

Atlantic Development Board

annual report
1968/1969

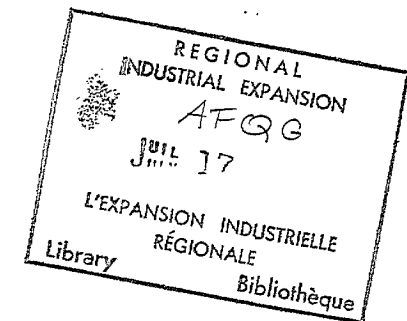
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ATLANTIC DEVELOPMENT BOARD

*Annual Report for the fiscal year
1968-69*



Published by authority of
THE MINISTER OF REGIONAL ECONOMIC EXPANSION,
OTTAWA



MINISTER OF REGIONAL ECONOMIC EXPANSION

TO HIS EXCELLENCY THE RIGHT HONORABLE ROLAND MICHENER,
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 1968-69.

Respectfully submitted,

Minister of Regional Economic Expansion

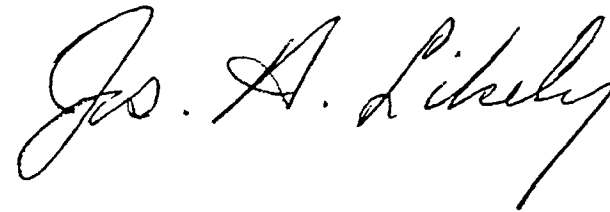
THE HONOURABLE JEAN MARCHAND, M.P.,
Minister of Regional Economic Expansion,
Ottawa, Ont.

SIR:

I submit herewith the Annual Report of the Atlantic Development Board and the financial statements of the Board for the fiscal year 1968-69.

I have the honour to be, Sir,

Your obedient servant,

A handwritten signature in cursive script, reading "J. A. Likely". The signature is written in dark ink and is positioned above the printed name "Vice-Chairman".

Vice-Chairman

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ATLANTIC DEVELOPMENT BOARD

Annual Report 1968-69

INTRODUCTION

On April 1, 1969, with the coming into force of Bill C-173—the Government Organization Act, 1969—the Department of Regional Economic Expansion was established. Creation of the department and its absorption of the various federal regional development programs which had grown up in recent decades, but particularly during the Nineteen Sixties, was the most important step ever taken by the federal government to deal with the persistent and deep-rooted problem of regional economic disparity, a problem which, it was universally recognized, could endanger the existence of Canada.

The reasons for the establishment of the Department of Regional Economic Expansion were two-fold: first, regional development was a matter of top priority for the government and the need for a more massive effort to promote it was acknowledged; second, it was agreed that in order to make the most efficient use of the material and human resources available, a single department with comprehensive responsibility for planning and co-ordinating action was required.

Stemming from these considerations was the decision to repeal the Atlantic Development Board Act and to transfer the Board's administrative responsibilities to the new department. Other programs absorbed into the structure of the department included the Area Development Agency (ADA), the Fund for Rural Economic Development (FRED), the Agricultural and Rural Development Act (ARDA) and the Prairie Farm Rehabilitation Act (PFRA). Although the Atlantic Development Board as such disappeared, the legislation established the Atlantic Development Council as an advisory body to the Minister.

Named Minister of Regional Economic Expansion was Hon. Jean Marchand, who had been appointed Minister of Forestry and Rural Development pending passage of the legislation establishing the new department.

Responsibility for the ADB and the various other regional development programs passed to Mr. Marchand on July 12, 1968, the date that planning for the new department began.

While the precise form of the department was still taking shape, Mr. Marchand outlined, during an address to the Atlantic Provinces Economic Council, the evolution of the federal government's involvement in regional development.

Beginning soon after Confederation and lasting well into the Twentieth Century, the emphasis of federal policy was on national economic development. There was an underlying assumption that the development of a unified market economy held together by regional specialization and east-west trade would almost automatically result in all regions sharing as fully as possible in the growth and prosperity of the Canadian economy.

The Great Depression of the Nineteen Thirties shattered this assumption by exposing the fiscal weaknesses of the poorer provinces. These were documented by the Rowell-Sirois Commission, which advanced the concept that the Canadian fiscal system should make it possible for every province to provide for its people services of average Canadian standards, without the necessity of imposing heavier than average taxes. Implemented since the Second World War through increasingly broader fiscal equalization formulae, these transfer payments from the federal government have enabled the poorer provinces, especially the Atlantic Provinces, to make rapid advances in building up the scale and scope of their public services, although these still lag behind those of the richer provinces.

The fiscal equalization system Mr. Marchand termed Phase One in federal regional policy. The weakness of these arrangements was that they could not and did not attack the underlying causes of disparities, the nature, extent and implication of which were being documented with increasing insight and precision. Concomitant with the fiscal approach, direct federal participation, in co-operation with provincial governments, was considered necessary.

Accordingly, Phase Two was started. The federal responses were many and varied, each program and agency being aimed at a specific aspect of the problem of regional disparity. In recognition of the particularly severe difficulties of the Atlantic Provinces, the Atlantic Development Board was set up to supplement the activities of other federal departments and agencies with programs and projects for which financial assistance was not otherwise available, and to prepare an overall plan for the development of the region; the Area Development Agency was created to give cash grants to manufacturing or processing industries locating in areas of high unemployment; the

Agricultural and Rural Development Agency and its offshoot, the Fund for Rural Development, were given responsibility for planning and carrying out comprehensive rural development programs; the Cape Breton Development Corporation was established to operate Cape Breton's ailing coal industry and promote alternative economic opportunities on the island.

Each of these programs was given what seemed to be fairly distinct and specific terms of reference, although it was recognized from the beginning that close and continuing co-operation would be needed if they were to avoid duplicating each other's efforts. But as Mr. Marchand pointed out, "With the best will in the world, one cannot choose the right priorities and get the most effective action when there are four or five separate agencies reporting to four or five different ministers." All concerned, he said, had tried to avoid duplication and inconsistency, but they could not succeed completely, nor could they effect the required "comprehensive structuring of government action to regional needs."

Consequently, Phase Three—the establishment of a single department responsible for regional development—followed.

This report will relate how one agency, the Atlantic Development Board, carried out its parliamentary mandate.

ESTABLISHMENT OF THE BOARD

Following the Second World War, the economic prosperity enjoyed by the Atlantic Provinces during the hostilities ended abruptly and the region began to settle into the economic stagnation which had been its lot continually since Confederation. The wartime boom proved transitory, as industries established to feed the nation's war needs, such as shipbuilding and aircraft manufacturing, quickly slipped into financial difficulty when defence orders slowed to a trickle. Older industries, including coal, steel, lumbering and agriculture, their inherent problems masked by the artificial and distorted demands of wartime, found it difficult to compete in a peacetime economy. Cut off by distance from the major markets of Central Canada, these industries could no longer attract the capital that would enable them to participate in the technological revolution that was transforming industry in the rest of the country.

Out-migration, particularly of the younger, better educated people, for decades an inexorable fact of life in the Atlantic Provinces, continued as demands for manpower grew in Central Canada. Per capita income in the region was only two-thirds the national average and in danger of going even lower as prosperity increased in other regions. Unemployment was consistently half as high again as the national average, and seasonal unemployment frequently rose to twice the Canadian average.

The indices of disparity became more refined and better publicized. They showed that investment in social and business capital lagged well behind the rest of Canada. Average per capita educational attainment was lower in the region than elsewhere. The skills of the work force were similarly deficient. Out-migration had produced a distortion in the age composition of the population; the Atlantic Provinces had a higher proportion of its people in the under-16 and over-65 age groups. The lack of secondary industry meant that, compared with the rest of Canada, few women participated in the work force and a higher than average number of men were engaged in low productivity, primary industries.

What seemed to be at work in the region was a veritable complex of economic retardation in which all the elements of cause and effect were interacting in mutual reinforcement, rendering partial and piecemeal measures largely ineffective.

In 1954, in an effort to stimulate new economic activity, the Atlantic Provinces Economic Council was formed. A non-profit, non-political organization composed primarily of businessmen, APEC pioneered in measuring the nature and extent of the Atlantic Provinces' economic problems. Equally important, it provided a forum for debating regional economic issues and bringing these forcefully to the attention of governments, federal and provincial. One of APEC's early recommendations was the formation by the federal government of a capital projects commission to remedy the region's shortcomings in what had come to be known as social capital or infrastructure. In this, APEC was joined by other organizations and individuals in the region, among the most prominent being Brigadier Michael Wardell, publisher of the Atlantic Advocate and the Fredericton Daily Gleaner. At the federal level, the 1957 report of the Royal Commission on Canada's Economic Prospects recommended federal government assistance to improve the social capital structure of the Atlantic Provinces.

The Atlantic Development Board Act was introduced in the House of Commons on Dec. 4, 1962, by Hon. Hugh John Flemming, the Minister of National Revenue and former Premier of New Brunswick. It received Royal Assent on Dec. 20, with Mr. Flemming being designated by the Governor in Council as the Board's Minister.

The Act, text of which constitutes Appendix II of this report, established the Atlantic Development Board as a body corporate of five private citizens who were to serve without remuneration, other than travelling expenses. It also provided for the appointment of an Executive Director and other staff as deemed necessary. The Act required the Board "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."

The appointment of the Board members followed on Jan. 24, 1963: Brigadier Wardell, Chairman; Frank Sobey, Stellarton, N.S.; Melvin McQuaid, Q.C., Souris, P.E.I.; Donat Lalande, Moncton, N.B.; and Fred W. Ayre, St. John's, Nfld.

The names, addresses and terms of the 21 persons who served as members of the Board from its inception to March 31, 1969, are listed in Appendix V.

The first of the Board's eventual 31 meetings was held Feb. 2, 1963, at Halifax, N.S. The first project considered was the Minister's request that the Board carry out a broad survey of winter navigation and its effects on ports in the Atlantic Provinces. Thus began the Board's close involvement in the transportation problems of the region, a concern which gradually was reflected in transportation becoming the largest single item of Board expenditure.

On March 1, Dr. E. P. Weeks, born at Mount Stewart, P.E.I. and an Economics graduate of Mount Alison and Oxford universities, was named Executive Director. The following senior staff appointments were made soon after: F. J. Doucet, a native of Grand Etang, N.S., Senior Economist; Miss Catherine Simcock, a native of Fredericton, N.B., Economist; C. P. Russell, a native of Bay Roberts, Nfld., Secretary; and Dr. G. C. Monture, one of Canada's most eminent mining engineers, Consultant. Dr. Weeks remained Executive Director throughout the Board's existence. Following reorganization of the Board staff in 1965 into Programming, Planning and Administrative divisions, Mr. Doucet became Director of Programming, a post he retained until March 1, 1968, when he resigned to become Vice-President of the Industrial Development Division of the newly established Cape Breton Development Corporation. He was succeeded by Miss Simcock. Mr. Russell remained as Secretary and Director of Administration until July 15, 1968, when he was appointed Chairman of the Newfoundland Fishermen's Loan Board. Dr. Monture acted as Consultant to the Board until repeal of the Act.

The offices of the Board were established at 71 Bank Street, Ottawa, later moving to 396 Cooper Street, and finally, in preparation for the establishment of the Department of Regional Economic Expansion, to the Sir Guy Carleton Building, 161 Laurier Avenue West.

The Board, as originally constituted, held only two meetings. The new government of Prime Minister Lester Pearson, which had taken office April 22, 1963, made a fundamental change in the nature of the Board and on July 31 an amendment to the Act was passed. This amendment, reproduced as Appendix III, established a \$100 million Atlantic Development Fund to be used to finance programs and projects that would contribute to the development of the region's economy and for which satisfactory financing arrangements were not otherwise available. Two other major changes were made: the membership of the Board was increased from five to 11, with members being limited to two consecutive terms; and the Board was given responsibility for preparing, in consultation with the Economic Council of Canada, "an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region."

