

**ATLANTIC
DEVELOPMENT
BOARD**

ANNUAL REPORT
for the fiscal year
1963-64

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ATLANTIC DEVELOPMENT BOARD

*Annual Report for the fiscal year
1963-64*

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CANADA

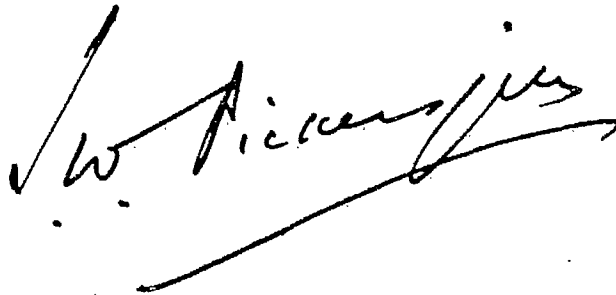
MINISTER OF TRANSPORT

TO HIS EXCELLENCY GENERAL GEORGES P. VANIER, D.S.O., M.C., C.D.
Governor General and Commander-in-Chief of Canada.

MAY IT PLEASE YOUR EXCELLENCY:

I have the honour herewith, for the information of Your Excellency and the Parliament of Canada, to present the Annual Report of the Atlantic Development Board and the financial statements of the Board for the fiscal year 1963-1964.

Respectfully submitted,



Minister of Transport

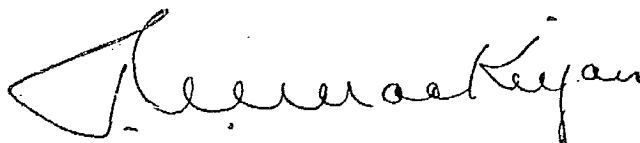
THE HONOURABLE J. W. PICKERSGILL, M.P.,
Minister of Transport,
Ottawa, Ont.

SIR:

I submit herewith the Annual Report of the Atlantic Development Board and the financial statements of the Board for the fiscal year 1963-1964.

I have the honour to be, Sir,

Your obedient servant,

A handwritten signature in cursive script, appearing to read "J. W. Pickersgill". The signature is written in dark ink and is positioned above the printed name "Chairman".

Chairman

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ANNUAL REPORT OF THE ATLANTIC DEVELOPMENT BOARD—1963-64

Introduction

The four Atlantic Provinces—New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland—form a distinct region in the Canadian economy, both because of their geographical position and the similarities of many of their problems.

The region, since the turn of the century, has not enjoyed a level of economic activity comparable with the rest of the country except in periods such as were experienced during the two world wars. With few exceptions, the region was unable to establish a manufacturing economy which could successfully compete with the more favourably located industries in the central provinces. Moreover, it lost some of its local advantages in the agricultural sector after the opening of the Canadian west. In addition the Panama Canal brought lumber products from the west coast of Canada to compete in the traditional Maritime markets on the Atlantic seaboard.

Over the years the inability of the local economy to provide employment for the growing population of the region has resulted in a continual flow of people from the Maritime Provinces, and more recently from Newfoundland, to the rest of Canada and the United States. In spite of this flow, levels of unemployment have been high and the proportion of the population participating in the labour force has been considerably smaller than in the rest of Canada. Recent declines in employment in the basic industries of the region and the lack of sufficient growth in secondary manufacturing to offset these declines is a matter of concern in many local areas of the region.

The level of personal income per head is somewhat less than two-thirds that of the nation, and in recent years has been growing at about half the national rate. The population of the region is about 2 million, of whom nearly half live in rural areas. Of those who live in urban areas, less than one-third live in urban centres of 100,000 and over. For Canada as a whole, the proportion of the total population living in rural areas is less than one-third and of those living in urban areas nearly two-thirds live in centres of 100,000 and over.

The economy of the Atlantic Region is much more dependent upon the primary industries in terms of both output and employment than the rest of Canada. Since World War II, the labour force attached to the primary

industries has been declining steadily. This has happened because of: (1) improvements in technology which further increased the substitution of capital for labour; (2) shifts in the pattern of demand for products; (3) increasing competition for primary products in world markets; and (4) changes in the organization of industry which increased the efficiency and output of the existing capital stock and labour force. These factors were at play in the whole Canadian economy but because the primary industries are relatively more important in the Atlantic region their impact is much more severe.

Over the same period, the only significant increases in employment opportunities have come from the 'service producing' sector of the economy. The labour force required by the service sector is very different from that required by the primary industries. *First*, it generally employs a larger proportion of women. *Second*, industries in this sector are usually located in urban areas. *Third*, it requires workers with a higher level of education, and different types of skills.

