had secondary or high school education, compared to 43 per cent in Winnipeg. The high school drop-out rate was 60 per cent.¹² It is clear from these data that the Interlake's young people were not receiving adequate education and would thus be significantly restricted in their ability to help improve the performance of the region's economy.

On the production side, the MacMillan-Lyon study indicated that gross output by sector in 1968 for the Interlake economy amounted to \$137.9 million.

Table 1

Interlake Output by Sector, 1968

Agriculture and mining	\$ 44.5 million
Manufacturing	\$ 26.5 million
Non-manufacturing	\$ 9.8 million
Wholesale	\$ 15.1 million
Retail	\$ 32.0 million
Service	\$ 10.0 million
Total	\$137.9 million

In terms of employment, the same study estimated a total of 15,900 person years in the Interlake economy in 1968. This was divided between agriculture, with 6,000 person years, and all other sectors, with 9,400 person years. Aggregate household income

estimated at \$75.1 million, of which \$20.1 million was farm income and \$55 million non-farm.

The relative poverty of the Interlake region's residents resulted, at least to a degree, from the region's geographical characteristics. In the southern part of the region, the geography was mainly flat parkland studded with clumps of trees, while in the north, the land was dominated by a mixture of evergreens and bush, which was dotted with marshes and bogs.¹³ The rocky soil had a very high lime content and poor drainage, and was low in essential plant nutrients. This made efficient agricultural production, other than mixed cattle grazing, difficult.

By the 1960s, then, the Interlake region was in serious trouble. The symptoms, as noted earlier, included high levels of out-migration, unemployment, and underemployment, low educational levels, and high school drop-out rates.¹⁴ As well, the region was marked by considerable economic dependency on other parts of the province (notably Winnipeg),¹⁵ low levels of public infrastructure, poor housing, and a generally low standard of living.¹⁶ But the ARDA planners and administrators believed that the symptoms could be treated, their causes eliminated, and their results mitigated.

THE 1967 AGREEMENT - A COMPREHENSIVE RURAL DEVELOPMENT
PLAN FOR THE INTERLAKE AREA OF MANITOBA

The FRED Interlake program, signed on May 16, 1967, was the third such comprehensive plan in Canada.¹⁷ In general, the FRED programs were aimed at assisting rural areas

where the roots of economic and social stagnation go so deep that the normal programs of governments cannot be expected to bring about a rapid improvement. These are the areas that are held down by the self-perpetuating evils of poverty, lack of social capital and development, and inadequate education.¹⁸

Although these conditions were necessary, they were not sufficient for a FRED designation. Together with indications of a chronically depressed economy, the Interlake region had the necessary indications showing a "significant potential for development."¹⁹ The Interlake FRED plan sought to increase the income levels and standards of living of Interlake residents through significantly large and "carefully integrated" infusions of public funds.²⁰ This goal was to be achieved through carefully defined development objectives, which may be broken into five categories:²¹

Education

The primary objective here was to improve educational facilities and opportunities in the Interlake. This was to be achieved through:

- the consolidation of 165 existing school boards into five school divisions
- improving relevant existing educational facilities
- the construction of a technical-vocational high school for a minimum of 500 students
- the provision of additional funds to meet the added costs of operating and maintaining the school program resulting from the FRED agreement.²²

Manpower

The objective of this program was to improve the standard of living of the Interlake's residents through the provision of job training and counselling and job placement programs. This objective was to be attained through:

- the establishment of an adult education and manpower training centre
- the creation of training programs designed to reach residents in non-urban centres
- the creation of programs to improve managerial and technical skills for Interlake farmers and fishermen

- the creation of programs aimed at assisting the Native and Metis people of the area.

Development and Structural Adjustment

The objectives of this program were to improve the efficiency and productivity of the exploitation of the region's natural resources, to provide adjustment programs for those affected by structural change, and to improve the region's infrastructure. These objectives were to be attained through:

- government acquisition of marginal lands for conversion to alternate uses
- programs for land clearing and drainage
- programs designed to improve the productivity of the fishing and agricultural industry
- construction and reconstruction of Interlake roads
- programs to create recreational facilities and areas for Interlake and non-Interlake residents
- creation of an industrial park in the town of Selkirk

- programs to study and improve the housing conditions in the Interlake.

Research

The objective of this program was to provide for the ongoing research required to keep the FRED plan effective and responsive to the changing needs of the Interlake regions. Included among the types of research required were economic impact studies of the plan, data collection studies, and social impact research.

Administration

The objective of this part of FRED was to outline the managerial structure of the plan. The emphasis of this program was to facilitate cooperation and coordination among federal and provincial governments.

THE IMPLEMENTATION OF THE FRED AGREEMENT

The implementation of a plan on the scale of the Interlake FRED plan required the full involvement of many government departments and local representatives. The overall implementation process was coordinated through the creation of a joint federal-provincial advisory board, which consisted of six senior officials, three each from the federal and the provincial government.²³

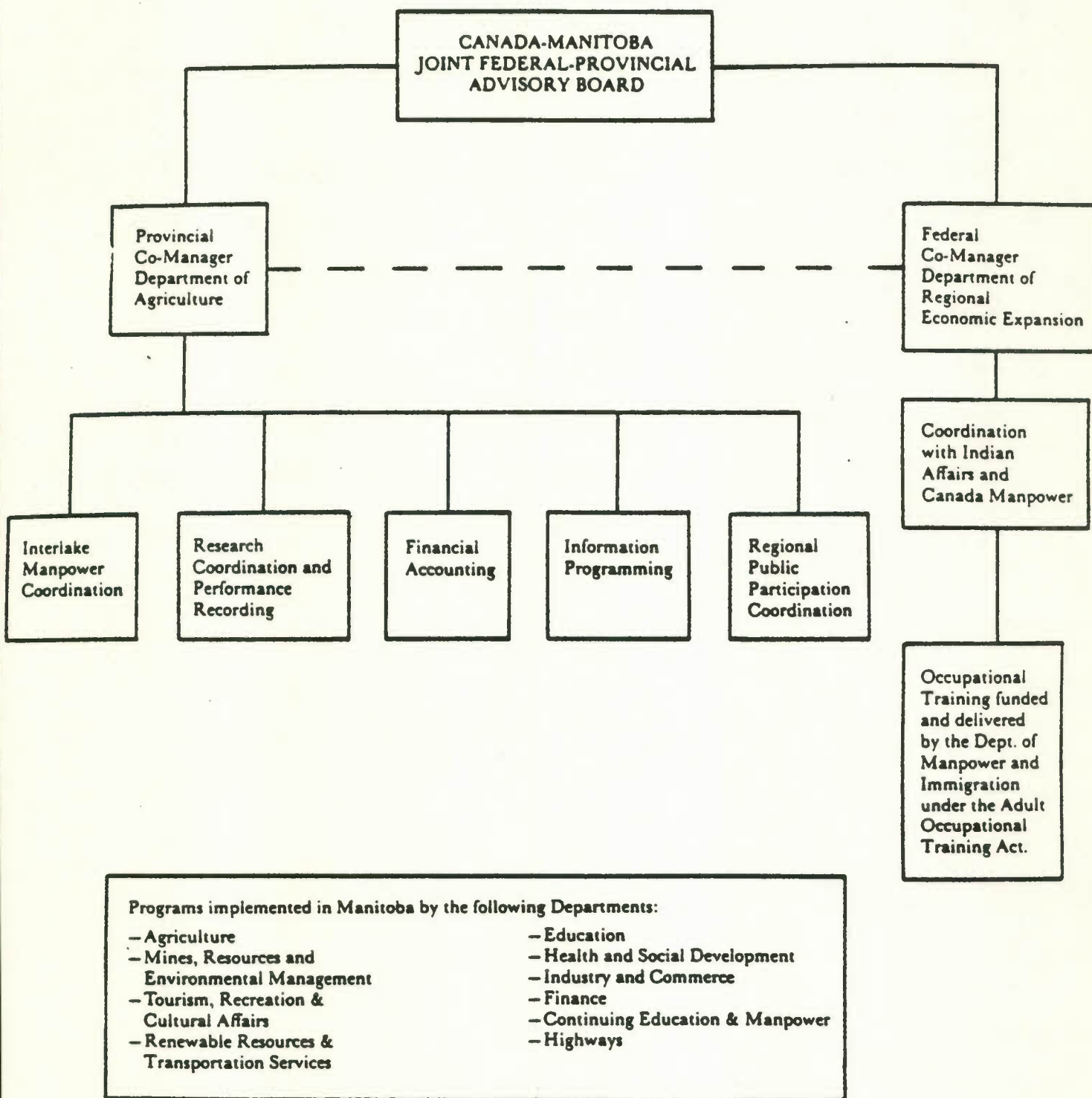
The board's responsibilities required it to meet at least twice a year to re-examine the plan's objectives, evaluate the progress of implementation, review the annual budget and financial forecasts, examine the timing and success of programs and projects, and recommend any necessary improvements to the plan.