(A second amendment to the Act, passed in 1966 and printed herein as Appendix IV, increased the Atlantic Development Fund to \$150 million. Between 1965 and 1968 Parliament voted to the Board an additional \$58,750,000 in four special appropriations, bringing total funds under the Board's administration to \$208,750,000.)

On Aug. 2, 1963, six additional Board members were appointed: Ian M. MacKeigan, Q.C., Halifax, N.S., succeeded Brigadier Wardell as Chair-

man, a post he was to fill with great distinction and devotion for five and one-half years, until his retirement Jan. 24, 1969; Albert M. Martin, Corner Brook, Nfld., who served as Vice-Chairman for four years following expiration of Brigadier Wardell's term on Jan. 24, 1965; Robert C. Eddy, Bathurst, N.B.; Captain Maxwell Burry, Glovertown, Nfld.; Carl F. Burke, Charlottetown, P.E.I.; and Stephen Dolhanty, Glace Bay, N.S.

Thus, when the Board met at Halifax on Aug. 6 to map out its new course as an administrative as well as an advisory agency, it had assumed the form it was to retain throughout its existence. At that meeting the Board met for the first time its new Minister, Hon. J. W. Pickersgill, the senior Cabinet representative for the Atlantic region, and for the next four years its strong and able advocate in Parliament and the government.

THE BOARD'S PRINCIPLES OF OPERATION

The Act's provision that the Board could, on the recommendation of the Minister, finance or assist in financing programs and projects "for which satisfactory financing arrangements are not otherwise available" carried several implications which helped to determine its principles of operation:

— Functioning outside the regular departmental structure, the Board was to supplement the activities of other federal departments and agencies in the Atlantic region. While it was to study and make recommendations to the Minister concerning all aspects of the region's economy, as an administrative agency with spending powers it was to act as a "gap-filler". This meant that other departments and agencies were to carry on their regular programs in the Atlantic region, thereby helping to ensure that the Board's funds would be used as intended—as special assistance to a special region to cope with special problems.

— The Board's "gap-filling" was circumscribed both by the amount of the funds voted by Parliament and by overall government policy. This was illustrated by Mr. Pickersgill when he told the House of Commons on June 18, 1963: "I do not think there is any doubt that (The Fundy tidal power project) will be investigated by the Board, but I do not think for a moment that a project as large as this will be undertaken by the Board in the ordinary course of its operations. An undertaking of that magnitude would be so important that I am sure that any government wishing to support it would want to go to Parliament to ask for authority on its own merits as a separate undertaking. I can envisage the Board investigating the feasibility of the undertaking, but the Board itself, with the capital fund available to it, could not possibly attempt a project of that magnitude, nor is there any thought that they would." (The Board later commissioned studies, costing \$170,000, into foundation conditions at possible Fundy power sites, the findings of which led the federal government, in co-operation with the governments of Nova Scotia and New Brunswick, to establish the Atlantic Tidal Power Programming Board to undertake complete economic and engineering feasibility studies of the project. A final report is expected during 1969-70. A member of the programming board was Dr. Weeks, Executive Director of the ADB.)

— Although all projects recommended by the Board had to receive the approval of the Minister and Treasury Board, in practice most of the Board's

recommendations were accepted. During its six years the Board considered a total of 257 applications for funds. Of these, the Board recommended 133 for assistance, of which 125 were accepted by the government, only eight being rejected. Eighty-one were rejected by the Board and 43 others were otherwise disposed of, either by being dropped entirely or by being referred to some other branch of government.

— Its "gap-filling" function meant that the Board inevitably would be dealing in areas of provincial or joint federal-provincial jurisdiction. Thus, close co-operation with provincial authorities was necessary in all phases of the Board's work. In the interests of flexibility, no formal procedure for bringing projects to the attention of the Board was adopted, but the practice was followed throughout the Board's existence of consulting the provincial government concerned before taking action on specific projects. Each of the provinces designated senior ministers to act as liaison officers and less formal contact was continuously maintained with provincial officials. In this way, disagreements and conflicts of interests were kept to a minimum. But avoidance of conflict and observance of the constitutional realities were only part of the reason why establishment of close relations with the provinces was necessary. The greater part of the Board's project involved some element of provincial cost-sharing, with the provinces carrying out the construction. But even when the Board financed the entire project and carried out construction, the completed works were turned over to the provinces without charge. And in those instances when the Board assisted a municipally owned project, the agreements were made with the provinces which then made their own arrangements with the municipalities.

— Because of its unique position as a federal board concerned exclusively with the economy of the Atlantic region, the Board quickly found itself being called upon by other departments and agencies to co-ordinate measures to deal with inter-departmental problems. Its "gap-filler" role also dictated that the Board be fully acquainted with the programs of other departments in the region. Co-operation with federal agencies was further maintained through the Board's making extensive use, whenever possible, of the experts and facilities of federal departments. This was reflected in the small staff employed by the Board throughout its six years: 1963-64, four professional and four supporting personnel; 1964-65, seven professional and eight supporting; 1965-66, 15 professional and 21 supporting (an increase largely due to establishment of the planning division); 1966-67, 27 professional and 29 supporting; 1967-68, 32 professional and 35 supporting; 1968-69, 35 professional and 36 supporting.

— Its "gap-filler" role made the Board a convenient vehicle for administering other special assistance programs to the region. Parliament voted a

total of \$55 million to the Board to assist the Atlantic Provinces with trunk highway development, \$2 million to assist Nova Scotia with the Sydney steel plant, and \$1,750,000 to assist Newfoundland with a special housing and mobility program for residents of Bell Island. When there were delays in the signing of a comprehensive development plan for Prince Edward Island, the Board, at the request of the province and the federal government, extended assistance of \$2,070,000 from the Atlantic Development Fund for projects which both governments had agreed were to be included under the plan.

One of the earliest and most fundamental decisions facing the Board was whether to proceed with development projects before the preparation of an overall co-ordinated plan for the region. The decision—to proceed—was based upon a number of practical considerations.

First, there was a pressing and obvious need for federal funds to build up basic infrastructure, the inadequacy of which was a prime factor in the region's lagging economic growth. Electric power was high priced and in short supply; there was a serious shortage of modern trunk highways; there was little pre-serviced industrial land; no program existed to provide water to fish processing plants and new industrial undertakings; existing facilities for applied research were inadequate. The provinces were already stretching their financial resources to the limit in their attempts to attract new industry and simply could not afford to make all the expenditures needed to provide a sound foundation for long-term economic growth. Through necessity, many of those expenditures which did not promise a direct and immediate return were being given lower priority. Left uncorrected, this tendency would have had the effect of depleting the region's existing infrastructure and making more difficult the provinces' industry-attracting efforts.

Second, the Board realized that several years would be needed before an overall plan could be produced. Hence, the decision to proceed with those projects the need for which was most obvious and which would almost certainly be endorsed by long-term planning studies.

Third, the provinces themselves had done considerable planning on certain key requirements when the Board was established. All they lacked was the funds to carry them out. This was particularly true with respect to power and highway developments. In view of the provinces' dire needs for assistance, it would not have been politically possible or economically sound for the Board to refuse to spend money until its plan was completed.

THE BOARD'S LONG-TERM PLANNING ACTIVITIES

The July 1963 amendment to the Act gave the Board authority to "prepare, in consultation with the Economic Council of Canada, an overall coordinated plan for the promotion of the economic growth of the Atlantic region."

The Planning Division was established in the summer of 1965 with David Levin as Director. The balance of the year was spent in elaborating a work program, recruiting staff, establishing liaison with federal and provincial government agencies and reviewing the existing body of literature and data written and compiled by other government agencies, private organizations and academics. By the spring of 1966 the Board had authorized more than 20 separate studies, some to be carried out by members of the staff, some by other federal departments and agencies, and others by private consultants.

The terms of reference for the planning function were expressed in general terms. While such a statement was clear as to its basic intent, it was too general to provide direction for a planning program and the Board found it necessary to make explicit what it thought the Act implied.

Taking as its starting point that the central concern of the federal government was to narrow the economic disparity existing between the Atlantic region and the rest of Canada, the Board agreed that economic goals could be meaningful only if they were expressed in relative rather than in absolute terms. Thus the goals of economic policy for the region were expressed as follows: to accelerate the rate of growth in output, income and employment in order to achieve a greater degree of equality in economic welfare and opportunity between the region and the rest of Canada.

Preparation of the development plan was based on the following premises:

—The primary emphasis of economic policy should be on achieving the maximum development of economically viable activity, without excluding the need to extend short-term assistance to bring into operation enterprises considered capable of attaining long-term viability. This implied building on the region's competitive cost advantages rather than propping up the traditional structure of industry.

—Development policy should also seek to achieve closer integration of the economies of the four Atlantic Provinces based on their own relative eco-

conomic strengths; that is to say, economic planning should be carried on in a regional context.

—The kind of development that should be encouraged should be evaluated not only in terms of its benefits to the region, but also its costs to the nation as a whole. The development plan should permit an assessment of the price to be paid, if any, in terms of lower national economic efficiency in order to achieve greater equality between the region and the rest of Canada; that is to say, regional planning should also be carried on in a national context.

—To the extent that economic disparities could not be reduced by the promotion of economically viable activity, special supplementary measures might be justified.

The general approach adopted consisted, first, of a series of studies concerned with the problems and prospects of each sector of the economy and the policies required to enable them to achieve their potential; and second, an integrative framework enabling the sectors to be analyzed in terms of their inter-relationships within the overall regional economy. The principal tool which the Board chose to integrate the sector studies was a set of the Atlantic Provinces input-output tables. These tables, which were nearing completion at March 31, 1969, will present a systematic accounting of transactions generated by the production of commodities and services in approximately 50 major categories of industrial activity. Industry by industry, they will identify the disposition of output to other producers, to households or consumers, to capital formation, to government use, and to exports. Simultaneously, the inputs of each industry will be identified as coming from other producing sectors, from government services, from imports, from wage earners and other factors of production. The principal feature of this accounting matrix will be to permit the determination, starting with an initial change in one or more sectors, of the ultimate direct and indirect effects on the economy as a whole, thereby making possible the formulation of a comprehensive set of mutually consistent policy proposals for the region.

By early 1968 most of the sector studies had been completed and presented to the Board members for discussion and guidance. Staff had also prepared a preliminary statement of the policy implications which were emerging from its work. These suggested that a policy framework for the Atlantic region should be built around the following: rationalization of the primary sectors, through policies designed to encourage fewer but more productive enterprises employing fewer but better paid people; an intensification of the search for new sources of growth, principally in manufacturing, and development of a more discriminating, flexible approach to assist in the establishment of enterprises judged capable of attaining long-term viability; accelerated investment in education; accelerated investment in social and business capital.

Rationalization in the primary sectors was considered essential because, with the exception of mining, the existing structure of these industries—forestry, agriculture and fisheries—was simply not capable of yielding acceptable levels of income. Rationalization was also essential to eradicate the sources of poverty and the mechanism of their self-perpetuation. The Board's background study on the region's fisheries noted, for example, that in order to meet minimum income objectives an overall reduction in the number of inshore fishermen from 41,000 in 1965 to 17,000 in 1975 would be required. The inshore fishery was said to be "an instrument of poverty", particularly in Newfoundland. The same outlook was generally true for agriculture. The Board's report said that Maritime agriculture will continue to go through a painful adjustment in the next decade, leaving by 1977 just half as many farms and farmers as there were in 1961. The overall outlook for pulp and paper was bright, but major adjustments will be needed in the lumber industry, which had remained competitive through the low wages paid to its employees.