The Establishment of the Board

(See also Appendix 3)

The Bill establishing the Atlantic Development Board was given Royal Assent on December 20, 1962 (11 Elizabeth II, Chapter 10—An Act to provide for the establishment of an Atlantic Development Board).

Amendment to the Act

(See also Appendix 4)

The Bill to amend the Atlantic Development Board Act received Royal Assent on July 31, 1963 (12 Elizabeth II, Chapter 5—An Act to amend the Atlantic Development Board Act).

The amendment provided for an increase in the number of members of the Board from 5 to 11, and for the establishment of an Atlantic Development Fund of One Hundred Million Dollars as a separate account in the Consolidated Revenue Fund.

Objects and Powers

(See also Appendix 4)

Section 9 of the Atlantic Development Board Act, as amended, outlines the objects and powers of the Board as follows:

"9. (1). The objects of the Board are to inquire into and report to the Minister upon *programs* and projects for fostering the economic growth and

development of the Atlantic region of Canada, and to *consider, report* and make recommendations to the Minister concerning programs and projects not involving the use of the Fund and programs and projects involving the use of *the Fund*; and without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare, in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region;
 - (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new *programs* and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
 - (c) with respect to particular *programs* or projects that may be referred to it by the Minister or that *the Board may on its own initiative investigate*, inquire into, assess and report to the Minister upon the feasibility of such *programs* or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such *programs* or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region; and
 - (d) with the approval of the Governor in Council, enter into agreements with
 - (i) the government of any province comprised in the Atlantic region or the appropriate agency thereof, or
 - (ii) any other person,respecting the use of the Fund in financing or assisting in financing the undertaking and the carrying out of particular programs or projects described in subsection (1) of section 16.
- (2) The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, *consult and co-operate* with the *Economic Council of Canada*, and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board."

Board Members

Under the original Act, the Board was to consist of five members to hold office as follows: two for five years; one for three years; and two for four

The standing of Board Members as at March 31, 1964 was as follows:

<i>Name</i>	<i>Date of Appointment</i>	<i>Expiration Date</i>
Ian M. MacKeigan, Q.C., <i>Chairman</i>	August 2, 1963	January 24, 1966
Brigadier M. Wardell, <i>Vice-Chairman</i>	January 24, 1963	January 24, 1965
Robert Cheyne Eddy	August 2, 1963	January 24, 1966
Albert Martin	August 2, 1963	January 24, 1966
Captain Maxwell Burry	August 2, 1963	January 24, 1965
Carl Frederick Burke	August 2, 1963	January 24, 1965
Stephen Dolhanty	August 2, 1963	January 24, 1965
Frank H. Sobey	January 24, 1964	January 24, 1967
Melvin J. McQuaid, Q.C.	January 24, 1964	January 24, 1967
Fred W. Ayre	January 24, 1964	January 24, 1967
Armand H. Cormier	January 24, 1964	January 24, 1967

Staff and Office

The Executive Director, Dr. E. P. Weeks, was appointed by Governor in Council effective March 1, 1963, Dr. Weeks is originally from Prince Edward Island.

During March and April, 1963, the following staff appointments were made:

Senior Economist: F. J. Doucet, Originally from Nova Scotia

Economist: C. Simcock, Originally from New Brunswick

Secretary: C. P. Russell, Originally from Newfoundland

Dr. G. C. Monture, O.B.E., Consultant

A supporting staff of four was also appointed.

The offices of the Board were established at 71 Bank Street, Ottawa.

Administration and Operations

An Annual Parliamentary Appropriation is provided to cover Staff Salaries and Travelling Expenses, Office Operating Expenses, Travelling Expenses of Board Members while attending Board Meetings and while engaged on Board business.

Consultant Fees and travelling expenses are paid from the appropriation and not from the Atlantic Development Fund, unless the study forms part of the Project.

Expenditures from the Fund are made only after approval of the Governor in Council, following a recommendation by the Board to the Minister.

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Expenditures from the Fund are made only after approval of the Governor in Council, following a recommendation by the Board to the Minister.