Manitoba's Department of Agriculture was responsible for directing the day-to-day management of the plan as well as for maintaining central budgetary control. The federal government's input was coordinated by a federal program coordinator working within the Department of Forestry and Rural Development.²⁴

Initial estimates for administrative costs for the entire ten-year period were \$2 million, which was shared by the two levels of government, with the federal share two-thirds and the provincial one-third.²⁵

CHART III

the organizational structure of the interlake fred plan



Source Department of Regional Economic Expansion, "FRED: 1967-1977, A Decade of Development in the Interlake." Ottawa: Queen's Printer, 1979, p. 23.

2 ANALYSIS: OPERATIONAL ISSUES

DESIGN PHASE

FRED was an attempt to undertake comprehensive regional development through the joint efforts of the federal and provincial governments. While provision was made for federal or national coordination of development plans with provinces, the focus of FRED's planning, unlike that of DRIE, was within the region itself.²⁶

The goal of the FRED programs was ultimately to increase residents' income levels and the regional standard of living.²⁷ But rather than achieving this goal through the implementation of existing government regional development programs, the FRED program sought to custom-tailor the instruments of regional development to the specific problems at hand. The program's philosophy reflected the comprehensive nature of the approach. As well, the philosophy brought together consultation and analysis in a cooperative, yet structured, approach.

As can be readily appreciated, poor administration and management of regional development programs are a major cause of program failure. In an assessment of the management of the Interlake FRED plan, R.J. Hordo and J.A. MacMillan indicate that one of the key managerial exercises necessary for a successful

regional development program is "accurate problem definition and selection among feasible policy alternatives acceptable to policy makers, managers and regional residents."²⁸ Fortunately, the FRED Interlake plan involved a highly organized approach to management techniques, one which emphasized local involvement, evaluative research, and a dynamic approach to policy implementation.

PLANNING PHASE

The FRED management system was broken down into three stages: Preplan, Plan Implementation, and Plan Review. In the Preplan stage, extensive research was undertaken on the nature and potential of the Interlake region. In the Plan Implementation stage, programs were set up under the guidance of locally based Area Development Boards.²⁹ In the Plan Review stage, programs were evaluated in an attempt to make any necessary improvements.³⁰ As stated earlier, the Interlake's FRED administration was highly organized and, though it was not without minor problems, it avoided the criticisms commonly levelled at ARDA and DREE programs during the same period.

FRED's administrative structure allowed greater possibilities for a balanced, cost-conscious, comprehensive plan which, unlike earlier ARDA programs, did not focus solely on agriculture.³¹ As well, the uniqueness and modest size of FRED programs encouraged officials to participate as individuals - not only as representatives with a departmental view.³² This process

encouraged government officials to become personally as well as professionally committed to the program. Regular personal contact with Interlake residents was a major factor here. As well, a greater continuity of involvement was encouraged, resulting in a lower turnover of government officials involved in the program.

IMPLEMENTATION PHASE

The implementation phase was characterized by continuity. Despite the changes in government that occurred during the FRED implementation, there was a consistency and stability to the implementation, brought about, in part, by the framework of the Federal-Provincial Agreement. The original planning for the FRED Interlake Agreement was done under the Progressive Conservative Government of Duff Roblin in the early 1960s. It undoubtedly helped that two senior ministers in the Roblin cabinet represented Interlake constituencies.* These two senior ministers helped to create the political will necessary to initiate the Agreement and to shepherd it through the approvals process.

However, the Roblin Government was replaced by a PC Government headed by Premier Walter Weir in 1967, which was itself in turn replaced in 1969 by the New Democratic Party Government of Premier Edward Schreyer. The NDP, which held office for the balance of

* The two ministers in question were Education and Health Minister George Johnson and Agriculture Minister George Hutton, who signed the Interlake Agreement on behalf of the province.

the FRED implementation period, had very different policy priorities and philosophies.

Fortunately, the FRED Interlake Agreement had evolved an implementation structure which, while part of line departments within government, took its mandate from the Agreement, rather than from the policies of the government of the day. While this produced the inevitable tensions between FRED administrators and others within government the aim's length mechanism always allowed the FRED administrators to prevail within the provincial government, despite the crucial changes in political composition of that government.

This period also saw similar changes taking place in governments, ministers, and departmental organizations federally. These changes affected personnel and their responsibilities federally just as they did provincially. Again, the stability and continuity provided by the FRED agreement itself enabled implementation to proceed despite these serious changes.

3 ANALYSIS: THE IMPACTS OF THE FRED AGREEMENT

LABOUR FORCE: EMPLOYMENT, EDUCATION LEVELS AND BUSINESS ACTIVITY

One of the most difficult tasks in regional program evaluation, particularly given the paucity of sub-regional data in Canada,³³ is to determine what might have happened in a region without the intervention of a program such as FRED. Precise quantitative impacts of broad area development programs like FRED will always be extremely difficult to determine. Nonetheless, five specific FRED program areas have been evaluated, and these evaluations may prove helpful in understanding the impacts of the Agreement on employment and other measures.

Interlake Manpower Corps

The Interlake Manpower Corps was designed for adults who not only lacked job skills and work experience, but also needed help to develop self-confidence and steady work habits. It provided instruction in basic work skills and technical training in conjunction with experience in a real work setting.³⁴ All in all, 2089 people were involved in the Corps.³⁵ The program worked well, reducing unemployment and raising income levels. In the end, the benefits of the program exceeded (by more than double) the training costs incurred³⁶ (see Table 2).

Total FRED expenditures from 1969-76 for the Manpower Corps were about \$5.6 million.³⁷ FRED was financially responsible only for the training aspects of the program, with material costs being the responsibility of the sponsoring department, agency, or community group; thus a high percentage of the total expenditures took the form of wage payments to Interlake residents.³⁸ Among the results of the FRED Manpower Corps program were a drop in the trainees' unemployment rate, from 80% to 19%, and an improved general efficiency of the economy through increased labour productivity. There was also a decline in the level of government social assistance payments.³⁹

Farm Diversification Program (FDP)

The FRED program also attempted to improve the management skills of the region's farmers. This aspect was initiated in 1972, during the second phase of the FRED program, and was almost identical to the farm diversification program implemented at the same time throughout the rest of Manitoba under the general ARDA program.

The FRED program initiated courses which were designed for lower to middle income farmers willing to significantly adjust farming techniques to improve the economic viability of their farms. The courses gave working farmers a chance to learn the latest farming techniques, including record-keeping and evaluation. As well, to supplement the improved abilities of the Interlake farmers, the

FRED program provided various types of funding and loans for the use of farmers for farm management and improvement activities.⁴⁰

Table 2

Average Costs, Benefits, and Net Present Value Per Week of Investment in Training From a Trainee's Viewpoint

	Rate of discount (per cent)				
	6	12	18	24	30
8 years duration of benefits					
Present value of benefits (\$)	376.71	319.10	276.25	243.93	219.18
Present value of costs (\$)	81.21	81.21	81.21	81.21	81.21
Net present value (\$)	295.50	237.89	195.04	162.72	137.97
B/C ratio	4.64	3.93	3.40	3.00	2.70
10 years duration of benefits					
Present value of benefits (\$)	432.48	351.68	295.31	255.10	225.74
Present value of costs (\$)	81.21	81.21	81.21	81.21	81.21
Net present value (\$)	351.27	270.41	214.10	173.89	144.53
B/C ratio	5.32	4.33	3.63	3.14	2.78

Source Marco A. Fernandez, "Evaluation of Manpower Training Programs: The Interlake Manpower Corps", (unpublished Doctor's dissertation, University of Manitoba, draft, 1976), Table 18, p. 71.

Initial evaluations suggest that there were substantial sales increases of farmers engaged in livestock farming who participated in the programs without necessarily increasing either the size or output of their farms. However, during the early 1970s, falling world farm prices, particularly for livestock, severely dampened any possibility for growth for many farmers.⁴¹ While available data (see note 8) suggest that the FDP did not result in across-

the-board income improvements for Interlake farmers, it may have significantly reduced the adverse financial effects of falling world prices by increasing farmers' sales. (For a comparison of the economic circumstances of FRED and non-FRED regions during the period 1967-76, please see Table 4).

Fisheries Program

Before the FRED program, approximately 2000 people in the Interlake relied on the fishing industry for their livelihood. With an average annual income from fishing of \$1,000 per fisherman, it was determined that this situation was not acceptable. Among the most serious problems were an excessive number of fishermen, declining fish stocks, a low market price for fish, inadequate fishing equipment, and poor fishing and management techniques.

A fourth-year review of the fisheries program's objectives resulted in the revision of these objectives. The objective of reducing the number of fishermen in the Interlake was discarded. The difficulties of removing people from what had been a life-long endeavour had become apparent, and it was also observed that there had already been a substantial reduction in the number of Interlake fishermen since the pre-FRED surveys.⁴² However, by March 1976, 235 fishermen had participated in the Management Development Program for Fishermen, aimed at improving the business skills of the Interlake fishermen.

Recreation Programs

A total of 51,144 acres of poor and inaccessible land was purchased by the government and converted to uses other than agriculture. Studies indicate that the farmers' land sales to the government generated immediate net income benefits to the region's farmers. However, in some cases, farmers simply broke even on land sales. Most of the land thus sold was converted into valuable wildlife and recreation areas.⁴³

The recreation program was one of the most visible aspects of the FRED program. The aim of this program was to promote the development of a major dollar-contributing industry for the Interlake area.⁴⁴ The program created construction and training jobs and provided spin-off job creation to the service sector.⁴⁵ The recreation program also sought to develop a base for future development expansion and focused on Winnipeg Beach, the Lake Winnipeg Narrows area, Gimli, and Hecla Island Provincial Park.