The policy challenge was to provide effective alternatives for those engaged in these industries: first, for those who would remain in the primary sectors but in larger-scale and more efficient enterprises, there should be consolidation of many smaller units, training in the required technical and managerial skills, improved plant and equipment, and more efficient marketing arrangements; second, increased assistance for retraining or relocation should be available for those who still have a significant working life and who by reason of personal preference or lack of opportunity wish to take other jobs; third, for older members of the labour force unlikely to benefit from retraining or relocation, early retirement was a possible alternative.

The search for new sources of economic growth should be based on exploiting the region's natural advantages and reducing, where possible, its disadvantages. Board studies were undertaken to investigate the possibilities for further processing of the region's raw materials, substitution of locally manufactured goods for imports, increasing exports to the region's natural markets, encouraging tourism, and restructuring of the region's transportation function.

Accelerated investment in education was considered an integral part of development policy in order to improve technical and managerial skills in virtually all sectors of the region's economy, and to enhance social and occupational adjustment to economic change. Apart from the lower level of direct inputs, in the form of capital facilities, teacher training and teachers' salaries, Board studies suggested that the educational problems of the Atlantic region were rooted in the family and community environment and the low educational attainment of earlier generations; that factors such as adult illit-

eracy, family size and non-employment were just as important as, if not more important than, lower direct investment in explaining why average educational attainment was less in the Atlantic Provinces than in the rest of Canada.

Board studies further concluded that, even after considering the large contributions which the Board and other federal agencies had made to the region's basic infrastructure, additional investment in social overhead capital was needed in such forms as roads, water and power, and municipal facilities and services to permit urban centres to carry out their function as sites for economic activity.

During 1968-69 it was the Board's intention to publish various background studies as means of encouraging public discussion of regional development policies, and to prepare a preliminary development strategy for the region, in consultation with the provincial governments and the other federal departments and agencies concerned.

Before this could be done, however, the Board considered that it was necessary to receive the sanction of the government to begin detailed discussions with the provinces at the highest policy-making levels. Up to this time, there had been close consultations with provincial officials at the technical level only. The proposed discussions, however, did not take place. Following the decision to establish the Department of Regional Economic Expansion, formulation of the development plan for the Atlantic region was deferred until the planning function of the new department could be assessed in the context of the department's national responsibilities. Work on the Board's studies and the updating of the input-output tables continued, however, and before the end of fiscal 1968-69 three background studies, dealing with forestry, agriculture and fisheries, were published. Additional studies, including a Deep Water Harbour Study and background reports on minerals, education and water resources, were to be published in fiscal 1969-70, with the possibility of others to follow.

Following the final meeting of the Board on March 17, 1968, Vice-Chairman Joseph A. Likely stated that the Board regretted that the plan had not been completed under its direction. He said, however, that in retrospect it was not surprising that the task had taken longer than some had expected. Difficulty had been experienced in engaging researchers to do some of the highly specialized work needed; frequently discussions with provincial governments proved more time-consuming than expected; the complexity of what was involved in devising an economic plan for an area as large, as varied and as problem-ridden as the Atlantic Provinces was immense; and, finally, work on the plan probably should have started in 1963, rather than in 1965.

Nevertheless, Mr. Likely reported that the Board was pleased with the number and quality of the studies completed and the vast store of information and analysis, which now would be at the disposal of the new department.

1968-69 IN REVIEW

The Board's operations throughout 1968-69 were dominated by the decision to set up a department of regional development. In May 1968, during the general election campaign, Prime Minister Pierre Elliot Trudeau announced that his party's regional development program included establishment of such a department.

The other political parties also indicated their intention of revamping the existing framework of regional development programs. It was apparent early in the fiscal year, therefore, that regardless of the outcome of the election, great changes were in store for the Board.

On July 12, responsibility for the Board was shifted from Hon. Allan J. MacEachen, who had succeeded Mr. Pickersgill as the Board's Minister in September 1967, to Mr. Marchand. Although this change, in itself, did not alter the Board's position under the Act, it did, in fact, affect the way it operated.

Immediately following passage of the Order in Council transferring responsibility for the Board to Mr. Marchand, a Task Force of senior officials of the various regional development agencies was formed to begin planning the new department. It included Dr. Weeks and D. W. Franklin, Deputy Executive Director of the Board. Thus, all Board programs and projects began to be assessed in a new and wider perspective. The Board itself, realizing that the nature of its duties was soon to be changed, was understandably reluctant to undertake new policy initiatives.

Two other factors were also responsible for a reduction in new Board commitments from \$54,704,617 in 1967-68 to \$6,108,699 in 1968-69: first, lack of funds to undertake new commitments of massive size; and second, completion of the more obvious "gap-filling" programs.

At March 31, 1968, all but \$25,331,146 of the Atlantic Development Fund had been committed, an amount sufficient for a number of small projects but inadequate to meet the provinces' request for a fourth highway program of the size of the second and third agreements (\$30 million and \$25 million respectively). In this situation all the Board could do was make known to the Minister its views concerning the need for another highway program.

Many of the obvious, easily-filled "gaps" had been filled or were nearing completion; most major centres in the region had received Board assistance

for construction of industrial parks; only a few fish plants still remained without ADB-supplied water; research foundations were receiving Board grants almost as quickly as they could efficiently absorb them. While the Board's planning studies were indicating that additional investment in infrastructure would still be needed for many years, it was apparent that this should only take place after detailed negotiations with the provinces had established spending priorities.

The result of all this was that the Board's new commitments of \$6,108,699 during 1968-69 were the lowest of any year since its establishment. Capital expenditures of \$37,966,613, however, remained high, comparing with \$40,206,517 in 1967-68, \$38,123,772 in 1966-67, \$22,954,636 in 1965-66, \$3,642,509 in 1964-65 and nil in 1963-64, the first year of the Board's operations. In addition there were the annual appropriations by Parliament to cover general administrative expenses such as salaries and expenses, technical and economic surveys and studies.

These figures of annual cash flow highlight the fact that while the Board commenced, within months of its creation, to make sizable commitments for financial support, it was only in its last three years that the physical capital assets representing these commitments started to reach the completion stage and to make their full impact on the region's economy.

During 1968-69 the Board committed \$4,524,100, or about 40 per cent of its yearly total, toward capital facilities for universities and provincially-operated research foundations. The largest single commitment, \$3 million, was to assist Memorial University in St. John's, Nfld., to establish a School of Engineering. The University of New Brunswick in Fredericton, N.B., had its previously approved grant of \$1,500,000 for research buildings and equipment in the natural and social sciences increased by \$1,050,000 to \$2,550,000. The New Brunswick Research and Productivity Council received \$468,100 for the purchase of additional equipment, bringing its total grant to \$2,355,279.

Finally, the Board recommended that its grant to Dalhousie University, Halifax, be increased from \$2 million to \$5 million as its contribution to the university's proposed life sciences complex; and that the Nova Scotia Research Foundation receive an additional \$502,000 for the purchase of equipment, the Board having previously granted the foundation \$2,350,000. Neither of these recommendations had been approved by the government as of March 31, 1969, and they are not listed in Appendix I as constituting a charge on the Atlantic Development Fund.

A number of new commitments were made during the year for the construction of water systems for a variety of new or expanding industries.

At Caraquet, N.B., the Board received approval to grant \$1,112,000 for a combined fresh and salt water system for the fish processing industry, the fresh water portion being designed with sufficient capacity to serve the needs of the 6,000 residents of the area. Also in New Brunswick, the Board recommended a grant of \$785,000 for the second phase of the water system at Shippegan, where the Board had already spent \$508,049 to provide fresh and salt water for the rapidly increasing needs of the fishing industry and the community. However, this recommendation, made at the final meeting of the Board, had not been approved by the government as of March 31, 1969, and therefore is not listed in Appendix I. In Newfoundland, the Board received approval to construct water systems for fish plants at Witless Bay and Hants Harbour, at a cost of \$90,000 and \$145,000 respectively, bringing to 21 the number of Newfoundland fishing centres being provided with water by the Board. At Souris, P.E.I., the Board granted \$70,000 to expand the existing water supply to provide for the needs of the town's fish plants and residential requirements. The Board also made a loan of \$35,000 to improve water supplies to Bathurst Marine Shipyard, Georgetown, P.E.I., with repayments to be made according to the terms of the Board's policy of providing water for industrial enterprises. In Nova Scotia, a grant of \$105,000 was made to improve water supplies to the National Sea Products Ltd. fish plant at Lunenburg; and at Bridgetown the Board extended a loan of \$180,000 to expand the municipal water system, needed to meet the increased water requirements of Acadian Distillers Ltd. At Oxford, N.S., where the existing water system proved inadequate to supply the town's new and expanding industries, a loan of \$300,000 was approved.

In previous years, the major portion of new commitments was made in the fields of power, highways and industrial parks. By 1968-69 the provinces' immediate power and industrial park needs had largely been met, with the result that the only new commitments during the year were \$150,000 to Newcastle, N.B., for construction of an industrial park, the grant being conditional on the attraction of an industry to the area, and \$61,500 to Amherst, N.S., to improve its industrial park, toward which the Board had already contributed \$350,000. Although the Board endorsed the provinces' request for a \$33 million fourth highway program, the only firm commitment for highways it was able to make during the year was \$1.5 million for Prince Edward Island. As stated earlier, this grant, plus \$570,000 for construction of tourist and recreational facilities, was approved by the Board after delays had been encountered in signing a comprehensive development plan for the Island.

The Production for Export program, approved late in 1967, got off to a successful beginning when 28 Maritime firms participated in the Eastern

States Exposition at Springfield, Mass., in September 1968. It was followed up by a Board-sponsored Caribbean Familiarization Tour by marketing officers from the four Atlantic Provinces. Late in the fiscal year, the Board recommended \$225,000 to assist the provinces to carry on the program during 1969-70.

In previous years the Board had assisted Nova Scotia to the extent of \$265,801 with a potash exploration program, which had resulted in findings of low-grade potash in Cumberland County. To encourage private industry to continue the exploration the Board agreed to make available \$225,000 to a fund through which the Board and the provincial government would together assume half the risk, with the Board's contribution to be recovered only if commercial potash production occurred.

Five meetings of the Board were held during 1968-69: April 1-2, Moncton; May 13-14, Halifax; September 5-6, Ottawa; Dec. 2, Ottawa; and March 17, Ottawa.

There were changes in the membership of the Board during the year. On Jan. 6, the term of Neil R. MacLeod, Q.C., expired, and on Jan. 24 the three longest serving members, Chairman Ian M. MacKeigan, Q.C., Vice-Chairman Albert M. Martin and Robert C. Eddy, completed the second of their two three-year terms. They were not replaced by the government since introduction of the legislation to establish the new department was imminent. On Feb. 7 the Board members elected Joseph A. Likely of Saint John, N.B., as Vice-Chairman and it was he who presided during the final meeting at Ottawa on March 17.

Two important changes were also made in the senior staff of the Board. D. W. Franklin, formerly an official of the Treasury Board, was appointed to the new position of Deputy Executive Director on May 15, and on July 15, J. L. Miller, also a former Treasury Board official, succeeded C. P. Russell as Secretary and Director of Administration.

PROGRAMS AND PROJECTS 1963-1969

By March 31, 1969, the Board had received government approval for the commitment of \$189,527,553 from the \$208,750,000 in capital funds voted by Parliament. The sum of \$142,894,047 had actually been spent.

These commitments and expenditures fell into six categories: highway development, \$68,175,000 and \$59,397,835; electric power development, \$56,212,800 and \$52,699,204; industrial water supplies, \$26,959,521 and \$13,391,041; applied research and university facilities, \$12,361,279 and \$4,051,637; industrial parks and sites, \$9,796,327 and \$6,168,866; miscellaneous projects, \$16,022,626 and \$7,185,464. (The foregoing figures were compiled on a functional basis and some of them do not coincide with those presented in Schedule I of Appendix I.)