Liaison Officers

On the suggestion of the Minister, the Honourable J. W. Pickersgill, to the four Atlantic Provinces, Ministers or officials were designated to act as Liaison Officers with the Board. The Premiers named the following:

Nova Scotia	Honourable E. A. Manson, Minister of Trade and Industry
New Brunswick	Honourable L. G. DesBrisay, Minister of Finance and Industry Mr. F. R. Drummie, Economic Advisor to the Government of New Brunswick
Prince Edward Island	Honourable Leo Rossiter, Minister of Industry and Natural Resources, and of Fisheries
Newfoundland	Honourable J. R. Smallwood, Premier and Minister of Economic Development Mr. Ian McAllister, Provincial Economist, Department of Economic Development.

Provincial Sub-Committees of the Board

At the Board Meeting held in Halifax on December 2, 1963, it was agreed that the Board Members from each province, plus the Chairman, form regional committees for that particular province, and that the committees work with the Staff on matters relating to that province.

Accounting

In the interests of efficiency and economy, accounting and cheque issue services are provided to the Board by the Comptroller of the Treasury.

Relation With Other Federal Departments

In carrying out studies and projects, the Board's Staff works closely with officials of other Departments. In some instances, Ad-hoc Committees have been formed to deal with particular problems.

When projects are approved, it has been the policy of the Board to request the appropriate Department or Agency to supervise the work and arrange administrative details on the Board's behalf.

Board Meetings

Board meetings have been held as follows:

<i>Date</i>	<i>Place</i>
February 2, 1963	Halifax, Nova Scotia
March 28, 1963	Ottawa, Ontario
August 6, 1963	Halifax, Nova Scotia
September 25 and 26, 1963	Fredericton, New Brunswick
October 29 and 30, 1963 ..	Charlottetown, Prince Edward Island
November 18 and 19, 1963	St. John's, Newfoundland
December 2 and 3, 1963 ..	Halifax, Nova Scotia
January 27 and 28, 1964 ..	Ottawa, Ontario.

Staff Visits

The Board's work has required frequent visits by Members of Senior Staff to the Provinces for discussions with Provincial Government officials and with representatives from Industry, Boards of Trade, Municipalities and other organizations.

Activities of the Board

The Board's activities fall into two main fields—those involving the use of the Fund, and those not requiring monies from the Fund. These latter activities include studies or surveys financed from the Board's annual appropriation. In addition, the Board has been playing an increasing role as a co-ordinating agency on matters relating to the development of the Atlantic region.

In its general approach regarding the recommendations concerning the use of the Fund, the Board considered that priority should be given to projects intended to achieve long-term improvement in the basic facilities, or infrastructure of the Atlantic region. However, the Board is fully aware that the provision of adequate basic facilities is only one of the essential conditions for regional economic expansion. It also recognizes that there are wide differences in the quality of the infrastructure of the four Atlantic Provinces. It concludes, however, that power and transportation facilities are generally inadequate and call for particular attention.

The Board has divided the problems of the economic development of the Atlantic region under five broad categories—

- I. Power
- II. Transportation
- III. Primary industries, including processing
- IV. Secondary manufacturing industries
- V. Economic Planning; and
- VI. Miscellaneous, including applied research and tourism.

I. POWER

In its initial consideration to the problems of the Atlantic region, the Board gave high priority to the development of adequate and cheaper supply of electric power because:

- (a) it is particularly important in developing the mineral and forest resources of the Atlantic region; and
- (b) the provinces had already carried out extensive studies.

(1) CAPITAL ASSISTANCE FROM THE FUND

(a) *Mactaquac*—At the Board meeting of November 19, 1963, held at St. John's, Newfoundland, it was recommended that financial assistance be made available to the New Brunswick Electric Power Commission, an agency of the Provincial Government, for the development of a hydro electric power project at Mactaquac on the Saint John River. On the basis of this recommendation, the Cabinet approved a contribution of \$20 million from the Atlantic Development Fund on January 10, 1964. The Mactaquac development will have the effect of doubling present power generated in the Province of New Brunswick. It should contribute greatly to the promotion of industrial development in New Brunswick, particularly that which is based on natural resources.

(b) *Bay D'Espoir*—At the Board meeting of November 19th, 1963, held in St. John's it was also recommended that financial assistance be made available to the Newfoundland Power Commission, an agency of the Provincial Government, for the development of a hydro electric power project at Bay D'Espoir on the south coast of Newfoundland. On the basis of this recommendation the Cabinet approved a contribution of \$20 million from the Atlantic Development Fund on March 5th, 1964.

The Atlantic Development Board's contribution will enable the project to go ahead immediately, and the increased availability of power will also clear the way for expansion in the forest and mineral industries, as well as in the economy in general.