The primary recipient of FRED efforts was Hecla Island Provincial Park, which benefitted to the tune of \$2.763 million from 1968-75. The program at Hecla Island contributed most to the service sectors of the economy, with significant economic benefits to the towns of Riverton and Arborg (those nearest the Park.)⁴⁶

Drainage Program

The objective of the drainage program was to increase agricultural productivity. Since many areas of potentially good cropland in the Interlake area were low-lying, stable crop production depended on adequate drainage.⁴⁷ Most major drainage projects were completed by 1973, by which time 123,885 acres of land had been cleared, with 75 per cent of the land being on livestock farms, for a total capital cost of \$6.8 million.⁴⁸

The drainage program had several benefits. The estimated economic impacts of the entire drainage program are described in Table 3 below:

Table 3
Average Annual Input per \$1 Million Capital Expenditure (1968\$)

Economic Indicator	Capital Phase (1968-73)	Ongoing Phase (1974-77)
Realized Gross Output (\$1,000)	2,271.5	3,085.1
Household Income (\$1,000)	557.7	763.8
Employment (Person Years)	153.8	137.2
Government Tax Revenue (\$1,000)	56.4	76.9 ⁴⁹

In the form of additional acres of crops and improved pasture, the benefits were greatest for farmers with over \$10,000 in revenues, as the larger the farm, the more land there was to be

drained and therefore the greater the benefits to be achieved.⁵⁰ As well, expenditures on the drainage program saw a direct injection of money into the Interlake economy, which eventually resulted in a number of positive spin-off effects.⁵¹ Between 1968 and 1973, approximately \$7 million was spent on drainage projects, making it the second largest FRED expenditure. The cleared land contributed to increased agricultural production, which, like the initial drainage program's expenditures, contributed to higher incomes for local residents and eventually to a variety of positive spin-off effects.⁵²

MAJOR ECONOMIC DEVELOPMENTS SINCE 1977

Industry

The establishment of a major distillery at Gimli, Manitoba in the Interlake by the Seagram's Company has been among the region's major economic developments since 1977. The distillery and warehouse complex occupy more than 1 million square feet on a 120 hectare site. Seagram's employs 138 people and pays \$3.5 million in annual salaries in the Interlake region. The \$27 million capital investment in the distillery was made for three primary reasons:

- 1) The presence of a source of pure ground water at Gimli.

- 2) The productive Interlake work force, exhibiting a high degree of cooperation among various levels of employees and virtually no labour strife
- 3) The ready availability of rye, which is required to be A-1 quality, in the Interlake area and corn from other regions of Manitoba.

It is true that the establishment of this distillery cannot be directly linked to any specific FRED program. However, it is quite evident that the provincial government's attempt to lure Seagram's to Gimli was significantly aided both by the general improvement in the region's economy, in which FRED, as already noted, played a part, and, more specifically, by the improvement in the quality of the region's labour force. It should also be noted that the concurrent closure of a Canadian Forces base in Gimli created an even larger pool of available skilled labour.

Other Economic Developments in the
Interlake Region Since 1977

- Northern Goose Processors Ltd. at Teulon, Manitoba, processing some 225,000 geese per year and expending approximately \$5 million within the Interlake economy.
- the Promo Wear Division of MWG Apparel Corporation, operating out of a facility in Teulon in the Interlake, employing 100

people in the manufacture of baseball caps and other promotional headgear.

- the expansion of the Harbrook Cheese plant at a cost of \$1 million.

Agriculture

Over the past 20 years, there has been continuing diversification within the Interlake's agricultural sector, the region's mainstay. In addition to the main crops, such as wheat, barley, oilseeds, flax and rapeseed, there have been added specialty crops such as specialized oilseeds and pulp forage seeds. Manitoba produces 40% of Canada's forage seed crops, with the Interlake region contributing 60-70% of the province's total yield. Forage seed crops in the Interlake include alfalfa, timothy, birds foot trefoils, sweet clover and specialty grasses such as Kentucky Blue Grass. Fava beans and peas are raised mainly for export to Japan and the United Kingdom.

The agriculture industry has also benefited from the presence of the Seagram's Company in Gimli, as was noted earlier. Seagram's buys all of its good quality rye (some 30,000 bushels per year) from Interlake farmers.

Northern Goose Processors Ltd. in Teulon, Manitoba also provides farmers with new sources of income. Newly hatched goslings are

sold to area farmers who raise them and then sell them back to the processors when the geese are mature.

Within the livestock sector, in addition to the dairy and beef cattle industry, there are now two buffalo herds. Moreover, 99 per cent of Manitoba's turkey breeder flocks are located within the region.⁵³

Again, farm diversification efforts which have occurred since FRED cannot be directly and absolutely linked to that program. But the FRED program's efforts to educate farmers on the merits of farm diversification undoubtedly played a significant role here, as did the program's attempts to improve management skills in the region. As was noted earlier (see pp. 22 to 24) farm diversification was one of the cornerstones of FRED's agricultural component.

QUALITY OF LIFE

Infrastructure

In order to successfully undertake the development of human and natural resources in the Interlake region, the FRED administration recognized the need for a suitable social and economic infrastructure. Roads were the most critical need, but training facilities, veterinary clinics, an industrial park, and farm water

services were all required in the Interlake region and were delivered through the FRED program.⁵⁴

Almost \$9 million was allocated for road improvement in the northern two-thirds of the Interlake region. This road improvement program was necessary for the success of the school improvements program. The safe passage of school buses from local communities and farms was an essential complement to school consolidation. In all, over 402 miles of roads had been reconstructed by the end of the 1973-74 fiscal year. The repair projects employed 320 people and generated \$4.8 million in income.⁵⁵ Evaluations of the road construction program suggest that, for the most part, income benefits were restricted to the construction phase.⁵⁶

The results of the road and water infrastructure programs had a direct impact on the quality of life in the Interlake. Improved road access provided both a greater degree of reliability and added safety for residents of the Interlake. One long time resident is quoted as saying, "In the days when I was first married (some 30 years ago), if we had a big snow storm, we were snowed in for days. We had an old highway that had really no grade at all, so if we had any snow, it was closed. In the wintertime you didn't plan on any travel, and a couple of winters when I was pregnant, I stayed in Gimli where the hospital was because we didn't want to take a chance of not being able to go when the time came."⁵⁷ Today, one of this woman's children

commutes to work in Gimli daily, winter and summer. Adequate road and highway access has allowed much of the Interlake region to enter the 20th century in terms of access to services.

Other infrastructure programs saw the construction and operation of four veterinary clinics, where fees were standardized and operational costs, including salaries, were subsidized by FRED.⁵⁸ Farm water service programs provided technical advice, incentive grants, and the benefits of a central bulk purchasing agency for the purpose of installing water services for livestock.⁵⁹ As well, the FRED program helped develop the Selkirk Industrial Park through a \$400,000 improvement project. The goal was to enhance Selkirk's role as a secondary industry centre in the Interlake. In total, 8 firms located in Selkirk, creating 200 permanent jobs -- a result attributable at least in part to FRED.⁶⁰

A Training-In-Industry program was designed to improve the vocational skills of the region's native population. It provided \$500,000 worth of capital assistance for facilities to develop jobs for native people under the Canada Manpower Training Program. Three construction projects received the funding:

- 1) Manpower Corps Training Plant, Selkirk, Manitoba - 50 trainees now work at light manufacturing jobs such as making furniture and barbecues.

- 2) Manitoba Fisheries Training Centre, Hnavsa, Manitoba - trains fishermen and is Canada's only freshwater fisheries training station.
- 3) Peguis Garment Plant, Peguis Reservation.⁶¹

RESOURCE MANAGEMENT - AGRICULTURE AND FISHING

As was noted earlier, the FRED program created special training programs in an attempt to overcome the lack of managerial and technical training among the region's farmers and fishermen. These programs were initiated in 1972, during the second phase of the FRED program, and were almost identical to the farm diversification program implemented simultaneously throughout the rest of Manitoba under the general ARDA program.⁶² Farmers missed by the various agricultural courses, or who were unable to apply what they had learned there, received intensive on-the-farm consultation and follow-up. The FRED program also provided various types of funding and loans for the use of farmers for farm management and improvement proposals.⁶³ For the reasons suggested earlier (see pp. 22 to 24), it is extremely difficult to measure the full net benefit of FRED's farm diversification programs to the region's farmers.