Commitments and expenditures by province were: Newfoundland, \$60,767,251 and \$48,556,663; Nova Scotia, \$59,141,682 and \$39,630,136; New Brunswick, \$54,892,716 and \$44,609,512; Prince Edward Island, \$12,566,756 and \$9,894,731. Commitments for projects of a regional nature were \$2,159,148, with \$203,005 being paid out by March 31, 1969.

Highway Development

From its inception, the Board recognized that shortcomings in transportation were responsible for much of the lagging economic growth of the Atlantic region. While it was apparent that these shortcomings embraced all modes of transport, the solutions were anything but obvious, involving as they did complex questions of national and regional policy objectives. What was clear and undisputed, however, was the need for a network of modern, all-weather trunk highways, to be constructed at the same time as an overall transportation policy for the region was being developed.

Because of the fiscal problems of the provinces and the scattered nature of the region's population, highway construction had fallen well behind the pace maintained in the rest of Canada. The result was that the trucking industry had failed to grow as rapidly as elsewhere, making the region overly dependent on the railways, both for inter-regional and intra-regional freight movements, and preventing the development of a truly competitive rate structure. Many existing roads were narrow and winding and dangerous to persons and property. They had to serve local commuter needs as well as the requirements of the trucking industry. Perhaps most important, their foundation was too weak to withstand the spring thaw, necessitating economically damaging weight restrictions. In Newfoundland there were too few roads of any description.

The Board's first road program was started in 1964 when a commitment of \$10 million was made from the Atlantic Development Fund: \$1 million for Prince Edward Island and \$3 million to each of New Brunswick, Nova Scotia and Newfoundland. The Board contributed 50 per cent in Nova Scotia and Newfoundland and 75 per cent in the other two provinces, excluding right-of-way. In 1965, Parliament voted to the Board an additional \$30 million, separate from the Fund, to assist the provinces in trunk highway development on a 50-50 cost-share basis, except for Prince Edward Island where the Board assumed 75 per cent of the cost. This second road program was allocated on the basis of \$3 million to Prince Edward Island and \$9 million to each of the other provinces. Under the \$25 million third road program, approved by Parliament in 1967, Prince Edward Island was to receive \$2.5 million with \$7.5 million going to each of the others. The cost-sharing division was 75 per cent by the Board and 25 per cent by the provinces.

The particular roads selected for these programs were agreed upon between the Board and the province concerned. In the three Maritime Provinces the emphasis was on bringing trunk roads up to all-weather standards and constructing limited access highways or bypasses in heavily populated areas. In Newfoundland a broader approach was adopted and a number of basic roads were built to provide access to resource development areas and centres of population previously unconnected by highways. A number of these basic roads were subsequently brought up to higher standards with the assistance of Board funds.

Coincident with the Board's highway programs, the Board staff was participating in the overall review of Atlantic transportation problems being carried out by a number of federal and provincial agencies and private organizations. Perhaps the Board's major contribution in this field was its co-ordination and supervision of the Atlantic Provinces Integrated Transportation Study, a 12-volume report produced by the Economist Intelligence Unit of London, England, for the Department of Transport. The key recommendations of this report, received early in 1967, were that the federal and provincial governments continue their trunk road building programs, and that subsidies on rail shipments either be discontinued or extended to all modes of transportation, including trucking, in order to achieve greater competition, better balance and more efficiency.

The Board's three major road programs involved commitments of \$65 million. In addition, three special road projects, two in Prince Edward Island and one in Newfoundland, brought total commitments to \$68,175,000, making highway development the largest single item of Board spending.

Following are brief descriptions of the Board's highway activities in each of the provinces.

New Brunswick

Under the first highway agreement, 22 contracts for road construction and six contracts for bridge building were awarded. The largest contribution by the Board, \$620,176, went toward construction of a bridge over the Miramichi River at Chatham.

Highways included in the second agreement with New Brunswick, together with the Board's share are: Saint John to Sussex—\$2,850,000; Digdequash River-Lepreau-Waweig—\$4,500,000; Port Elgin to Dupuis Corner—\$1,330,000; Acadiaville to Richibucto—\$320,000.

Twenty-seven projects were included in the third agreement, the major ones, together with the Board's share, being: Chatham Bridge—\$1,065,000; Burton Bridge and approaches—\$1,045,000; Monton to Shediac—\$820,000.

Nova Scotia

Roads included in the first agreement, together with the Board's share, were: Bedford to Cobequid—\$205,000; Cobequid Intersection to Upper Sackville—\$880,000; Tantallon to Hubbards—\$1,915,000.

Six projects were included under the second agreement with Nova Scotia: Sydney Bypass—\$1,850,000; Brookfield Connector—\$2,240,000; Enfield to Shubenacadie—\$1,485,000; Tantallon to Prospect—\$1,530,000; Kentville and Wolfville Bypass—\$425,000; Avonport Diversion to Falmouth—\$1,470,000.

The third agreement covered 13 projects: Trunk 1, Trunk 14 to Wentworth Road, Wentworth Road Bridge—\$502,500; Trunk 1, Ste. Croix to Trunk 14, Trunk 14 Interchange—\$1,012,500; Trunk 1, Dominion Atlantic Railway at Digby to Weymouth North—\$750,000; Trunk 2, Stewiacke to Shortt's Lake Road, West Shortt's Lake Road Bridge—\$600,000; Trunk 3, Broad River to Sable River—\$750,000; Trunk 3, Nine Mile Woods Diversion—\$825,000; Trunk 4, Irish Cove Diversion—\$525,000; Trunk 1, Windsor Bypass—\$1,087,500; Trunk 1, Springfield Lake to Halifax-Hants County Line—\$375,000; Trunk 2, Shubenacadie to Stewiacke—\$528,750; Trunk 2, Shubenacadie Diversion—\$168,750; Trunk 2, Stewiacke Diversion—\$75,000; Bicentennial Drive, Halifax to Hammond Plains Road—\$300,000.

Newfoundland

The first agreement included the following roads, together with the Board's share: Burin to Marystown—\$300,000; Trinity South to Whitbourne—\$500,000; Valleyfield to Wesleyville—\$300,000; Wiltondale to Rocky Harbour—\$500,000; Brigus Bay to Canada Bay—\$400,000; Baie Verte Peninsula—\$250,000; Harbour Breton to Bay d'Espoir—\$450,000; North Harbour to Branch—\$300,000.

Under the second agreement, the following roads and bridges were constructed: Burin to Marystown—\$385,000; Trinity South—\$190,000; Bonavista-North Valleyfield-Wesleyville—\$183,000; Rocky Harbour to Ste. Barbe Peninsula—\$145,000; Baie Verte Peninsula—\$98,000; Harbour Breton to Bay d'Espoir—\$158,000; North Harbour to Branch—\$109,000; completion Bay d'Espoir Road—\$2,463,000; Port aux Basques to Burnt Island—\$1,639,000; completion Wiltondale to Rocky Harbour—\$1,202,000; Clarendville, Georges Brook, Lethbridge, Southern Bay—\$208,000; Ferry Terminal to Twillingate—\$395,000; Gander River Bridge to Gander Bay—\$544,000; Goose River Bridge—\$581,000; Bay Bulls to Trepassey—\$495,000; Holyrood Pond Bridge—\$205,000.

The third agreement includes the following projects: Bay d'Espoir towards Bishop's Falls—\$675,000; Lethbridge towards Southern Bay—\$750,000; Gander to Gander Bay—\$750,000; Marystown towards Goo-bies—\$1,575,000; South Side Grand Bank towards Frenchman's Cove—\$1,275,000; Rushoon, Piper's Hole, Black River bridges—\$300,000; St. Alban's towards Harbour Breton—\$1,350,000; Michael's Harbour to Campbellton—\$450,000; Gambo to Traverse Brook—\$375,000.

A special highway project in Newfoundland related specifically to industrial development was the Board's sharing equally with the province the cost of constructing a road from the phosphorus plant at Long Harbour to Argentia-Placentia. By connecting Long Harbour and the extensively settled area of Argentia-Placentia, thus enabling workers to commute to Long Harbour, the major expense of developing a new town site was avoided. The Board's share was \$1 million.

Prince Edward Island

Prince Edward Island's \$1 million share of the first program was allotted to the Albany-Miscouche highway.

Seven projects comprised the second agreement: Albany to Miscouche—\$525,000; Miscouche to Day's Corner—\$375,000; Cherry Valley to Poole's Corner—\$975,000; Morrell Bridge—\$150,000; Cardigan—\$150,000; Bedeque Road at Country Lane—\$300,000; Bloomfield—\$525,000.

The third agreement included the following eleven projects: Poole's Corner to Montague—\$243,750; Traveller's Rest to Kensington—\$356,250; Kensington to Winsloe—\$412,500; Charlottetown to Winsloe—\$393,750; Charlottetown towards Morrell—\$337,500; Grand River Bridge—\$15,000; Souris West Bridge—\$30,000; Bay View Bridge—\$135,000; Anderson Bridge and approaches—\$82,500; Day's Corner to Richmond—\$250,000; Richmond towards Elmsdale—\$243,750.

The Board entered into a special fourth highway agreement with Prince Edward Island in 1968 when delays were encountered in signing the joint federal-provincial comprehensive development plan for the province. Under this agreement the Board committed an additional \$1,500,000.

This was the second special road program in Prince Edward Island. In 1965 the Board agreed to pay 90 per cent of the cost, up to a total of \$675,000, of paving access roads to selected fishing areas in the province. Unsurfaced roads become almost impassable on the Island during spring break-up. The lobster season opens in early May, and movement of gear to boats and lobster from boats was extremely difficult. The season is short, but

the catch valuable and it was imperative that no fishing time be lost. The same problem also existed for Irish Moss harvesters, oyster fishermen and others. ;

Electric Power Development

Mactaquac Hydro-Electric Power Project

The Board had been operating only a short time when the New Brunswick government presented a proposal for massive assistance for its proposed Mactaquac development. Not long after, the Board received an application from Newfoundland for assistance for its proposed Bay d'Espoir project. On Nov. 19, 1963, the Board recommended that grants of \$20 million each be made toward the projects.

A series of interdepartmental meetings was then held to examine the proposals. Every department and agency that could possibly have an interest in the projects took part. On Jan. 10, 1964, the Cabinet gave approval in principle to the Mactaquac grant, with approval in principle for Bay d'Espoir following on March 5. Many months of intensive discussions were still needed before all the details of the arrangements could be settled, but on Dec. 4, 1964, the Governor in Council gave final approval to the agreements for grants of \$20 million each to Mactaquac and Bay d'Espoir.

Located on the Saint John River, 14 miles above Fredericton, the \$120 million Mactaquac project is the largest engineering work ever undertaken in New Brunswick. Construction took place over a period of three years—1965 to the date of first operation, on April 8, 1968, of the third 100,000-kilowatt turbine unit. With the installation by 1976 of three additional turbines, Mactaquac's generating capacity will be 600,000 kilowatts, more than 50 per cent of New Brunswick's entire generating capacity in 1964.

The Board's grant enabled the NBEPC to raise capital at rates more favourable than otherwise would have been possible, to proceed immediately with construction of a large-scale project and to produce power more cheaply. The annual saving to the NBEPC due to the grant is about \$1,500,000 in fixed charges, which saving is being reflected in the overall cost of operation. Had Mactaquac not been developed, it would have been impossible for New Brunswick to have negotiated for large exchanges of power, both export and import, to Hydro Quebec and power utilities in Maine, a major factor in keeping down power costs.

Bay d'Espoir Hydro-Electric Power Project

As with Mactaquac, the Board's \$20 million grant towards Bay d'Espoir enabled the Newfoundland and Labrador Power Commission to raise capital

at more favourable rates, have power available at reasonably low rates, and make an early start on a large-scale project.