(2) STUDIES

(a) *Engineering and Economic Studies of the Feasibility of a Submarine Power Cable Linking Prince Edward Island with the Mainland*—At the Board meeting of August 6th, 1963, held at Halifax, N.S. it was recommended that consultants be engaged to carry out these studies. On September 19th, 1963, approval was received from Governor in Council to engage the services of consultants at a cost of \$10,000.

A preliminary report has been received and is being discussed with the consultants, National Energy Board, and the appropriate provincial agencies involved.

(b) *An Engineering Study of Foundation Conditions at Shepody Bay and Cumberland Basin at the Upper End of the Bay of Fundy*—At the

Board meeting of September 26th, 1963, held at Fredericton, N.B. it was recommended that consultants be engaged to carry out this study. On November 28th, 1963, approval was received from Governor in Council to engage the services of engineering consultants for this purpose. This is the first phase of an investigation into the feasibility of harnessing tidal power at the upper end of the Bay of Fundy. The study which was begun in December, was delayed by weather conditions, but will be continued in April, and a final report is expected before the end of May.

The Department of Public Works assisted the Board in the selection of consultants and are carrying out the administrative duties on behalf of the Board.

II. TRANSPORTATION

From its inception, the Board has recognized the important rôle that a well co-ordinated transportation system can play in the economic development of the Atlantic region. The Board is aware that there are many disadvantages imposed by present conditions, not only within the region, but between the region and the rest of Canada and abroad. The main problems are associated both with physical facilities and with the costs of moving goods.

The Board has received a large number of requests for assistance varying greatly in scope and magnitude, all of which nevertheless indicate the need for careful assessment and co-ordination before a satisfactory solution can be proposed. However, during the year, the Board has found it possible to deal with a number of matters relating to transportation which, while not directly involving the use of the Atlantic Development Fund, have contributed to a better understanding of the many aspects of the problem.

Two major studies for which consultants were engaged are noted below.

(a) *Winter Navigation on the Lower St. Lawrence River and in the Gulf*—In February 1963, the Minister responsible for the Atlantic Development Board requested that the Board, as one of its first assignments, carry out a broad survey of winter navigation and its effects on ports in the Atlantic Provinces.

This item was brought before the Board by the Hon. Hugh-John Flemming in February, 1963. The Board reviewed this request at its meeting of March 28th, 1963, and recommended that consultants be engaged to carry out these studies. On August 14th, 1963, approval was received from Governor in Council to engage the services of an engineering consulting firm to carry out a preliminary study of the engineering, technical and scientific aspects of the problem. On the same date approval was received to engage the services of an economic consulting firm to carry out a preliminary study of the economic aspects of the effects on Atlantic ports of winter navigation in the St. Lawrence and Gulf.

These studies are being implemented by an analysis of ice-breaking costs, which is being undertaken by the staff of the Board in collaboration with the Marine Services of the Department of Transport.

(b) *Belledune Harbour in Northern New Brunswick*—The decision of private interests to construct a large lead-zinc smelter and chemical complex at Belledune Point, west of Bathurst, involves the construction of a protected year-round deep water harbour. This harbour is expected to handle up to a million tons of traffic annually when the project is completed. As the problems of design and construction are complicated, detailed engineering and model studies are necessary. The Province of New Brunswick therefore requested the co-operation of the Board in getting these studies under way with as little delay as possible.

As a result of discussions between the Board and the Department of Public Works it was agreed that these two agencies would seek approval from the government for authority to engage the services of consultants to carry out the studies with the estimated cost to be shared equally between them. This approval was received on January 23, 1964.

The Department of Public Works is supervising the studies and attending to the administrative details.

(c) *Ports of Halifax and Saint John*—On March 21, 1964, the Minister requested the Board to undertake, in collaboration with other federal agencies, an examination of the prospects of these two ports to ascertain what measures might be taken to assure their economic future.

(d) *General*—In reviewing the transportation sector of the Atlantic economy during the year, the Board has become aware that many aspects of the transportation problems of the region should be carefully examined. These include—the role of air cargo; adequacy of existing airstrips; steamship services; ferries; the road system; rail rates, and others. The Board, in co-operation with other government agencies, is giving careful consideration to these aspects of transportation.

III. PRIMARY INDUSTRIES, INCLUDING PROCESSING

The Board is assisting the primary industries by financing basic facilities such as power lines, water lines and sewage disposal units for processing plants. During the year, the Board recommended assistance to two food processing complexes—one at Georgetown, Prince Edward Island, and the other at Canso, Nova Scotia.