The FRED plan sought to improve marketing arrangements for fishermen in order to determine an appropriate number of fishermen allowed to fish, to improve the fishermen's equipment, and to

improve their management skills.⁶⁴ The FRED program's major impact in this sector was the creation of the 1974 Management Development Program, which trained 235 fishermen to improve their technical and management skills. As well, this program led to the introduction of different fishing techniques, which increased the gross income of fishermen by as much as 50 per cent.⁶⁵

SUSTAINABILITY

The ten-year mandate of the FRED Interlake Agreement seems to have been sufficient to make a major change in the overall economic direction of the Interlake. A difficulty in drawing an absolute conclusion regarding the FRED program's impact is the lack of a post-FRED statistical survey to complement the one done in the pre-FRED days. To compensate for this difficulty, economists have developed a dynamic simulation model which attempts to make the necessary adjustments for changes in technical coefficients and resource constraints over time.⁶⁶ They have used data obtained from various studies of the individual Interlake FRED projects and their conclusions from this analysis suggest that FRED led to a:

- 15 per cent increase in gross agricultural output for the entire region.
- 8 per cent increase in person-years of employment

- 33 per cent increase in farm household income (including off-farm earnings)
- 40 per cent increase in on-farm income per farm

attributable solely to the resource development programs.⁶⁷

From the evaluative data, it seems that a sustained pattern of growth has been achieved thanks to the Agreement. This growth has been marked with a strong "bottom-up" initiative which has led to sustained community involvement in matters affecting the Interlake's social and economic system. When one visits the Interlake today, one sees clear indications that the FRED program has enhanced the Interlake people's pride in their communities. For example, a number of the region's smaller communities have initiated efforts to expand tourism. In some cases, these efforts might seem comic to one who did not know the region; nonetheless, they have produced a good deal of interest and have increased the number of tourists visiting communities not hitherto considered attractive to visitors.

Perhaps the best-known illustration of the above phenomenon is the community of Komarno, historically most famous as a beef farming centre. This community has erected the world's largest statue of a mosquito, thus turning a perceived liability, its enormous population of mosquitoes, into an asset. Strange as it may seem to some, the community actually appear to have become a

tourist attraction. As well, the nearby community of Narcisse has exploited the tourism and other potential of its limestone pits which provide a world centre for garter snake reproduction. The teeming masses of garter snakes in the limestone quarries have drawn both biologists and tourists from elsewhere in North America and even from other countries. Narcisse, in the tradition of the Interlake, has also erected a statue of a giant garter snake. It is also worth noting that, thanks to the creation of the Hecla Island Park at the north end of the Interlake, tourism traffic was generated through the region.

In addition to the individual communities' attempt to promote new tourist attractions, there has been increased use of government program funds by various areas of the Interlake. The Destination Manitoba, Canada-Manitoba Tourism Agreement in the 1970s was accessed by both the communities of Gimli and by the town of Stonewall at the southern end of the Interlake. Stonewall received a large injection of public sector funds to redevelop old quarries into a very attractive park with a water element, while Gimli received funding for harbour recreational improvements.

Overall, the FRED program's impact cannot be measured simply in terms of the dollars and cents generated during its ten years of life. Rather, many Interlake communities were convinced that they could have a positive impact on their own destiny. This may be the most significant aspect, albeit one not fully quantifiable, of the FRED experience in the Interlake.

Table 4

Interlake Area Economy, 1976, With and Without
FRED Resource Development Program Expenditures*

	1976 Without FRED	1976 With* FRED	Impact	Percent
Gross Output by Sector				
		(\$ million 1968)		
Agriculture	59	77	+ 19	33
Manufacturing	31	31	+ 0.1	0.3
Non-manufacturing	14	14	+ 1	0
Wholesale	21	24	+ 4	20
Retail Trade	49	53	+ 4	8
Service	11	12	+ .5	5
Total Gross Output	185	212	+ 27	15
Employment		('000 person-years)		
Agriculture	5.1	6.2	+ 1.1	20
Others	10.3	10.5	+ .2	2
Total	15.3	16.7	+ 1.3	8
Land in Production		(million acres)		
	1.9	2	+ .1	5
Household Income		(\$ million 1968)		
Farm Income	26.4	34.8	+ 8.4	33
Nonfarm	67.8	69.7	+ 1.9	3
Total	94.2	104.5	+10.3	11
Average Income Per Farm		(\$'000 1968)		
	5.3	7.0	+ 1.7	40

* FRED expenditures included were: \$6.8 million on the drainage program, 1968-1973; \$0.7 million on the land clearing program, 19967-1973; \$0.9 million on the farm management program, 1967-1973; and \$2.8 million on Hecla Provincial Park, 1968-1975.

Source James A. MacMillan and Shirley Lyon, The Interlake Experience: A Description and Evaluation of a Rural Development Program, 1967-1977. Department of Agricultural Economics and Farm Management. Occasional Series #9. Winnipeg: University of Manitoba Press, 1978, p.98. As derived from Fu-Lai Tung, James A. MacMillan, and Charles F. Framingham, "A Dynamic Regional Model for Evaluating Resource Development Programs, American Journal of Agricultural Economics, 58: 403-414, No. 3, August, 1976, and W.A.N. Brown, "The Role of Outdoor Recreation in Regional Development: A Study of Hecla Provincial Park" (unpublished Doctoral dissertation, University of Manitoba, 1976).

REPLICABILITY

The Interlake FRED program was not the only one of its kind. Similar programs were undertaken in Quebec's Gaspé Peninsula, P.E.I. and New Brunswick, with each program achieving a varying degree of success. It is beyond the scope of this study to examine the other FRED programs; however, some generalizations can be made. In its report of November, 1987, speaking of such area development programs, the Federal-Provincial Task Force on Regional Assessment noted that:

Regional development efforts in the 1970s were effective and successful in the context of the amount of resources applied to them. The principal reason for success was that the majority of funding was spent on the programming, designed to fit the specific needs of the areas in which it was applied.⁶⁸

The Task Force's statement is important in that it suggests that the FRED experience in Manitoba's Interlake was not an isolated or unique experience but, rather, among a number of area development experiences across the country which were successful in changing the nature of the low income rural area.

The FRED area development model has inherent characteristics which make it as applicable in an urban redevelopment context as it has been in a rural development one.⁶⁹ It is likely that this model could be replicated in any low-income area, whether urban or

rural, as long as the key elements of flexibility and adaptability were maintained.

In evaluating regional development programming, it is important to try to answer the comparative question: in the absence of the regional initiative in question, what other investments could have been made in the region, and what would their impact have been? Here, a brief look at the Saunders Aircraft experience offers some useful insights. The Saunders experience illustrates how the poorly-planned (and top-down) initiative stumbled and ultimately failed, while the other, carefully (and locally) planned initiative succeeded. Indeed, the fiasco, which took place during the early and mid 1970s serves as an excellent example of how not to attempt a regional development program.

In contrast to the integrated, comprehensive and "bottom-up" approach of the FRED initiative, in the case of Saunders, the provincial government attempted to compensate the town of Gimli for the loss of a Canadian Armed Forces base and 1,000 jobs. The provincial government tried a "transplant" operation by arranging the transfer of an Eastern-based aircraft company to Gimli, Manitoba. Unfortunately, the transplant was not successful. It lacked careful planning and was generally considered to be a very poor move. For example, the government was able to provide enough financial incentives in the form of loans to lure Saunders; however, it failed to realize that the people of Gimli were not qualified to work in many of the skilled jobs at the company.

Although the company set up a training school for 250 students, many employees had to be brought in from other provinces and countries, as work experience well beyond the training stage was necessary to meet federal guidelines.

Although at its peak Saunders employed 450 employees, including many area residents, mostly in non-technical positions, its downfall was quick. Due to low sales, production delays, and poor management, Saunders closed on December 31, 1975. Total provincial expenditures in the company amounted to \$37,000,000, which had to be written off.

In the end, the Saunders experiment was an unfortunate example of how the provincial government, utilizing industrial location incentives, failed to bring about long-term development in the Interlake region. The failure was ultimately a result of poor planning and poor management by both the provincial government and the company. The Saunders experience is in stark contrast to the FRED success.

LESSONS LEARNED FROM THE FRED INTERLAKE EXPERIENCE

- Most important, community participation is essential to the success of an effort of this nature. This is evident in the incorporation of community participation into the original FRED design.

- Well-researched analytical work can play an important role in directing funds towards strategic investments. The emphasis on analysis may have helped FRED avoid industrial fiascos such as Saunders Aircraft.
- Human resource development is a crucial ingredient in regional development. The overall thrust of FRED was heavily weighted toward education and training.
- Traditional settlement patterns and resource use may require major change to improve income levels and economic status. Adjustment efforts in agriculture and fisheries underscore this lesson.
- A minimum ten-year time frame is necessary to achieve economic and community development.
- Investments such as those in tourism, in the case of the Hecla Island Provincial Park, can lead to enhanced economic spin-off benefits for the region. This lesson is supported by subsequent developments at Stonewall, Gimli, Komarno, and Narcisse.
- While a federal-provincial agreement can serve as an umbrella and a funding source, it is important that community-based initiatives be utilized if the initiative's overall objectives are to be fully realized.

To what extent have policy-makers and practitioners learned from the experiences of the FRED program? In this connection, it is worth noting that in their December, 1977 review of the Interlake experience, James A. Macmillan and Shirley Lyon commented on Living Together: A Study of Regional Disparities by the Economic Council, also published in 1977. Their comment was as follows:

The FRED plan innovations have been ignored in a recent major study by the Economic Council of Canada. Their study and recommendations focus on national and provincial fiscal policy instruments. The focus is on Keynesian demand stimulation and capital investment to remove cyclical and continuing regional disparities in Canada. The report ignores:

1. Sub-provincial low income rural areas as a source of regional disparities,
2. The need for joint local, provincial and federal cooperative planning: most of their recommendations (9 out of 16) refer only to provincial governments, and
3. The impossibility of predicting business cycle turning points and the problems of fine-tuning national and provincial fiscal policy.