Utilizing the waters of the Salmon and Grey Rivers, on the south coast of the Island of Newfoundland, the first stage of the project, providing 300,000 horsepower (225,000 kilowatts), was completed on Oct. 22, 1967, when the last of three 100,000 horsepower units went on stream. Cost of the first stage, including transmission grid, was approximately \$87 million.

Early in 1966 the projected load growth of the province indicated that it would be necessary to proceed sooner than expected with the second stage, the diversion of the watersheds of the Upper Lloyds River, Victoria Lake and the White Bear River eastward into the Salmon and Grey watershed. When this stage is completed late in 1968, the capacity of Bay d'Espoir will have been doubled to 600,000 horsepower. The second stage will cost about \$79 million, including \$17 million for extension of the transmission grid, bringing total cost of the project to about \$166 million.

In all, Bay d'Espoir will more than double Newfoundland's generating capacity. Before the project went on stream, the Island had been so short of power that industrial expansion—particularly resource-based expansion—was virtually at a standstill, and some industries had been forced to curtail production. Bay d'Espoir also altered domestic conditions for much of the province's population, which had suffered from a power shortage so acute as to preclude use of modern electrical appliances in some areas. The three private power systems, which had operated independently, without interconnecting transmission lines, have been succeeded by a province-wide grid.

Frequency Standardization in Newfoundland

Prior to 1965 about 70 per cent of Newfoundland's electric power load had been generated at 50 cycles per second, instead of the standard North American frequency of 60 cycles per second. In order to avoid the continuing inefficiency of two transmission systems, the provincial government standardized the system on 60 cycles, and installed three frequency converters to provide the 50-cycle power needed for certain equipment in the province's pulp mills. The decision to standardize was particularly important because 60-cycle power from Bay d'Espoir is being fed throughout the province by an interconnecting transmission system. To assist the province with its conversion program the Board granted \$4 million toward the purchase and installation of the frequency converters, about one-third of the total cost of the program.

Trenton Thermal Electric Power Station

Since significant hydro developments were not possible in Nova Scotia, it was considered desirable to assist the province in the construction of a large-scale thermal plant. On May 26, 1966, the Board received approval from the Governor in Council to make a \$12 million grant towards construction of a 150,000-kilowatt extension to the Nova Scotia Power Commission's thermal station at Trenton. The savings resulting from the grant were to be used to reduce the average cost of power for industry, especially power-intensive industries which require the lowest possible power rates to be competitive. Total cost of the project is estimated at \$27 million and the scheduled completion date is November 1969. The plant will be the largest thermal unit in the Atlantic region, using up to 400,000 tons of coal annually, mainly from Cape Breton.

Prince Edward Island-New Brunswick Power Cable

At the first meeting of the reconstituted Board on Aug. 6, 1963, it was recommended that consultants be engaged to study the engineering and economic feasibility of a submarine power cable linking Prince Edward Island with the New Brunswick mainland. Following receipt of the consultants' report, the Board agreed to pay the entire cost of the proposed cable and earmarked \$5 million for the purpose. With the announcement of the federal government's intention to construct a causeway across Northumberland Strait, it was decided that a cable carried by the causeway would be economically and technically superior to a submarine cable. The revised cost estimate was \$4,300,000. In March 1969, the government announced that it was not proceeding with construction of the causeway but was going to undertake a comprehensive development plan, in co-operation with the provincial government. Included in the second phase of the plan is provision of a power interconnection. The Board's previous commitment of \$4,300,000 therefore lapsed.

Industrial Water Supplies

While the Atlantic Provinces generally are well supplied with fresh water, frequently it is located some distance from industrial development. Moreover, pollution, both of municipal and industrial origin, has become serious in recent years in some of the region's harbours and major river systems. In coastal areas of New Brunswick and Prince Edward Island an additional problem has been intrusion of salt water as the fresh water table was drawn down.

It was evident to the Board from the beginning that it would be necessary for it to play a role both in the fight to control pollution and to ensure that new and expanding industrial undertakings would be provided with adequate supplies of fresh water at reasonable rates.

The Board's policy of assisting in the provision of industrial water systems was a three-phase development, each evolving according to changing needs and circumstances.

In its first year of operation, the Board received requests for assistance for water and sewage facilities for a large new fish-processing complex at Georgetown, P.E.I., and for a major fish-processing plant being located at Canso, N.S. Early in 1964 both requests were approved. The Board agreed to finance the entire cost of the water systems, with the completed facilities to be turned over to the provincial government concerned to maintain, operate and collect reasonable user charges. The Board also agreed to design the systems with sufficient capacity to enable the communities in which the plants were located to tie in at their own expense.

The Georgetown and Canso decisions, made essentially on the facts of each case, quickly became the basis of overall Board policy. In 1965, with the introduction of new regulations under the Fisheries Inspection Act requiring a higher standard of purity for water used to process fish for export, many plants in the region were faced with a serious situation, due to the inadequacy of supply of suitable water. Failure to comply with the new regulations could have meant closure of the plants. At the same time, many fish companies, European and American as well as Canadian, were making plans to locate new processing facilities in the region and to expand existing ones. The Board, therefore, undertook to provide new water systems to the plants whose needs were most critical and to carry out surveys to determine the requirements of all the major plants and how these might best be met. Thus began what might be described as phase two of the Board's program.

The cost of permanent water supplies of this kind was heavy and usually beyond the financial capacities of both the fish company and the small communities in which the plants were located. Following the precedents established as Georgetown and Canso, the Board's policy was to pay for the total cost of the water systems, except in a few cases where the economic benefits from an existing fish plant were not expected to cover the annual cost of interest, amortization, maintenance and operation of the water system. In these instances, the Board requested a financial contribution from the province. The Board continued the practice of turning the completed works over to the province and of designing the systems with sufficient capacity for residential as well as fish-plant use, where this proved feasible.

The long-term benefits of this latter policy can scarcely be over-estimated, particularly in Newfoundland where the majority of the fish plants are located. The Board received approval to construct water systems in 21 Newfoundland fishing centres. In 14 of these the systems were designed with sufficient capacity to enable the communities to tie in at their own expense, thereby sparing them the major capital costs of developing their own systems.

Not all the systems provided by the Board supplied fresh water. At Shippegan and Caraquet in New Brunswick, for example, both fresh and salt water systems were constructed, salt water being as useful as fresh for fluming fish. At Lockeport and Grand Etang in Nova Scotia salt water supplies only were provided. Nor was the Board's policy restricted to fish plants: at Montague, P.E.I., and at Florenceville, N.B., the Board provided water to plants processing agricultural products.

Overall, the Board committed approximately \$18 million in grants to construct 39 water systems for fish and farm products processing plants: 21 in Newfoundland, 10 in Nova Scotia and four each in New Brunswick and Prince Edward Island. Shortly before repeal of the Act, the Board recommended that water systems be constructed in Newfoundland at Harbour Breton, Port aux Choix and Grand Bank. With the provision of water to the plants in these three centres, the Board felt that the program it had begun in 1964 would be largely completed, most major fish plants in the region then being adequately supplied.

The third phase started early in 1967 when the Board began to receive applications from the provinces to provide water to a number of major new non-fish-processing industries. It was recognized that meeting these requests would represent something of a departure from the Board's existing policy, reached under what amounted to emergency conditions. At the same time, it was recognized that neither the provinces nor the municipalities had the financial resources to undertake these expenditures, and that to require pri-

vate industry to finance its own water systems would constitute a major impediment to economic development.

The Board originally took the view that it should continue to provide water systems on the same terms it had in the past—on a grant basis with the provinces owning the systems and levying user charges—on the grounds of administrative simplicity and achievement of maximum economic impact in the region. The government, however, insisted that future systems for industries other than fish processing be financed through loans to the provinces. The province concerned was to collect user charges and amortize the loan over 30 years, with the Board assuming a substantial share of the cost of any spare capacity in the water system during the first ten years.

This formula was to apply equally when the water system was to be used by a single industry or a group of industries. Under it, the Board committed, during 1967-68 and 1968-69, more than \$9 million, including \$3,300,000 to supply a new oil refinery and other users at Point Tupper, N.S.; \$1,250,000 for a pulp mill at Nackawic, N.B.; \$1,250,000 for a phosphorus plant at Long Harbour, Nfld.; and \$1,100,000 for the Dalhousie, N.B., area.

In 1967 the Board received a request from the Halifax Public Service Commission for an \$8-million grant, nearly half the estimated cost of developing a new water supply for the City of Halifax and its western suburbs. Before deciding on the application, the Board authorized studies, both by staff and private consultants, to determine the best method of meeting the long-term water needs, not merely of the area served by the Public Service Commission, but of the entire Halifax-Dartmouth metropolitan area. The studies showed there was no clear-cut solution to this exceedingly complex matter, the central issue of cost involving questions of timing, land-use planning, municipal government structure and demand projections. When lengthy negotiations failed to produce agreement, the Board, at its final meeting, passed a resolution recommending to the Department of Regional Economic Expansion "that financial assistance for a new water system for the Halifax-Dartmouth area be provided on a shared-cost basis to enable water rates appropriate in relation to those prevailing in other relevant or comparable municipalities in Canada; this assistance to be subject to selection of a water development scheme agreeable to the parties concerned."

Applied Research and University Facilities

The need for increased industrial research is a national problem, but it is more acute in the Atlantic region for several reasons. By North American standards, most industries in the region are small, having neither the size nor the financial resources to undertake their own research to keep products and techniques abreast of technological change. Distance from Central Canada precludes them from making effective use of research facilities which have been developed in Central Canada. Moreover, the industrial development strategy of the Atlantic Provinces is based, in large measure, on two considerations, both of which require a high level of technical sophistication: first, if the primary sectors—agriculture, fisheries, forestry and mining—are to realize their full potential, it is essential that more processing be done in the region and that processing methods be improved; second, to overcome the disadvantage of distance in freight movements, the region should aim at attracting secondary manufacturers whose products have a high-value, low-weight ratio.

The Nova Scotia Research Foundation and the New Brunswick Research and Productivity Council had been established before the Board came into existence, but their facilities were inadequate for the work they were being called upon to undertake. Early in 1964 the Board was asked to provide assistance for buildings and equipment for the institutions. After consultation with the provincial governments and the relevant federal agencies, the Board concluded that support for the two provincial research organizations, the only ones in the region, was the most practical way of providing research services to industry. It was agreed that the facilities would be used for research on problems in all four Atlantic Provinces.

Authority to grant \$1,140,000 for buildings and \$610,000 for equipment to the Nova Scotia Research Foundation was received early in 1965. The bulk of the building grant was earmarked for a laboratory at Dartmouth, which was also to serve as the headquarters of the Foundation, with the balance to be used for construction of two smaller laboratories, for research on timber structures and ceramics, on the campus of the Nova Scotia Technical College at Halifax. Two years later, the Board's grant was increased from \$1,750,000 to \$2,350,000. Of the new total, \$1,941,000 was designated for the construction of buildings and a reduced amount, \$409,000 for purchase of equipment. Shortly before repeal of the Act, the Board recommended an additional \$502,000 to meet the Foundation's equipment requirements to

1970. This submission was approved by Treasury Board early in fiscal 1969-70 and is not included in Appendix I. The three laboratories had been completed by March 31, 1969, although the Dartmouth building was not expected to be in full operation until mid-summer.

Assistance of \$1,250,000 for the New Brunswick Research and Productivity Council was approved early in 1965, \$750,000 for a laboratory building to be constructed on the campus of the University of New Brunswick and \$500,000 for the necessary equipment. Late the following year, an additional \$258,179 was provided for construction costs. As of March 31, 1969, only \$3,394 remained to be paid under the Board's commitment of \$1,508,179.