(1) CAPITAL ASSISTANCE

(a) *Georgetown*—At its meeting on October 29, 1963, the Board recommended that financial assistance be given for the provision of basic facilities in connection with a major food processing complex.

On March 5, 1964, the Government approved a contribution not exceeding \$700,000 from the Atlantic Development Fund to provide basic

facilities associated with the Georgetown fish and farm products processing development.

(b) *Canso*—At the meeting held in Ottawa on January 28, 1964, the Board recommended assistance be provided from the Atlantic Development Fund for the provision of water and sewage facilities associated with the proposed large fish processing plant at Canso.

On March 5, 1964, the Government approved a contribution from the Atlantic Development Fund to provide these basic facilities, at an approximate cost of \$400,000.

The Department of Public Works has agreed to supervise the construction of these facilities and carry out the administrative details for both Georgetown and Canso, on behalf of the Board.

IV. SECONDARY MANUFACTURING INDUSTRIES

The Board recognizes that the provision of basic service facilities such as power and transportation, may not be sufficient to encourage the location of secondary manufacturing industries in the Atlantic region. It is also recognized that in certain parts of the region, secondary industry must play an increasingly important role in the local economy. This principle has already been recognized by the Government in the provision of incentives to industries locating in designated areas.

The Board is convinced that if the Atlantic region is to develop at a satisfactory rate, additional incentives must be available to encourage the location of secondary manufacturing industries in the region. In this connection, the Board had discussions with Provincial Governments at various times on what specific measures and procedures might be appropriate to bring about the desired results.

V. ECONOMIC PLANNING

Section 9 (i) (a) of the Atlantic Development Board Act, as amended, states that the Board may—"in furtherance of its objects, prepare in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of economic growth of the Atlantic region".

The Chairman of the Atlantic Development Board is also a member of the Economic Council of Canada, thus ensuring close liaison at the Board level.

In the preparation of an overall plan for the Atlantic region; the Board staff has met with the Chairman and senior officials of the Council. As a first step, the staff will work out in collaboration with the provincial authorities, a preliminary outline of a regional plan for further discussion with the Council.

As an initial step in the preparation of an economic plan for the Atlantic region, the Board proposed to engage the services of economic consultants to prepare a study of an inter-industry flow of commodities and

services. This study would be expected to be completed in April, 1965. As the study progresses, parts of it would be useful in drawing up a regional economic plan.

VI. MISCELLANEOUS

(1) *General*

In addition to the items mentioned under the five categories in the foregoing, the Board has also been concerned with many other problems and aspects affecting the regional economy. These include, for example:

- the problems facing the coal industry in Nova Scotia and New Brunswick
- the declining production and employment in the iron ore mine at Bell Island, Newfoundland
- the possibility of developing various industrial minerals in the region
- the need for strengthening research facilities and the training of graduate students in applied research to meet the changing requirements of the economy
- the desirability of an integrated approach to the development of the Saint John River in New Brunswick.

(2) *Liaison Function*

Quite apart from the work of the Board in connection with the projects involving the use of the Fund, or specific recommendations for action or expenditures by other federal agencies, the Board provides a focal point for Atlantic Provinces in dealing with various federal government departments. Consequently, liaison activities between the two levels of government is becoming an increasingly important function of the staff.

In all cases of problems or projects presented to the Board, the staff is careful to maintain close contact with other federal agencies that may have a primary interest in so far as it affects federal government policy.

Appendix I

To: ATLANTIC DEVELOPMENT BOARD
THE SECRETARY OF STATE OF CANADA

I have examined the financial transactions of the Atlantic Development Board for the period from the establishment of the Board on December 20, 1962 to March 31, 1963, in accordance with the requirement of section 18 of the Atlantic Development Board Act.

In my opinion the accompanying Statement of Expense presents a true and fair summary of the financial transactions of the Board for the period from the establishment of the Board on December 20, 1962 to March 31, 1963.

A. M. HENDERSON
Auditor General of Canada

June 27, 1963.

ATLANTIC DEVELOPMENT BOARD
(Established by the Atlantic Development Board Act)

Statement of Expense
for the period from the establishment of the Board on
December 20, 1962 to March 31, 1963

Administrative Expense:

Salaries	\$ 1,856
Office equipment and supplies	2,210
Travel	957
Other	9

Provided by parliamentary appropriation	<u>5,032</u>
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Approved:

E. P. WEEKS
for MICHAEL WARDELL, *Chairman*

I have examined the above Statement of Expense and have reported thereon under date of June 27, 1963 to the Atlantic Development Board and the Secretary of State of Canada.