In short, the effectiveness of a long term development plan designed in consultation with local people to improve the productivity of a particular region's human, natural and public resource stocks is a serious error of omission in the Economic Council of Canada study.⁷⁰

It is hoped that this case study and the project with which it is associated go some distance towards addressing the concerns expressed by MacMillan and Lyon a decade ago. In the present authors' view, the FRED experience can contribute a great deal to the study of large-scale, comprehensive, community-based regional development efforts.

This is not to say that there were not conflicts among the various participants of the FRED Interlake Agreement in its implementation process. The goals which the three parties to the agreement brought to the process were very different. The fundamental and overriding goals of the federal government were economic adjustment and labour mobility. While the province of Manitoba shared Ottawa's concern for economic adjustment, the province also had a keen interest in seeing the area economically developed. Regardless of their individual economic situations, the participants at a community level, as evidenced through the Area Development Boards, wanted both economic development and community development projects. The priorities of the Area Development Boards could be summarized as follows: First, education, as this ranked number one with most Boards. Second, agricultural development and land drainage. As well, most Boards emphasized recreational and park development as opportunities and highways and road improvements as essential. In addition, most Area Boards wanted water and sewage services upgraded and an industry of some description for their community.

This tension among the various players is no accident or coincidence. It derives directly from the context and the breadth of their jurisdiction. It is inevitable in regional development program implementation that the more senior the level of government, the more interest it will have in broad economic indicators such as employment and income levels and, therefore, the greatest commitment to programs of mobility and adjustment.

As one moves towards the community level, a much greater emphasis on community development will be encountered. While this last lesson is probably already clear to community development practitioners, it is important for all those engaged in regional development efforts.

APPENDIXES

AGREEMENT COVERING A COMPREHENSIVE RURAL DEVELOPMENT PLAN FOR THE INTERLAKE AREA OF MANITOBA

MEMORANDUM OF AGREEMENT made this sixteenth day of May,
1967.

BETWEEN

Published under the authority of
The Honourable Maurice Sauvé, P.C., M.P.,
Minister of Forestry and
Rural Development
Ottawa, 1967

THE GOVERNMENT OF CANADA
(hereinafter referred to as "Canada") represented
by the Honourable Maurice Sauvé, Minister of
Forestry and Rural Development of Canada

OF THE FIRST PART,

AND

THE GOVERNMENT OF THE PROVINCE OF
MANITOBA

(hereinafter referred to as the "Province")
represented by the Honourable Duff Roblin,
Premier of the Province of Manitoba

OF THE SECOND PART.

WHEREAS the Interlake rural area, hereinafter referred to as
"the Area", has experienced widespread low income, has sub-
stantial adjustment problems and has significant development
potential;

AND WHEREAS Canada and the Province have jointly agreed
that it is desirable that the Area have a comprehensive and co-
ordinated development plan designed to promote its economic
development, to increase income and employment opportunities
and to raise standards of living;

AND WHEREAS the *Fund for Rural Economic Development Act*,
14-15 Elizabeth II, c.41, hereinafter referred to as "the Act",
provides for the implementation of a Comprehensive Rural Devel-
opment Plan under such conditions;

AND WHEREAS Canada and the Province jointly agree that the
Area, shown on the map attached hereto as Schedule "A", shall be
designated a Special Rural Development Area as defined in s.5(b)
of the Act;

AND WHEREAS Canada and the Province have jointly agreed on a Comprehensive Rural Development Strategy for the Area and on a plan for its implementation as described herein;

AND WHEREAS His Excellency, the Governor-in-Council by Order-in-Council P.C. 1967-898 of May 9, 1967 has authorized the Minister of Forestry and Rural Development to execute this Agreement on behalf of Canada;

AND WHEREAS His Excellency the Lieutenant Governor-in-Council by Order-in-Council 600-67 has authorized the Premier to execute this Agreement on behalf of the Province;

NOW, THEREFORE IT IS AGREED BY AND BETWEEN THE PARTIES hereto as follows.

1. The area of Manitoba within Census Divisions 9 and 12, the Municipality of St. Andrews in Census Division 5, and that part of the Municipality of St. Clements lying west of Range 7 East, described on the map attached hereto as Schedule "A", shall be designated as the Special Rural Development Area under this Agreement and s.5(b) of the Act (for the purposes of fisheries and manpower programs those fishermen who work the major lakes adjoining the Area shall be deemed to be residents of the Area) and the strategy in respect of the Area and defined by s.5(a) of the Act, shall form the subject matter of this Agreement.

2. Definitions:

- (a) Development Strategy —The means, as outlined in Schedule "B", by which the objectives of the Agreement will be promoted in the Special Rural Development Area.
- (b) Plan —The over-all design for implementing the rural development strategy.
- (c) Program —A definite course of intended proceedings for a major operation within the Plan.
- (d) Project —An undertaking, with specific objectives, that forms a self-contained unit within a program.

3. The purposes of this Agreement are to carry out the objectives of the Act, as set out in the recitals hereof, and to give the residents of the Area the opportunity to participate fully in the economic life of the nation by means of:

- (a) extensive public investment in education to provide a higher level of education for the population;
- (b) increased training facilities which, together with training allowances and mobility grants, can be used to prepare the employable population in the Area for more rewarding opportunities in places of expanding employment;
- (c) provision of information by way of counselling to make the residents of the Area more aware of the alternative opportunities available to them;
- (d) development of the economic potential in the renewable resource sector, including agriculture and fisheries, and the encouragement of secondary industry; and
- (e) development of some of the infrastructure of the Area, basically roads, parks, and housing, to encourage additional employment opportunities and to raise the standard of living.

4. All programs and projects undertaken under the Plan shall be jointly approved by Canada and the Province and shall be consistent with the over-all objectives of the Plan as outlined in the Development Strategy, hereto attached as Schedule "B".

5. Notwithstanding anything in this Agreement, no program or project shall be approved or undertaken under this Agreement that is not consistent with the Development Strategy and that does not maintain a balance among each of the Parts of this Agreement whereby the objectives of the Development Strategy are to be attained.

6. These objectives shall be reached through co-operation between Canada and the Province, through co-ordination amongst the parties hereto and their agencies, and by applying all other related or applicable programs and projects to the Plan in the Area.

7. The Province shall establish local advisory boards, called Area Development Boards, to provide for participation by the

residents of the Area in the carrying out of the Plan as required by s.5(a) of the Act but, notwithstanding anything else in this Agreement, Canada shall not share in the cost of, nor participate in, any program hereunder until it is satisfied that such involvement exists.

8. Subject to all terms and conditions of this Agreement, and subject to funds being made available by the Parliament of Canada either in the Fund for Rural Economic Development established by the Act, hereinafter referred to as "the Fund", or in the annual appropriations of contributing departments or agencies, the aggregate sum which Canada shall be liable to contribute in respect of programs and projects hereunder, as more particularly described and defined in the Agreement and Schedules hereof, shall amount to \$49,562,000 from all sources, including the Fund and the Federal-Provincial Rural Development Agreement (1965-70) entered into between Canada and the Province pursuant to the *Agricultural and Rural Development Act*. (Of this sum, \$33,812,000 will be contributed to programs and projects which will require a Provincial cost share, but the portion of this chargeable to the Fund shall in no case exceed \$27,606,000, and Canada agrees that upon the signing of this Agreement the Comptroller of the Treasury shall encumber this full amount from the Fund to meet expenses incurred under this Agreement. The components of the said \$49,562,000, and the sources thereof, are set forth in the Parts of this Agreement and in the summary of estimated costs and expenditures which forms Schedule "C" of this Agreement.

9. Subject to the terms of this Agreement and subject to funds being appropriated by the Provincial Legislature of Manitoba, or being available for loan through on-going federal programs, the Province shall contribute in respect of the programs and projects hereunder the sum of \$35,523,000 as its share of the cost of programs and projects described hereunder. (Of this sum, \$11,823,000 will be spent on programs or projects requiring a federal cost share. The Province shall be responsible for all other costs, including operating costs and other costs not specifically provided for in this Agreement or not a part of on-going federal programs, both during and subsequent to the life of this Agreement.

10. Canada and the Province, from time to time during the life of this Agreement, may jointly approve programs or projects which

are practical, suitable and consistent with the objectives and proposals outlined in the Development Strategy found in Schedule "B", and in no circumstances shall funds be contributed in respect of any program or project without said joint approval.

11. Canada and the Province agree to provide to each other, upon request, any information about the Comprehensive Rural Development Plan or any program, project or part thereof.