In 1967 the Council submitted to the Board its five-year capital requirements to 1972. Approved for 1967-68 was \$379,000, more than half of which was to be used to establish a metrological laboratory for precision testing and maintenance of quality control of production standards. Early in 1969 approval was received for the Board to grant a further \$468,100, to be spent in approximately equal amounts in three major areas: metrological and metallurgical testing, food sciences services and machine shop operations. This brought to \$2,355,279 the Board's total commitment to the Research and Productivity Council.

In 1967 the Board agreed to make grants of \$50,000 each for the construction of two smaller laboratories: an ore-dressing pilot plant, to be situated on the campus of the Nova Scotia Technical College; and a geo-chemical laboratory to be established by the provincial Department of Natural Resources on the UNB campus.

Another regional shortcoming, allied with the need for applied research, is the lack of post-graduate facilities in the science disciplines for the training of personnel required by the provincial research organizations, industry and the universities themselves. Accordingly, after lengthy discussions with provincial and academic authorities, the National Research Council and the Economic Council of Canada, the Board decided to contribute to the improvement and extension of the post-graduate research facilities at the University of New Brunswick and Dalhousie University.

In August 1966, the Board received approval to grant \$1,500,000 to UNB toward the cost of buildings and equipment for a social sciences research centre, a computing centre, an engineering centre, a chemistry building, and the research areas of the geology and biology buildings. Two years later, an additional \$1,056,000 was approved to cover increases in unit costs and space requirements, bringing to \$2,556,000 the Board's commitment to the university. As of March 31, 1969, no payments had been made under the program.

Also in August 1966, the Board was given authority to contribute \$2 million towards a marine biological research facility at Dalhousie University, to be known as an aquatron. The university later revised its plans for the project and requested assistance to construct and equip a life sciences centre that would house the departments of Biology, Psychology and Oceanography. Of the estimated total cost of \$18.2 million, the Board was asked to provide \$5 million. At its penultimate meeting, the Board agreed to recommend that its grant of \$2 million be increased to \$5 million. No submission having been made to Treasury Board by March 31, 1969, the matter was turned over to the Department of Regional Economic Expansion.

In New Brunswick and Nova Scotia the Board's assistance was limited to post-graduate facilities, although it was recognized that there would be some incidental benefits for undergraduate training. In Newfoundland, however, the primary requirement was of a different nature. The province's single university, Memorial, provided the first two years only towards a degree in Engineering, students having to leave the province to complete their studies. Many of them failed to return home upon graduation with the result that Newfoundland found itself chronically short of engineers at a time when its economy was requiring ever-increasing numbers. Accordingly, the Board agreed, in May 1968, to contribute \$3 million to assist Memorial in the establishment of a degree-granting School of Engineering, \$2 million to be used for construction costs and \$1 million for purchase of books and equipment.

Industrial Parks and Sites

Much of the secondary and major service industry attracted to the region in recent years has located in industrial parks and resource-processing sites financed in whole or in part by the Board. In addition, many industries which were unable to expand or modernize their operations on their existing sites have located new plants in industrial parks.

Such parks present many advantages, both to industry and the communities in which they are situated: industry is assured of as much preserved land as it requires, at a reasonable price and in a suitable area; the hiving of compatible industries in a single location encourages efficiency and the development of new products, the output of one industry becoming the input of a neighbour; urban planning and the overall attractiveness of the community are enhanced when industrial development is kept separate from commercial, residential, recreational and institutional land use; an industrial park increases a community's chances of attracting new industry and provides a focal point for its promotional efforts.

The development of industrial areas serviced with power, water and sewage facilities, road and rail access, requires large capital outlays in advance of the establishment of new industries. Consequently, municipalities may wait a long time before recovering capital costs through sale or lease of such lands, or from improved tax revenue. Moreover, most municipalities find it extremely difficult to finance the initial phase of industrial park development. In some cases, even with Board assistance, municipalities have been forced to borrow money from the provincial governments to finance their share of the cost of a park.

Recognizing that industrial parks form a fundamental part of the region's infrastructure, the Board committed \$9,796,000 for these developments. Centres selected for parks were chosen in consultation with the provinces to ensure that they conformed with provincial development plans and after individual studies, where appropriate. In all, the Board agreed to assist 12 general purpose parks—six in Nova Scotia, five in New Brunswick and one in Prince Edward Island—and three resource-processing sites in New Brunswick. Studies of the industrial park needs of Charlottetown, P.E.I., and St. John's, Nfld., were carried out but applications for assistance had not been received by March 31, 1969. That New Brunswick and Nova Scotia in particular are now reasonably well supplied with industrial parks is

indicated by the fact, mentioned in a previous section, that the only new commitments made during 1968-69 were a conditional grant of \$150,000 to Newcastle, N.B., and \$61,500 to Amherst, N.S., to improve a park toward which the Board had previously contributed \$350,000.

The Board followed the policy of requiring municipal and/or provincial participation in industrial park projects. Most of the larger municipalities had established industrial commissions and these organizations were well suited to own, maintain and promote the parks. The Board also believed it desirable to preserve flexibility in the degree and method of sharing in the financing of individual parks. This said, however, the Board established the general policy of paying one-third of the total first-phase costs of developing general purpose, speculative parks, a policy followed at Halifax County, Dartmouth, Truro, Moncton, Dorchester Point, Saint John and Fredericton. At Stellarton, where the industrial park was owned and operated by Industrial Estates Ltd., a provincial Crown corporation, the Board assumed the total cost of providing the water system and a general purpose building. At Point Edward, near Sydney, the park was federally owned and operated and the Board financed the entire cost of the first phase of development, pending transfer of the park to the Cape Breton Development Corporation. In smaller communities, where industrial development was based on the processing of a local resource or where following the general one-third policy would prove an undue hardship to the municipality, the Board agreed to assume a greater share of the cost. This was the case at Amherst, Sussex, Woodstock, Hartland, Newcastle and Summerside.

The Board's practice was that all assistance was covered by a formal agreement with the provincial government, with the province accepting the responsibility for ensuring that the parks were maintained and operated in the best interests of the people of the province.

The Board committed financial assistance in the following centres: Saint John, N.B.—\$450,000; Fredericton, N.B.—\$400,000; Moncton, N.B.—\$400,000; Dorchester Point, N.B.—\$1,500,000; Woodstock, N.B.—\$275,000; Hartland, N.B.—\$125,000; Sussex, N.B.—\$337,000; Newcastle, N.B.—\$150,000; Amherst, N.S.—\$411,500; Truro, N.S.—\$200,000; Dartmouth, N.S.—\$787,500; Halifax County, N.S.—\$560,000; Stellarton, N.S.—\$700,000; Point Edward, N.S.—\$3,350,000; Summerside, P.E.I.—\$150,000.

Miscellaneous Projects

Mapping and Land Registration

As long ago as 1904 in Nova Scotia and 1916 in New Brunswick legislation was passed to reform the land registry systems which had been in effect since the earliest days of settlement. This legislation was never proclaimed. But what was seen as desirable more than 50 years ago has become a pressing need today if there is to be efficient land-use planning, industrial development and natural resource exploitation.

Because of early haphazard and unplanned allocations of land, lack of fixed co-ordinates upon which to base land descriptions and maps, and a registry system that permits overlaps and gaps and makes no provision for verification of title, land records are incomplete and totally inadequate for the needs of a modern, expanding economy.

Early in 1968 the Board received approval to make grants of \$3,977,000 to assist the four provinces with a surveying, mapping and land registration program. The grants—\$1,446,000 to New Brunswick, \$1,008,000 to Prince Edward Island, \$923,000 to Nova Scotia and \$600,000 to Newfoundland—were to cover 100 per cent of the costs during the years 1968-69 and 1969-70, but the complete program will extend over ten to 15 years at an estimated cost of up to \$20 million. The provinces were told that if additional assistance were to be extended beyond the two-year period, it would be on a cost-sharing basis.

The long-term goal of the program is to replace the costly and inefficient system of title searching and deed registration with the Torrens System, in use in much of the United States, Ontario and the Western Provinces. Its principle is that land is permanently registered, permitting the registrar of titles to provide quickly and accurately the material facts of ownership and boundaries. An integral part of the new system will be one or more data banks for the storing of a wealth of information through use of computers. In addition to information on land titles, the banks will record and store data on engineering services, such as the routes of highways, sewers, water and power lines, related to specific land markers; socio-economic data including population, size of families, age, incomes and levels of education of specific areas; and environmental factors, such as soil composition, mineral deposits, agricultural and forestry suitability.

The program is being administered by a full-time director working under a management committee consisting of representatives of each of the provinces, the Department of Regional Economic Expansion and the Department of Energy, Mines and Resources.

Production for Export Program

In recent years, a number of provinces, most notably Ontario, Quebec and Manitoba, have established programs to promote the sale of their products in foreign markets. The Atlantic Provinces, traditionally export-oriented, have had neither the financial nor the technical resources to undertake such activities. In much the same way as small regional firms have not been able to carry out applied research on their own, neither can they afford to undertake the market research that precedes the attempt to penetrate foreign markets.

The Production for Export program was started late in 1967 when M. R. M. Dale, a former Canadian Trade Commissioner, was assigned by the Department of Trade and Commerce to work with the Board. Early the following year, the Board and the three Maritime Provinces agreed to co-operate in sponsoring an Atlantic Canada exhibit at the Eastern States Exposition, being held at Springfield, Mass., in September. The Board was to provide technical assistance in seeking out firms with an export potential and reimburse the provinces for 75 per cent of their costs of participating, up to a maximum of \$45,000. Twenty-eight firms exhibited their products at the show, attended by more than 700,000 people. Over-the-counter sales amounted to approximately \$300,000, with more than \$1 million in new business being generated.

The second project in the Production for Export program was undertaken in November 1968 when Mr. Dale accompanied marketing officers from each of the Atlantic Provinces on a three-week tour of the Caribbean, once a major market for the region's primary products. The purpose of the visit was to familiarize the marketing officers with the changing structure of the West Indian economy in the hope that it would lead to the re-establishment of the region in a "natural" market which had been taken over increasingly by other countries. The group found that, despite formidable obstacles, particularly in transportation, the Caribbean did offer distinct possibilities for increased exports. As a result, ten firms sent sales representatives to the area, some reporting success.

At its December 1968 meeting the Board recommended that \$225,000 be made available for the Production for Export program in 1969-70. This was approved by Treasury Board after the Board went out of existence. A

feature of the 1969-70 program will again be participation in the Eastern States Exposition.

Attendance at trade fairs is, however, only the frosting on the cake. The basic objectives of the program are to identify firms having an export potential; to stimulate them to seek out new opportunities for export; and to assist them in adopting scientific marketing methods and tailoring their production to the demands of export markets. It is intended that the program be a continuing one, involving follow-up, evaluation and assessment of new export business. Thus, the program is a logical extension of the incentives legislation of the Department of Regional Economic Expansion to encourage industry to locate or expand production facilities in the Atlantic region.

Strait of Canso Development

Early in 1968, after months of negotiations, several federal departments and agencies reached agreement with the Nova Scotia government and the British American Oil Co. Ltd. (now Gulf Oil) for the construction of a \$50 million, 60,000 barrel-a-day oil refinery at Point Tupper on Cape Breton Island, an industry that is expected to become the cornerstone of a large petrochemical complex. The federal government agreed to assist the project through the Board, the Cape Breton Development Corporation, the Department of Public Works and the Area Development Agency. The Board's contribution was to consist of a \$3,300,000 loan to finance a water supply system for the industrial complex and a grant of \$1,095,000 representing half the cost of certain road and rail facilities to the industrial area.