A. M. HENDERSON
Auditor General of Canada

Appendix II

To: ATLANTIC DEVELOPMENT BOARD

THE MINISTER OF TRANSPORT

I have examined the financial transactions of the Atlantic Development Board for the year ended March 31, 1964, in accordance with the requirement of section 18 of the Atlantic Development Board Act.

In my opinion the accompanying Statement of Expense presents a true and fair summary of the financial transactions of the Board for the year ended March 31, 1964.

A. M. HENDERSON
Auditor General of Canada

June 10, 1964.

ATLANTIC DEVELOPMENT BOARD
(Established by the Atlantic Development Board Act)

Statement of Expense
for the year ended March 31, 1964

Technical and economic surveys and studies	\$	104,647
Administration		
Salaries	\$	65,480
Employee benefits		4,277
Travel (including \$7,514 incurred by Members of the Board)		14,197
Office equipment and supplies		3,735
Other		3,995
		<hr/>
		91,684
Provided by parliamentary appropriation		<hr/> <hr/> 196,331

Approved:

IAN M. MacKEIGAN, Q.C.
Chairman

I have examined the above Statement of Expense and have reported thereon under date of June 10, 1964 to the Atlantic Development Board and the Minister of Transport.

A. M. HENDERSON
Auditor General of Canada.

11 ELIZABETH II.

CHAP. 10

An Act to provide for the establishment of an
Atlantic Development Board.

[Assented to 20th December, 1962.]

HER Majesty, by and with the advice and consent of the
Senate and House of Commons of Canada, enacts as
follows:

SHORT TITLE.

1. This Act may be cited as the *Atlantic Development Board Act*. Short title.

INTERPRETATION.

2. In this Act,
- (a) "Atlantic region" means the region comprising the Provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland; Definitions.
"Atlantic region."
- (b) "Board" means the Atlantic Development Board established by section 3; and "Board."
- (c) "Minister" means such member of the Queen's Privy Council for Canada as may from time to time be designated by the Governor in Council to act as the Minister for the purposes of this Act. "Minister."

ATLANTIC DEVELOPMENT BOARD.

3. A corporation is hereby established to be known as the Atlantic Development Board, consisting of five members to be appointed by the Governor in Council as provided in section 4. Board established.

4. (1) Each of the members of the Board shall be appointed to hold office for a term of five years, except that Appointment of members.

of those first appointed one shall be appointed for a term of three years and two shall be appointed for a term of four years.

Chairman.

(2) One of the members of the Board shall be appointed to be the chairman thereof.

Eligibility for reappointment.

(3) A retiring chairman or other member of the Board is eligible for reappointment to the Board in the same or another capacity.

Travelling and living expenses.

5. (1) The members of the Board shall serve without remuneration, but are entitled to be paid reasonable travelling and living expenses while absent from their ordinary place of residence in the course of their duties under this Act.

Honorarium to chairman.

(2) Notwithstanding subsection (1), the chairman of the Board may be paid such amount per annum as an honorarium as may be approved by the Governor in Council.

Quorum.

6. Three members constitute a quorum of the Board.

Vacancy.

7. A vacancy in the membership of the Board does not impair the right of the remainder to act.

Absence, etc., of chairman.

8. The Board may designate one of its members to be vice-chairman of the Board, who shall, in the event of the absence or incapacity of the chairman or if the office of chairman is vacant, act as chairman.

OBJECTS AND POWERS.

Objects and powers.

9. (1) The objects of the Board are to inquire into and report to the Minister upon measures and projects for fostering the economic growth and development of the Atlantic region of Canada, and, without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare on a systematic and comprehensive basis, and revise as required in the light of changing circumstances, an assessment of factors relevant to economic growth in the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new measures and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;

- (c) with respect to particular measures or projects that may be referred to it by the Minister, inquire into, assess and report to the Minister upon the feasibility of such measures or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such measures or projects that in the opinion of the Board would significantly contribute to the growth and development of the economy of the Atlantic region; and
- (d) consider and report to the Minister upon any other matters that in the opinion of the Board may usefully be considered by it having regard to the need for a continuing sound economic development of the Atlantic region.

(2) The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, co-operate with the National Economic Development Board, the National Productivity Council and all departments, branches and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board.

Duty of co-operation.

ORGANIZATION.