12. Notwithstanding anything in this Agreement, development programs or projects which otherwise qualify under the terms of the Federal-Provincial Rural Development Agreement shall be approved in such a manner that Canada shall contribute to the cost of the program or project from the allotment of the Province under the said Federal-Provincial Rural Development Agreement (as prescribed in Schedule "C") except that no such contribution shall exceed a total of \$3,000,000, of which \$1,500,000 will be drawn from the Provincial allotment under the current Federal-Provincial Rural Development Agreement. For each development program or project that is identified as requiring a contribution from the said allotment, as well as from the Fund, the first charges incurred under the development program or project will be against this allotment to a total of \$375,000.

13. Canada shall pay to the Province \$1,800,000, in five equal annual instalments of \$360,000 each, commencing on the first anniversary of the date of the signing of this Agreement, to assist in the general implementation of the Plan, but notwithstanding this, Canada shall not be liable to make contribution or payment hereunder unless in its own discretion Canada is satisfied that the Plan is being carried out in conformity with Sections 4 and 5 hereof.

14. In the event that Canada and the Province mutually agree that further studies or information with respect to the Area or that an evaluation of the effects of the Plan demonstrate that the objectives and basic strategy provided for by Section 4 and described in Schedule "B" hereof require alteration and amendment, this Agreement may from time to time be reviewed by the parties hereto and, if believed necessary, and with the approval of the Governor-in-Council and the Lieutenant Governor-in-Council, may be amended; but in any event the Agreement shall be reviewed on or before March 31, 1970.

15. Each development program or project jointly agreed to by Canada and the Province shall specify the objectives of the program or project and outline the details as to how the program or project is to be carried out, the time schedule involved, the priority of the program or project in terms of the over-all Plan, the cost, the share of the cost to be borne by each party, the share of any revenue from the program or project that will accrue to Canada and the Province and the expected benefits that will accrue from the program or project.

16. Notwithstanding anything in this Agreement, Canada and the Province recognize the necessity of arriving at a plan of action to implement the development strategy outlined in Schedule "B", and the Province agrees to provide such a plan within six (6) months of the effective date of this Agreement.

17. The following conditions with respect to employment and the award of contracts under this Agreement shall apply to all programs or projects carried out under this Agreement, and in the case of paragraph (b) hereof shall be made a condition to all contracts entered into as a result of this Agreement.

(a) Where practicable, the recruiting of labour shall be conducted through the Canada Manpower Division of the Department of Manpower and Immigration.

(b) In the employment of persons on any project there shall be no discrimination by reason of race, national origin, colour, religion or political affiliation.

18. Except for acts of God, the Province shall save harmless and indemnify Canada for and against any and all liability, loss, damages or expenses, which may be suffered or created as a result of implementing the programs or projects hereunder, and for the implementation of which Canada is not directly responsible hereunder.

19. This Agreement shall commence on, and take effect from, the date on which it becomes signed by both Canada and the Province, and no costs incurred before April 1, 1967 shall be eligible or considered for payment under this Agreement. This Agreement shall terminate on April 1, 1977 and no program or project shall be approved after this date and no claim for a contribution made in respect of any program or project under this Agreement, or part of

the Plan under this Agreement, shall be paid unless it is received by Canada within one year following the expiry date.

20. (a) No Senator, member of the House of Commons or member of the Legislature of the Province shall hold, enjoy or be admitted to any share or part of any contract, agreement, commission or benefit arising out of any project under this Agreement.

(b) Canada and the Province agree that in carrying out the Plan, or any program or project under this Agreement, the parties hereto shall observe and abide by the conditions respecting fair wages and hours of work under the *Fair Wages and Hours of Labour Act*, R.S.C., 1952, c.108, as amended.

Part I

EDUCATION

21. The purpose and intent of this Part is to improve the educational facilities and opportunities in the Area.

22. The Province shall undertake as a program under this Agreement to expand and modernize school facilities in the Area through:

- (a) the consolidation of existing school boards into one board for each of the five school divisions;
- (b) the investment during the five years immediately following the signing of this Agreement of an estimated \$4,700,000 in school facilities in the Area;
- (c) the construction of a technical vocational high school for a minimum of 500 students in the Area at an estimated cost of \$3,000,000; and
- (d) the provision of approximately \$19,000,000 during the life of this Agreement to meet the increase in the cost of operation and maintenance of the school program.

23. The Province shall provide the funds for this program, except that the provision of technical-vocational training facilities will be carried out in co-operation with the Canada Department of Manpower and Immigration which, subject to mutual agreement between Canada and the Province, shall provide financial assistance under the terms of the Occupational Training for Adults Program.

Part II

MANPOWER

24. The purpose and intent of this Part is to provide increased opportunities for the people of the Area to better their standard of living by providing counselling, training, financial assistance during occupational training, and job placement where necessary.

25. To provide occupational training for an expected 4,500 people over the life of this Agreement, the Province shall provide:

- (a) an adult education and manpower training centre at a major growth point;
- (b) portable training units and teacherages for other training centres in the Area; and
- (c) residential facilities in association with the major adult education and manpower training centre.

26. To ensure that residents of the Area receive sufficient information and advice to enable them to select from the alternatives available to them, Canada and the Province shall jointly undertake to provide general counsellors and supporting administrative staff.

27. To ensure that all residents are aware of opportunities for training, job placement and financial assistance, Canada shall undertake to provide a staff of manpower counsellors at Canada Manpower Centres in the Area.

28. Canada and the Province shall jointly agree to an Interlake manpower corps program to provide employment experience for residents and group orientation towards training and occupational mobility.

29. Canada and the Province shall jointly agree to undertake a program designed to offer the people of the Area adult education, guidance in community development, leadership training, and public affairs education.

30. Canada and the Province shall jointly agree to undertake a program to provide management education in agriculture, fisheries and recreation, and other projects designed to increase the knowledge and efficiency of those residents of the Area who will continue to depend on the physical resources for their livelihood.

31. Canada and the Province shall jointly agree to undertake or assist in suitable projects designed to provide training in industry especially for the Indian and Métis people of the Area.

32. Canada and the Province shall jointly agree to participate in an Interlake manpower co-ordinating committee comprised of representatives of the Canada Manpower Division, the Provincial Program Administration, and the Interlake adult education and manpower training centre to advise on the programming and implementation of occupational training programs for the Area.

33. Canada shall contribute to jointly approved projects, under Section 25(a) and (b) hereof, 75 per cent of the total cost of \$1,275,000 under the terms of the Occupational Training for Adults Program.

34. The Province shall undertake a project, under Section 25(c) hereof, with assistance from the Central Mortgage and Housing Corporation under the terms of their available programs or other programs that apply, and Canada shall contribute from the Fund towards the operating loss during the life of this Agreement 75 per cent of the total cost thereof, or \$375,000, whichever is the lesser.

35. Canada shall contribute to jointly approved projects, under Section 26 hereof, 90 per cent of the total cost thereof, or \$2,700,000, whichever is the lesser.

36. Canada shall contribute to jointly approved projects, under Section 28 hereof, 90 per cent of the total cost thereof, or \$2,700,000, whichever is the lesser.

37. Canada shall contribute to a jointly approved program, under Section 29 hereof, 75 per cent of the total cost thereof, or \$900,000, whichever is the lesser.

38. Canada shall contribute to jointly approved projects, under Section 30 hereof, 75 per cent of the total cost thereof, or \$2,550,000, whichever is the lesser.

39. Canada, through the Canada Department of Manpower and Immigration, undertakes to pay training allowances and mobility grants to those eligible under the Manpower program at an expected cost of \$15,750,000.

40. Canada shall contribute to jointly approved projects, under Section 31 hereof, 75 per cent of the agreed cost up to a maximum of \$375,000.

Part III

DEVELOPMENT AND STRUCTURAL ADJUSTMENT

41. The purpose of this Part is to provide for programs that will adjust the operation of agriculture and fisheries in the Area, to assist those who choose to leave these sectors, and to assist those who remain by encouraging investments in land development and fisheries adjustment. This Part will also provide for investments in roads, parks and an industrial park to increase employment, income and communications in the Area.

42. Canada and the Province shall jointly approve a program for the acquisition of lands which have a low capability for agriculture, and which are voluntarily offered for sale, for conversion to an alternative form of land use.

43. Canada and the Province shall jointly approve a program to encourage land development in the Area through the use of existing credit sources and an incentive project of \$4.00 an acre for clearing and piling on land with high agricultural productivity potential.

44. Canada and the Province shall jointly approve a program providing for the drainage of high-capability land in the Area.

45. Canada and the Province shall jointly approve programs designed to provide for an improved income for fishermen and a more favourable return to producers through the reduction of the number of people fishing in the Area. These programs will be related, unless otherwise agreed, to the establishment of marketing boards as required for allocating the catch, to a fisheries adjustment program and to a credit provision similar to that described in Schedule "B".

46. Canada and the Province shall jointly approve a development project providing for the construction of a control structure at the outlet of Lake St. Martin.

47. Canada and the Province shall jointly approve a program providing for the construction of the following roads before the fifth anniversary of the signing of this Agreement:

- (a) Provincial Trunk Highway No. 6 (Lundar to Gypsumville);

- (b) Provincial Trunk Highway No. 68 (Hnausa to Eriksdale); and

- (c) Provincial Roads, in Census Division 12 and that part of Census Division 9 north of the boundary of Township 14, with priority shown for those affecting the success of school consolidation.