Fund for Pollution Control

The Board became concerned with the problem of industrial pollution both through its involvement in financing industrial water systems and as a result of the increasing awareness on the part of the provincial governments and the public alike that water pollution could have a detrimental effect on the economic development of the region. Under the legislation passed by all four provinces, all new industrial undertakings were required to take steps to control water pollution before being allowed to operate, but the legislation did not cover existing plants which would have been forced to make extensive and expensive alterations in their facilities.

In 1965 the Board received approval for an amount of \$2 million for assistance to existing firms for abatement of industrial water pollution on fresh water stretches of Atlantic rivers. The amount of assistance was based on a formula worked out by the joint federal-provincial committee administering the program, whereby the payment was related to the abatement of biochemical oxygen demand (B.O.D.) of plant effluent.

By March 31, 1969, payments of only \$29,334 had been made from the fund, but a number of substantial payments are expected within the next two years, particularly to firms located on the Saint John River, where pollution had become extremely serious. The fact that relatively few of the firms eligible for assistance have come forward with pollution-control plans reflects, in part, the financial problems faced by companies in undertaking the necessary expenditures. However, the mere existence of the Board's fund, as well as the Board's frequent warnings about pollution, have had the salutary effect of helping to focus on the problem the attention of industry, the public and governments at all levels.

Assistance for Sydney Steel

In May 1967, the government of Nova Scotia and the Board purchased from the Dominion Steel and Coal Corp. Ltd. bulk-handling facilities at Dosco's Sydney steel plant under a three-way agreement by which the provincial government and the Board would each contribute \$2 million to the company with Dosco to invest an equivalent amount in new capital in the ailing Sydney plant. The two governments were to be reimbursed with interest through user charges on a tonnage basis.

This arrangement was frustrated when Dosco announced its decision, in October 1967, to close the plant, which, along with the coal industry, formed the economic base of industrial Cape Breton. Nova Scotia then assumed ownership, operating the plant under Sysco, a Crown corporation, and Parliament voted \$2 million to the Board as a grant to the province to assist in defraying operating expenses. The Board's \$2 million interest in the bulk-handling facilities was later turned over to the province, bringing its assistance to \$4 million.

Special Assistance for Bell Island, Nfld.

Following the closing by Dosco of its iron-ore mining operations at Wabana, the sole industry on Bell Island, a federal interdepartmental committee headed by Dr. Weeks was appointed by the Cabinet to investigate all aspects of the problem, in close consultation with the provincial government. After extensive efforts to have private interests reopen the mine failed, the committee concluded there was no possibility of re-establishing a viable economic base on the Island and recommended special assistance, over and above that available under existing programs, to encourage the workers and their families to move off the Island to areas where there were employment opportunities.

As part of this special assistance, Parliament voted to the Board a fund of \$1,500,000 to purchase, for \$1,500 each, the houses of Bell Islanders who

agreed to relocate. The Board was to assume 75 per cent of the cost and the provincial government 25 per cent. By March 31, 1969, the Board had paid out \$376,875. Of the \$250,000 which Parliament voted to the Board to supplement existing manpower mobility programs, \$133,520 had been spent as of March 31.

The provisions of the Bell Island program were unique, involving federal government acceptance of a degree of responsibility when closure of a community's single industry completely destroys housing values. Nonetheless, the program was not as successful as had been hoped, in that approximately 6,500 persons still remain on Bell Island, few of them employed. Immediately preceding closure of the mine, the population was about 8,500. Bell Island is not a "typical" community by any standard and its problems may not be encountered elsewhere, at least to the same degree. But in a heightened form Bell Island illustrates the difficulty of bringing about economic, social and geographic mobility in isolated communities which have become inured over many decades to a settled pattern of life and whose economic base has disappeared.

Potash Exploration in Nova Scotia

In 1965 and 1966 the Board provided a total of \$265,801 to assist Nova Scotia with a potash exploration program in Cumberland County. When low-grade ore was discovered, the Board and the provincial government agreed that in order to determine more accurately the quality and extent of the deposits, they would offer incentives to encourage further exploration by private interests. In May 1968 the Board received approval to enter into a \$600,000 program, whereby the Board would contribute \$225,000, 37½ per cent, and the provincial government \$75,000, 12½ per cent, with private industry to match the contributions of the two governments. Only in the event that commercial production of potash or other salts resulted were the governments to be reimbursed.

As of March 31, 1969, a number of inquiries had been made but no agreement had been reached with a private company. It is hoped that with the return to higher potash prices in world markets, the program will lead to further exploration. If successful, the potash program might serve as the prototype for proving some of the other numerous mineral deposits in the region.

TECHNICAL AND ECONOMIC SURVEYS AND STUDIES

The Board, whenever possible, utilized the findings of research conducted by other government agencies, federal and provincial. Nonetheless, during its six years, in addition to the research carried out by its own staff, the Board found it necessary to finance or to assist in financing approximately 80 separate studies on a wide variety of subjects. Usually the work was done by private research organizations under the direction of Board staff. Payment was made from the Board's annual Administration and Operation vote and did not constitute a charge on the Atlantic Development Fund.

Generally these studies, listed in the Addendum to Schedule 3 of Appendix I, were of three types:

—Those which were carried out for a specific purpose and to meet an immediate need, such as an engineering study on the water supply for a fish plant or a survey of an area's industrial park needs.

—Those which were undertaken as part of the work of the Planning Division, involving an examination of a sector or one aspect of the regional economy, the comprehensive study of water resources, the examination of the structure and function of urban centres and the Deep Water Harbour Study being but three examples.

—Those which dealt with a pressing local or regional problem but which were not directly and immediately associated with the Board's planning or programming activities. In an earlier section of this report, it was noted that its "gap-filler" role made the Board a convenient vehicle for administering special assistance programs for the region. Equally, the Board proved to be a convenient vehicle for financing a number of special studies, sometimes assuming the full cost and sometimes sharing it with other government agencies. Among such studies were: investigations into foundation conditions for tidal power development in the Bay of Fundy; beneficiation research on Bell Island, Nfld., iron ore; the multiple industry complex study carried out by the New Brunswick Development Corp.; engineering investigations into harbour facilities at Belledune Point, N.B.; the Cape Breton Municipal Government Study; the study into the marketing of Sydney steel products; the Halifax Harbour Land Use Study; and the Maritime Union Study.

The derisive claim has sometimes been made that the Atlantic Provinces are the most studied area in the world; the contrary assertion has also been

voiced: that regional development programs have been devised for the Atlantic Provinces without adequate long-term planning. The Board subscribed to neither view. Until the causes of the Atlantic region's economic malaise were fully known and specific remedies prescribed, there could not be too much planning or too many studies. The Board's experience was that long- and short-term planning should be carried on simultaneously, with each continuously interacting on the other.

THE BOARD AS CO-ORDINATOR

The Board increasingly found itself being called upon to act as a co-ordinator in matters of concern to the four Atlantic Provinces individually, or to the region as a whole. These co-ordinating functions were assumed not so much as a responsibility assigned by legislation, but because of the Board's unique interest in the region's economy. Acquainted with the policies and personnel of the provincial governments and other departments and agencies of the federal government, the Board's staff of highly flexible "generalists" was well suited for filling this ad hoc role.

Co-ordination, as has been explained in earlier sections, was a feature of all the Board's activities, in that no project or study concerned the Board alone. The provinces, of course, were involved in every project and study, if only to the extent that their comments were solicited. Municipal governments, as well as semi-public and private agencies, were also frequently consulted. Finally, in a great number of projects and studies, at least one other federal department or agency was associated, usually in an advisory capacity but sometimes by way of a direct financial contribution.

In addition to those projects and studies which the Board assisted financially, the Board's staff played a catalytic role in a number of others. It was in this area of "quiet diplomacy" that staff members, especially Dr. Weeks, did much of their work and in which they made some of their greatest contributions.

For example, after being directed to organize the negotiations for the Saint John Harbour Bridge, the Board was able to expedite action by the various federal, provincial and municipal agencies interested in the project.

Perhaps the most time-consuming and complex co-ordination assignments were in respect of proposed major industrial developments at Stephenville and Come-by-Chance in Newfoundland. Besides the provincial government and private companies, these negotiations involved the departments of Industry, Transport, Justice, Public Works, Forestry and Rural Development, and Energy, Mines and Resources.

As noted elsewhere in this report, the Board made funds available for the abatement of water pollution, but an equally important contribution in this field was the Board's co-ordination of joint industry-federal-provincial efforts to reduce industrial pollution.

Throughout its existence, the Board was extremely active in the federal-provincial effort to rehabilitate the economy of Cape Breton Island, carrying out a number of studies and making commitments for projects of approximately \$14.6 million. In addition, Dr. Weeks headed the committee which operated the former Point Edward naval base and supervised its transformation into an industrial park. The Board also helped to co-ordinate the negotiations which led to establishment of a large oil refinery at the Strait of Canso. In Newfoundland, the Board assumed the major co-ordinating function in dealing with the Bell Island problem, described elsewhere in this report.

Although it was unable to complete its overall plan, the Board left a legacy of research that went deeper than ever before into the region's fundamental problems and which will help to point the way to its successors.

POSTSCRIPT

On April 1, 1969, all Atlantic Development Board staff members were transferred automatically to the Department of Regional Economic Expansion, as were the Board's files, studies and outstanding commitments.

It would be premature to attempt at this time to measure the overall effect of the Board's efforts. Certainly, the per capita income gap existing between the region and the rest of Canada has narrowed only minutely. This is not surprising in view of the long-standing and deep-rooted nature of the region's problems; indeed, even keeping pace with the rest of the country during a period of rapid national growth has been no mean feat. Moreover, it is only in the last year or two that the major impact of the Board's programs has begun to be felt. The first stages of Bay d'Espoir and Mactaquac went on stream as recently as October 1967 and April 1968 respectively. The extension to the Trenton thermal plant has not yet been completed. Many of the trunk highways assisted by the Board were opened only last year and many were not due for completion until the 1969 season. The large research laboratories built by the Board in Halifax and Fredericton are not yet in full operation.

It can be said, however, that a significant beginning was made in providing the Atlantic region with the type of foundation it requires if the people of the Atlantic Provinces are to share fully in the fruits of Canada's prosperity. The ADB was, in dollar terms, by far the federal government's major regional development program in the Atlantic Provinces, the Board's expenditures of \$143 million exceeding by several times the combined spending of ARDA, FRED and ADA in the region.

With the Board's help, the region generally, for the first time and for the time being at least, has adequate supplies of reasonably priced power; great strides were taken in building a network of all-weather highways, vital for a competitive transportation system; nearly every major centre in the region now has serviced industrial land available to industry at reasonable prices; provincial research foundations, provided with the facilities that permit them to meet the technical and research needs of industry, will themselves act as attractions to industry; the major universities are developing post-graduate facilities that will enable them to become national centres of learning in fields of direct relevance to the regional economy, enhancing the growth and attractiveness of their host cities in the bargain; fish-processing plants were supplied with water at no capital cost to them or the provincial governments.

Appendix I

AUDITOR GENERAL OF CANADA

Ottawa, June 30, 1969.

TO: THE HONORABLE JEAN MARCHAND

Minister of Regional Economic Expansion

I have examined the accounts and financial transactions of the Atlantic Development Board for the year ended March 31, 1969 as required by section 18 of the Atlantic Development Board Act. My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

The Atlantic Development Board Act was repealed on April 1, 1969 and, accordingly, the Atlantic Development Board and the Atlantic Development Fund ceased to exist on that date. The outstanding commitments of the Board at March 31, 1969 however, will be honoured by the Department of Regional Economic Expansion which was established on April 1, 1969 by the Government Organization Act, 1969.

In my opinion, the Statement of Expenditure and the supporting schedules present fairly a summary of the financial transactions of the Board for the year ended March 31, 1969.