10. The Board shall meet at such times and places as it deems necessary but shall meet at least once a year in the City of Ottawa.

Meetings.

11. (1) The Governor in Council may appoint an Executive Director of the Board, who shall hold office during pleasure and shall be paid such salary and expenses as are fixed by the Governor in Council.

Executive Director.

(2) The Executive Director is the chief executive officer of the Board and has supervision over and direction of the work and staff of the Board.

Direction of work and staff.

12. (1) The Board may, subject to the approval of the Governor in Council, make by-laws for the regulation of its proceedings and generally for the conduct of its activities, including the establishment of advisory and other committees of the Board.

By-laws.

(2) Any by-law made pursuant to subsection (1) establishing an advisory committee of the Board may provide for the membership thereon of persons other than members of the Board, in addition to members of the Board.

Advisory committees.

Appointment
of staff.

- 13.** (1) The Board may
- (a) appoint such officers and employees as are necessary for the proper conduct of the work of the Board; and
 - (b) prescribe the duties of such officers and employees and, subject to the approval of the Treasury Board, prescribe the conditions of their employment.

Salaries and
expenses of
staff.

- (2) The officers and employees of the Board appointed as provided in subsection (1) shall be paid such salaries and expenses as are fixed by the Board with the approval of the Treasury Board.

Technical
and special
advisors.

- 14.** The Board may engage on a temporary basis or for any period of not more than two years the services of persons having technical or specialized knowledge of any matter relating to the work of the Board, to advise and assist the Board in the performance of its duties under this Act, and with the approval of the Treasury Board may fix and pay the remuneration of such persons.

Superannua-
tion.

- 15.** (1) The Executive Director and the officers and employees of the Board appointed as provided in subsection (1) of section 13 shall be deemed to be employed in the Public Service for the purposes of the *Public Service Superannuation Act*, and the Board shall be deemed to be a Public Service corporation for the purposes of section 23 of that Act.

Application of
*Government
Employees
Compensation
Act*.

- (2) The *Government Employees Compensation Act* applies to the Executive Director and the officers and employees of the Board appointed as provided in subsection (1) of section 13 and, for the purposes of that Act, such persons shall be deemed to be employees in the service of Her Majesty.

Not agent
of Her
Majesty.

- 16.** The Board is not an agent of Her Majesty and, except as provided in section 15, the members, Executive Director and staff of the Board are not part of the public service.

FINANCIAL.

Appropria-
tions.

- 17.** All amounts required for the payment of salaries and other expenses under this Act including expenses of administration shall be paid out of moneys appropriated by Parliament for the purpose.

AUDIT.

Audit.

- 18.** The accounts and financial transactions of the Board shall be audited annually by the Auditor General,

and a report of the audit shall be made to the Board and the Minister.

REPORT TO PARLIAMENT.

19. The chairman of the Board shall, within three months after the termination of each fiscal year, transmit to the Minister a statement relating to the activities of the Board for that fiscal year, including the financial statements of the Board and the Auditor General's report thereon, and the Minister shall cause such statement to be laid before Parliament within fifteen days after the receipt thereof or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting.

Annual
report to
be made.

12 ELIZABETH II.

CHAP. 5

An Act to amend the Atlantic Development Board Act.

[Assented to 31st July, 1963.]

1962-63, c. 10. HER Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. Section 2 of the *Atlantic Development Board Act* is amended by striking out the work "and" at the end of paragraph (b) thereof and by adding thereto, immediately after paragraph (b) thereof, the following paragraph:

"Fund" "ba) "Fund" means the Atlantic Development Fund established by section 16; and"

2. (1) Sections 3 and 4 of the said Act are repealed and the following substituted therefor:

Board established. "3. (1) A corporation is hereby established to be known as the Atlantic Development Board, consisting of eleven members to be appointed by the Governor in Council as provided in section 4.

Constitution of membership. (2) The membership of the Board shall be constituted in such a manner as to reflect the economic structure of the Atlantic region.

Appointment of members. 4. (1) Each of the members of the Board shall be appointed to hold office for a term of three years, except that of those first appointed four shall be appointed for a term of one year and four shall be appointed for a term of two years.

Chairman. (2) The Governor in Council shall designate one of the members to serve as chairman of the Board during pleasure.

Eligibility for re-appointment. (3) A person who has served two consecutive terms as a member of the Board is not, during the twelve month period following the completion of his second term, eligible for reappointment."