48. Canada and the Province shall jointly approve programs for a major recreational area, and for the development and improvement of other property of high capability for recreation, along the west shore of Lake Winnipeg.

49. Canada and the Province shall jointly approve a project to provide financial assistance up to 75 per cent of the total cost for an industrial park in the vicinity of the Town of Selkirk.

50. The Province agrees to undertake, in concert with the Central Mortgage and Housing Corporation, a housing study to:

- (a) establish and assess the adequacy of the current housing inventory;
- (b) assess future housing requirements in the light of the Plan;
- (c) conduct an investigation leading to recommendations for the preparation of community plans where required; and
- (d) make recommendations for the improvement of the housing situation within the framework of Federal and Provincial legislation.

51. Canada shall contribute to a jointly approved program, under Section 42 hereof, 75 per cent of the total cost, or \$3,750,000, whichever is the lesser.

52. Canada shall contribute to a jointly approved program providing for incentives to land development and for the administration of the program, under Section 43 hereof, 75 per cent of the total cost, or \$1,725,000, whichever is the lesser.

53. Canada shall contribute to a jointly approved program under Section 44 hereof, 60 per cent of the total cost, or \$4,200,000, whichever is the lesser.

54. Canada shall contribute to a jointly approved program providing for fisheries adjustment, under Section 45 hereof, 75 per cent of the total cost, or \$375,000, whichever is the lesser.

55. Canada shall contribute to a jointly approved project, under Section 46 hereof, 75 per cent of the total cost, or \$375,000, whichever is the lesser.

56. Canada shall contribute to a jointly approved program, under Section 47 hereof, 60 per cent of the total cost, or \$5,310,000, whichever is the lesser.

57. Canada shall contribute to jointly approved programs, under Section 48 hereof, 60 per cent of the total cost, or \$1,770,000, whichever is the lesser.

58. Canada shall contribute to a jointly approved project, under Section 49 hereof, 50 per cent of the total cost to the Province, or \$200,000, whichever is the lesser.

Part IV

RESEARCH

59. The purpose of this Part is to provide for continuing physical, social and economic research required to keep the Plan current and dynamic, as well as to measure the impact of the Plan on the Area.

60. Canada and the Province shall jointly approve programs to establish systems that will produce data needed to evaluate the objectives, progress and effect of the Plan.

61. Canada and the Province shall jointly approve a project designed to provide an assessment, by an independent agent, of the economic impact of the Plan on the Area.

62. Canada and the Province shall jointly approve projects for social research required to meet the objectives of the Plan.

63. Canada shall contribute to a jointly approved project, under Section 61 hereof, 66.67 per cent of the total cost, or \$168,000, whichever is the lesser.

64. Canada shall contribute to jointly approved programs and projects, under Sections 60 and 62 hereof, 100 per cent of the total cost, such costs to be chargeable to the appropriations of the Canada Department of Forestry and Rural Development.

Part V

ADMINISTRATION

65. The purpose of this Part is to establish the management process by which the Development Strategy described in this Agreement can be adequately implemented, to provide a framework for effective co-operation and co-ordination among Canada, the Province and their respective agencies herein affected, and to ensure that there is comprehensive and well-integrated execution of the total Plan, as well as continued joint planning and participation.

66. The Province shall be responsible for implementing, operating and maintaining the Plan provided for in this Agreement, except for those parts specifically assigned to Canada or identified as joint-action programs, and shall, to undertake this task, appoint a Provincial Program Administrator who shall report to the Minister of Agriculture and who shall co-ordinate the activities of the provincial departments and agencies assigned specific functions under the Plan, maintain a central financial authority over the provincial aspects of the Plan, and work directly with agencies of Canada involved in programs specifically identified in this Agreement.

67. (a) There shall be established a Joint Federal-Provincial Advisory Board consisting of at least six senior public servants of both governments, with both Canada and the Province having equal numerical representation. The Board shall meet not less than twice annually and shall report to the Minister of Forestry and Rural Development for Canada and to the Minister of Agriculture for the Province its evaluation of the management of the Plan in terms of objectives, performance and priorities.

(b) Canada and the Province shall participate in a process of joint planning and operational co-operation. To facilitate this process Canada shall appoint a Federal Program Co-ordinator who shall work directly with the Provincial Program Administrator, and all development programs or projects shall be reviewed and recommended jointly by the Provincial Program Administrator and the Federal Program Co-ordinator. The Federal Program Co-ordinator shall be responsible for securing the co-

operation and for co-ordinating the programs of the agencies of Canada administering programs affecting the Plan.

68. Canada and the Province in a mutually agreed form shall jointly approve annually, on the recommendation of the Joint Federal-Provincial Advisory Board, on or before the first of September of each year, estimates of the cost of the programs and projects hereunder to Canada and to the Province for the fiscal year beginning the first of April next following. Canada and the Province by the first of May each year shall approve a forecast of estimated expenditures during the five fiscal years subsequent thereto, or over the period of time remaining in the Agreement, whichever is the lesser.

69. Canada and the Province shall keep adequate records of all expenditures made pursuant to this Agreement and shall support such expenditures with the proper documents. Canada and the Province upon request shall each make these records and documents available to auditors appointed by the other.

70. Subject to this Agreement, Canada shall reimburse the Province for expenditures made by the Province on development programs and projects under this Agreement, either from the Fund, or from annual appropriations for the Federal-Provincial Rural Development Agreement, in such proportions as are prescribed by this Agreement upon the submission of a claim in a mutually agreed manner and form by the Province, certified by a senior official of the Province and bearing a Provincial audit certificate. Notwithstanding this requirement, Canada may make annual advance payments upon request by the Province, based on an estimated cost to the Province for the year on one or more programs or projects, or Canada may make interim progress payments at regular intervals based on claims by the Province estimating work done to date. The Province in both cases must submit to Canada an annual expenditure statement approved by a senior official of the Province and bearing a Provincial audit certificate.

71. The Province shall administer this Plan, and Canada and the Province shall jointly approve a program or project designed to provide for:

(a) the cost of administration staff;

72. Canada and the Province shall jointly agree upon a program or project designed to ensure that the people of the Area receive complete information on the Plan, its objectives and its opportunities.

73. The Province agrees to create a Program Advisory Board consisting of Interlake residents, including representatives of the Area Development Boards outlined in Section 7 hereof, and to consult with this Board on programs and projects under the Plan.

74. Except where otherwise provided in this Agreement, in respect of the costs directly related to the administration of this Plan, including staff costs and information and extension services not specifically related to any one program or project under this Agreement, Canada shall contribute to jointly approved programs under Sections 71, 72 and 73, 66.67 per cent of the total costs, or \$1,333,000, whichever is the lesser.

IN WITNESS WHEREOF the Honourable Maurice Sauvé, Minister of Forestry and Rural Development of Canada, has hereunto set his hand on behalf of Canada, and the Honourable Duff Roblin, Premier of the Province of Manitoba, has hereunto set his hand on behalf of the Province, the day and year first above written.

In the Presence of } Signed on behalf of Canada

In the Presence of } Signed on behalf of the
Province of Manitoba

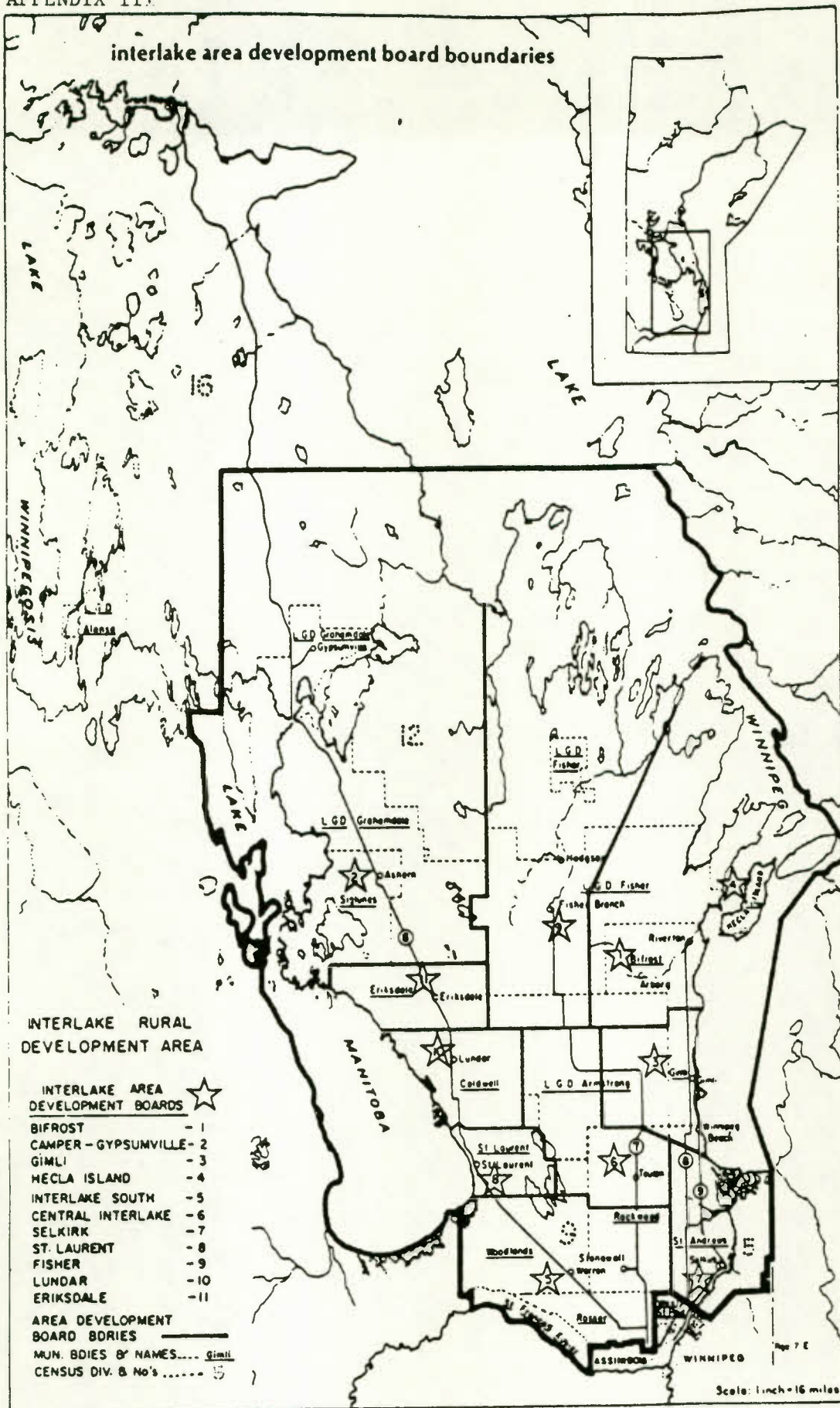
APPENDIX II

FRED PLAN EXPENDITURES BY PROGRAM, 1967-1977

<u>Program</u>	<u>Expenditure (millions)</u>
Administration & Management	1.7
Resource Improvements	
Agriculture	
Drainage	7.0
Farm Development	2.7
Land Development	0.7
Farm Water Services	0.3
Veterinary Services	0.2
Land Adjustment	4.0
Industrial Park Assistance	0.8
Fisheries	0.6
Parks/Recreation	4.3
Highways & Provincial Roads	8.8
Total for Resource Improvements	<u>29.4</u>
Education - Schools	
Extra Operating Grants for	
Consolidated Districts	19.0
Schools [Capital]	4.7
Tech-Voc Facilities	3.0
	<u>26.7</u>
Adult Education	
Occupational Training,	
Allowances and Mobility	
Costs, Canada Manpower	15.7
Training Facilities	1.3
General Counsellors	2.3
Training in Industry	0.5
Resources Management	1.2
Community Affairs	0.7
Manpower Corps.	5.6
	<u>27.3</u>
TOTAL	85.1

SOURCE: DREE, FRED: 1967-1977, A Decade of Development in the Interlake. Ottawa, Queen's Printer, 1979, p. 22.

APPENDIX III



SOURCE: Department of Regional Economic Expansion, "FRED: 1967-1977, A Decade of Development in the Interlake." Ottawa: Queen's Printer, 1979, p.24.

APPENDIX IV: A CHRONOLOGY OF FRED INTERLAKE

YEAR EVENT

1961	Passage of the Agricultural Rural Development Act by House of Commons
1965	ARDA Agreement between Canada and Manitoba
1965/66	Creation of ARDA advisory boards in Manitoba Interlake region
1966	Passage of Fund for Rural Economic Development Act in May
1966	Signing of Canada/New Brunswick Agreement September 20th
1967	Signing in May of Fund for Rural Economic Development comprehensive development plan agreement for Manitoba Interlake
1967-77	Implementation of F.R.E.D. Interlake Agreement

NOTES

- 1 The pilot research area included an area north and northeast of Winnipeg and to the south of Lake Winnipeg. Specifically, it included census divisions 9 and 12, the municipality of St. Andrews in census division 5, and the part of the municipality of St. Clemens lying west of range 7 east.
- 2 McRorie, James N., ARDA: An Experiment in Development Planning. Special Study #2. Canada Council on Rural Development, Ottawa: Queen's Printer, 1969, p. 67.
- 3 FRED: 1967-1977, A Decade of Development in the Interlake. DREE, Ottawa: Queen's Printer, 1979, p. 9.
- 4 ARDA Administration, Guidelines For Development: The Interlake Region of Manitoba. (Winnipeg: Queen's Printer, 1966), p. 11.
- 5 FRED, op. cit., pp. 10-11.
- 6 Ibid.
- 7 MacMillan, James A. and Lyon, Shirley, The Interlake Experience: A Description and Evaluation of a Rural Development Program, 1967-1977. Department of Agricultural Economics and Farm Management. Occasional Series #9. Winnipeg: University of Manitoba Press, 1978, p. 20.
- 8 "Viable" farms are defined as those which are capable of "returning an adequate level of living to their operators".
- 9 Government of Canada, Schedule B of FRED Agreement, ARDA Legislation (Ottawa, Department of Forestry and Rural Development, 1967), p. 39.
- 10 Guidelines for Development, op. cit., p. 29.
- 11 In this context, the definition of "satisfactory" is the same as that of "viable" above.
- 12 FRED, op. cit., p. 11.
- 13 Ibid., p. 9.
- 14 Ibid., p. 12.
- 15 At p. 38, MacMillan and Lyon (op. cit.) have a map showing that approximately 7,000 Interlake households depend upon Winnipeg retailers for goods.

- 16 FRED, p. 15.
- 17 Government of Canada, op. cit., From intro to legislation.
- 18 Ibid.
- 19 Ibid., Schedule B, p. 74.
- 20 Ibid., p. 24.
- 21 Ibid., Schedule B.
- 22 Because of the FRED program's emphasis on education and training, the school program incurred extra costs. Approximately \$19 million was allocated to meet these extra costs. Part I of the FRED Agreement specified that such additional costs should be met by the Agreement.
- 23 Government of Canada, p. 46.
- 24 Ibid., p. 47.
- 25 Ibid., Schedule C.
- 26 McRorie, J., ARDA; op. cit., p. 67.
- 27 Ibid., p. 75.
- 28 Hordo, R.J., and MacMillan, J.A., "An Assessment of FRED Plan Management in the Interlake Region of Manitoba," Canadian Journal of Agricultural Economics, 24(1), 1976, p. 34.
- 29 Ibid., pp. 37-43.
- 30 Ibid., pp. 44-45.
- 31 Careless, Anthony G.S., Initiative and Response: The Adaptation of Canadian Federalism to Regional Economic Development. Montreal: McGill-Queen's University Press, 1977, p. 79.
- 32 Ibid., p. 84.
- 33 For a detailed study of sub-regional development measures and discussion of the issue of sub-regional data, see François Lamontagne and Christyne Tremblay, Development Indices: A Quebec Regional Comparison (Ottawa: Economic Council of Canada of Local Development Paper, 1989).
- 34 FRED, op. cit., p. 34.
- 35 MacMillan, op. cit., p. 49.

- 36 FRED, op. cit., p. 35.
- 37 MacMillan, op. cit., p. 49.
- 38 Ibid., p. 49.
- 39 Ibid., p. 70.
- 40 FRED, op. cit., pp. 37-38.
- 41 MacMillan, op. cit., p. 77.
- 42 Ibid., p. 83.
- 43 FRED, op. cit., pp. 46-47.
- 44 Ibid., p. 47.
- 45 MacMillan, op. cit., p. 87.
- 46 Ibid., pp. 89-92.
- 47 FRED, op. cit., p. 45.
- 48 MacMillan, op. cit., p. 79.
- 49 Ibid., p. 18, Table 4.
- 50 FRED, op. cit., p. 46.
- 51 MacMillan, op. cit., p. 80.
- 52 Ibid., pp. 79-80.
- 53 See Eugene Hlvschaic, "Rich Diversified Resources Support Growing Industries," Trade and Commerce Magazine, September, 1985.
- 54 FRED, op. cit., p. 53.
- 55 Ibid.
- 56 MacMillan, op. cit., p. 59.
- 57 FRED, op. cit., p. 53.
- 58 MacMillan, op. cit., p. 59.
- 59 Ibid., p. 60.
- 60 FRED, op. cit., pp. 57-58.
- 61 Ibid., p. 55.

- 62 Ibid., p. 37.
- 63 Ibid., pp. 37-38.
- 64 Schedule B., op. cit., p. 40.
- 65 MacMillan, op. cit., p. 56.
- 66 MacMillan, James A., Framingham, Charles F., and Tung, Fu-Lai, "A Proposed Simulation Method for Measuring Structural Change and Rural Development Program Impacts," Canadian Journal of Agricultural Economics, vol. 22(1), 1974. For a further breakdown of FRED programs, see Table 28 of MacMillan and Lyon.
- 67 Macmillan, op. cit., p. 97.
- 68 Federal-Provincial Task Force on Regional Assessment Report, November, 1987, p. 43.
- 69 See Michael B. Decter and Jeffrey Kowall, "The Winnipeg Core Area Initiative, Winnipeg, Manitoba: Area Regional Development in an Urban Context". Ottawa: Economic Council of Canada Local Development Paper, 1989.
- 70 MacMillan, op. cit., p. ii.

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