(2) A person who, at the coming into force of this Act, held office under the *Atlantic Development Board Act* as a member of the Atlantic Development Board shall be deemed to have been appointed as a member of the Board under this Act

- (a) in the case of the person who at the coming into force of this Act held the office of chairman of the Board, for a term of two years, and
- (b) in any other case, for a term of one year.

(3) The term of each of the persons first appointed to the Atlantic Development Board after the coming into force of this Act and the term of each of the persons referred to in subsection (2) shall be calculated as if such term had commenced on the 24th day of January, 1963.

3. Section 6 of the said Act is repealed and the following substituted therefor:

“6. A majority of the members constitutes a Quorum.
quorum of the Board.”

4. The said Act is further amended by adding thereto, immediately after section 8 thereof, the following section:

“8A. (1) The Board is, for all purposes of this Act, an agent of Her Majesty, and its powers under this Act may be exercised only as an agent of Her Majesty. Board agent of Her Majesty.

(2) Subject to the approval of the Governor in Council, the Board may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Board. Contracts.

(3) Property acquired by the Board is the property of Her Majesty and title thereto may be vested in the name of Her Majesty or in the name of the Board. Property.

(4) Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the Board on behalf of Her Majesty, whether in its name or in the name of Her Majesty, may be brought or taken by or against the Board in the name of the Board in any court that would have jurisdiction if the Board were not an agent of Her Majesty.” Proceedings.

5. Section 9 of the said Act is repealed and the following substituted therefor:

Objects and powers.

"9. (1) The objects of the Board are to inquire into and report to the Minister upon programs and projects for fostering the economic growth and development of the Atlantic region of Canada, and to consider, report and make recommendations to the Minister concerning programs and projects not involving the use of the Fund and programs and projects involving the use of the Fund; and without limiting the generality of the foregoing, the Board may, in furtherance of its objects,

- (a) prepare, in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region;
- (b) keep under constant review appropriate methods of furthering the sound economic development of the Atlantic region, whether such methods involve new programs and projects or the removal or mitigation of existing factors that may be considered to inhibit such development;
- (c) with respect to particular programs or projects that may be referred to it by the Minister or that the Board may on its own initiative investigate, inquire into, assess and report to the Minister upon the feasibility of such programs or projects and the effect thereof in relation to the economy of the Atlantic region, and make recommendations to the Minister with respect to any such programs or projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region; and
- (d) with the approval of the Governor in Council, enter into agreements with
 - (i) the government of any province comprised in the Atlantic region or the appropriate agency thereof, or
 - (ii) any other person,respecting the use of the Fund in financing or assisting in financing the undertaking and the carrying out of particular programs or projects described in subsection (1) of section 16.

Duty of co-operation.

(2) The Board shall, to the greatest possible extent consistent with the performance of its duties under this Act, consult and co-operate with the Economic Council of Canada and all departments, branches

and other agencies of the Government of Canada having duties related to, or having aims or objects related to those of the Board."

6. Section 16 of the said Act is repealed and the following heading and section substituted therefor:

"ATLANTIC DEVELOPMENT FUND.

16. (1) Subject to subsection 4, the Minister of Finance may, on the recommendation of the Minister, pay to the Board out of the Consolidated Revenue Fund such amounts as are from time to time required by the Board for the purpose of financing or assisting in financing the undertaking and the carrying out of programs and projects that, in the opinion of the Board, will contribute to the growth and development of the economy of the Atlantic region and for which satisfactory financing arrangements are not otherwise available.

Payments
out of Con-
solidated
Revenue
Fund.

(2) There shall be a special account in the Consolidated Revenue Fund to be known as the Atlantic Development Fund, to which shall be credited all amounts paid by the Minister of Finance to the Board under subsection (1) and to which shall be charged all payments in respect of programs or projects described in that subsection.

Atlantic
Development
Fund
established.

(3) No payments may be made by the Minister of Finance to the Board under subsection (1) except in respect of a program or project described in that subsection that has been approved by the Governor in Council.

Approval of
programs or
projects.

(4) The total of all amounts that may be paid by the Minister of Finance to the Board under subsection (1) and credited to the Atlantic Development Fund is one hundred million dollars."

Total of
amounts that
may be paid.

7. Section 17 of the said Act is repealed and the following substituted therefor:

"17. All expenditures under this Act including amounts required for the payment of salaries, technical and economic surveys and studies and other expenses including expenses of administration, except any amounts described in subsection (1) of section 16, shall be paid out of moneys appropriated by Parliament therefor."

Appropriations.

8. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

Coming into
force.