A. M. HENDERSON,
Auditor General of Canada

ATLANTIC DEVELOPMENT BOARD

Statement of Expenditure for the year ended March 31, 1969 (with comparative figures for the year ended March 31, 1968 and cumulative figures from the establishment of the Board on December 20, 1962 to March 31, 1969)

	1969	1968	Cumulative to March 31, 1969
Program Expenditure			
Atlantic Development Fund (Schedule 1)			
Power.....	\$ 6,242,622	\$ 7,395,541	\$ 52,699,204
Water supply and/or sewage systems.....	6,843,646	3,766,376	13,800,531
Trunk highway program.....	1,432,661	1,280,579	11,076,002
Access roads.....	119,336	144,389	674,542
Industrial park facilities.....	1,535,053	1,507,211	5,539,798
Research facilities.....	1,718,768	1,851,252	4,051,637
Miscellaneous projects.....	2,923,556	2,679,528	5,656,640
Sundry expenditure.....	1,774	3,552	16,148
	<u>20,817,416</u>	<u>18,628,428</u>	<u>93,514,502</u>
Parliamentary appropriations of the Department of Transport:			
Vote 112 of 1965-66 and Vote 95a of 1967-68 Trunk highway program (Schedule 2).....	16,933,806	19,283,085	46,869,150
Vote 100a of 1967-68 (Note)			
Special housing assistance to residents of Bell Island.....	142,875	234,000	376,875
Mobility assistance to residents of Bell Island moving to other parts of Canada.....	72,516	61,004	133,520
Vote 92c			
Grant to the Government of Nova Scotia to assist in defraying the expenses of operating the former Dominion Steel and Coal Corporation Limited Steel Plant at Sydney, Nova Scotia.....	—	2,000,000	2,000,000
	<u>\$ 17,149,197</u>	<u>\$ 21,578,089</u>	<u>\$ 49,379,545</u>
Total expenditure on programs, projects, etc.	37,966,613	40,206,517	142,894,047
Administration and Operation Expenditure			
Planning, programming, professional and technical services and general administration (Schedule 3).....	2,070,459	2,265,015	7,915,782
Total expenditure.....	<u>\$ 40,037,072</u>	<u>\$ 42,471,532</u>	<u>\$150,809,829</u>

NOTE:

The amount remaining available under Department of Transport Vote 100a for assistance to residents of Bell Island amounted to \$1,239,605 at March 31, 1969.

Certified correct:

E. P. WEEKS

Executive Director

Approved:

JOS. A. LIKELY

Vice-Chairman

I have examined the above Statement of Expenditure and related Schedules for the year ended March 31, 1969 and have reported thereon under date of June 30, 1969 to the Minister of Regional Economic Expansion.

A. M. HENDERSON

Auditor General of Canada

ATLANTIC DEVELOPMENT BOARD

Statement of Projects Approved and Cumulative Expenditure from the
Atlantic Development Fund from the establishment of the Board
on December 20, 1962 to March 31, 1969

	Projects Approved	Cumulative Expenditure to March 31, 1969	Outstanding Commitments
<i>Power</i>			
Bay d'Espoir, Nfld.—			
Hydro-electric power development.....	\$ 20,000,000	\$ 20,000,000	
Mactaquac, N.B.—			
Hydro-electric power development.....	20,000,000	20,000,000	
Nova Scotia Power Commission—			
Thermal power plant at Trenton, N.S.....	12,000,000	8,519,626	\$ 3,480,374
Newfoundland and Labrador Power Commission—			
Conversion to 60 cycles.....	4,000,000	3,999,999	1
Maccan to Amherst, N.S.—			
Grant towards cost of power line.....	112,800	112,800	
Power cable to link Prince Edward Island with mainland.....	100,000	66,779	33,221
	56,212,800	52,699,204	3,513,596
<i>Water supply and/or sewage systems</i>			
Fortune, Harbour Grace, Port Union, Fermuse and Isle aux Morts, Nfld.....	3,297,981	2,552,107	745,874
Trepassey, Bay de Verde, Burgeo, Gaultois, St. Anthony, Englee and Twillingate, Nfld.....	2,797,462	2,014,393	783,069
Mooring Cove, Nfld.....	1,374,000	1,251,201	122,799
Long Harbour, Nfld.—Phosphorus Plant...	1,250,000	884,817	365,183
Nackawic, N.B.....	1,250,000	—	1,250,000
Caraquet, N.B.....	1,112,000	40,012	1,071,988
Dalhousie Area, N.B.....	1,100,000	908,192	191,808
Shelburne, N.S.....	890,000	49,139	840,861
Georgetown, P.E.I.....	885,000	801,722	83,278
Alder Point, N.S.....	833,000	389,125	443,875
Canso, N.S.....	782,691	763,909	18,782
Black's Harbour, Wellington, Beaver Harbour, N.B.....	690,000	—	690,000
Falmouth, N.S.....	600,000	—	600,000
Florenceville, N.B.....	565,000	178,591	386,409
Shippegan, N.B.....	531,437	508,049	23,388
Ramea, Nfld.....	492,000	65,717	426,283
Middle East Pubnico, N.S.....	487,000	434,744	52,256
Dildo South, Nfld.....	477,000	274,580	202,420
Bonavista, Nfld.....	321,917	305,505	16,412
Oxford, N.S.....	300,000	—	300,000
North Rustico, P.E.I.....	282,000	253,139	28,861

Schedule 1 (cont'd)

	Projects Approved	Cumulative Expenditure to March 31, 1969	Outstanding Commitments
Woodstock, N.B.	275,000	269,722	5,278
Old Perlican, Nfld.	270,000	161,359	108,641
Lockeport, N.S.	255,000	219,062	35,938
East River in Lunenburg County, N.S.	250,000	245,636	4,364
Riverport, N.S.	242,000	159,747	82,253
Lower East Pubnico, N.S.	220,975	204,399	16,576
Montague, P.E.I.	186,429	177,365	9,064
Bridgetown, N.S.	180,000	—	180,000
Port Mouton, N.S.	154,286	139,687	14,599
Newtown, Nfld.	150,000	131,602	18,398
Hants Harbour, Nfld.	145,000	—	145,000
Cheticamp, N.S.	140,000	97,373	42,627
Hartland, N.B.	125,000	125,000	—
Lunenburg, N.S.	105,000	7,143	97,857
Milltown, N.B.	100,000	100,000	—
Witless Bay, Nfld.	90,000	3,996	86,004
Souris, P.E.I.	70,000	37,842	32,158
Grand Etang, N.S.	46,629	45,656	973
	23,323,807	13,800,531	9,523,276
<i>Trunk Highway program</i>			
Province of New Brunswick	3,000,000	3,000,000	—
Province of Newfoundland	3,000,000	3,000,000	—
Province of Nova Scotia	3,000,000	3,000,000	—
Province of Prince Edward Island	2,500,000	2,076,002	423,998
	11,500,000	11,076,002	423,998
<i>Access road to selected fishing ports</i>			
Province of Prince Edward Island	675,000	674,542	458
<i>Industrial Park facilities</i>			
Point Edward, N.S.	3,350,000	1,456,184	1,893,816
Dorchester Point, N.B.	1,500,000	1,471,296	28,704
Burnside (Dartmouth), N.S.	787,500	233,286	554,214
Stellarton, N.S.	700,000	700,000	—
Lakeside, N.S.	560,000	485,136	74,864
Saint John, N.B.	450,000	247,781	202,219
Amherst, N.S.	411,500	350,000	61,500
Moncton, N.B.	400,000	216,436	183,564
Fredericton, N.B.	400,000	24,000	376,000
Truro, N.S.	200,000	162,659	37,341
Newcastle, N.B.	150,000	—	150,000
Summerside, P.E.I.	118,327	118,020	307
Sydney, N.S.	75,000	75,000	—
	9,102,327	5,539,798	3,562,529

Schedule I (cont'd)

	Projects Approved	Cumulative Expenditure to March 31, 1969	Outstanding Commitments
<i>Research facilities</i>			
Financial assistance for new research laboratories, equipment, etc.			
Memorial University, Nfld.	3,000,000	—	3,000,000
University of New Brunswick, Fredericton, N.B.	2,556,000	—	2,556,000
Fredericton, N.B.	2,355,279	1,808,874	546,405
Halifax—Dartmouth, N.S.	2,350,000	2,212,731	137,269
Dalhousie University Aquatron, N.S.	2,000,000	—	2,000,000
Provincial Department of Natural Resources, N.B.—geochemical laboratory	50,000	30,032	19,968
Nova Scotia Technical College, Halifax, N.S.	50,000	—	50,000
	12,361,279	4,051,637	8,309,642
<i>Miscellaneous projects</i>			
Strait of Canso Development, N.S.	4,395,000	24,000	4,371,000
Mapping and Land registration	3,977,000	348,021	3,628,979
Bulk handling facilities at Dosco plant, Sydney, N.S.	2,001,301	2,000,650	651
Abatement of industrial water pollution	2,000,000	29,334	1,970,666
Assistance to Nova Scotia for settling-in assistance to industry	1,200,000	1,200,000	—
Highway, Long Harbour to Argentia-Placentia area, Nfld.	1,000,000	778,141	221,859
Assistance towards construction of causeway, Pictou County, N.S.	750,000	—	750,000
Confederation Centre, Charlottetown, P.E.I.	600,000	556,000	44,000
Assistance towards construction of certain tourist and recreational projects, P.E.I.	570,000	—	570,000
Assistance in construction of basic services for food processing, Sussex, N.B.	337,000	290,217	46,783
Potash exploration program, N.S.	225,000	—	225,000
Maritime union study, N.B., P.E.I. and N.S.	125,000	125,000	—
Port de Grave, Nfld.	100,000	85,919	14,081
Boglands clearing, Burin Peninsula, Nfld.	87,891	79,303	8,588
Repairs to marine railway, St. Anthony, Nfld.	64,000	63,977	23

Schedule I (conc'd)

	Projects Approved	Cumulative Expenditure to March 31, 1969	Outstanding Commitments
<i>Miscellaneous projects (conc'd)</i>			
Provision of basic services, Dover Flour Mills, Halifax, N.S.....	64,000	—	64,000
Causeway construction, Montague, P.E.I....	40,000	40,000	—
Rail spur line, Summerside, P.E.I.....	32,000	19,130	12,870
Water pollution metering equipment.....	10,000	9,356	644
Caribbean familiarization tour (Export markets).....	8,000	7,592	408
	17,586,192	5,656,640	11,929,552
<i>Sundry expenditure...</i>	16,148	16,148	—
	\$130,777,553	\$ 93,514,502	\$ 37,263,051

ATLANTIC DEVELOPMENT BOARD

Statement of the Trunk Highway Program Expenditure
from Parliamentary Appropriations cumulative to March 31, 1969

	Approved by the Governor in Council	Cumulative Expenditure to March 31, 1969	Outstanding Commitments
(Note)			
Province of New Brunswick.....	\$ 16,500,000	\$ 15,391,311	\$ 1,108,689
Province of Nova Scotia.....	16,500,000	14,232,441	2,267,559
Province of Newfoundland.....	16,500,000	12,329,209	4,170,791
Province of Prince Edward Island.....	5,500,000	4,916,189	583,811
	\$ 55,000,000	\$ 46,869,150	\$ 8,130,850

NOTE:

The amounts approved by the Governor in Council represent the Federal Government's share of costs under agreements with the four Atlantic provinces for which funds have been provided by Department of Transport Vote 112 of 1965-66 and Vote 95a of 1967-68. In addition, the Governor in Council has approved \$11,500,000 as the Federal Government's share of costs of this program to be provided from the Atlantic Development Fund, from which \$11,076,002 has been disbursed (see Schedule 1).

ATLANTIC DEVELOPMENT BOARD

Statement of Administration and Operation Expense
for the year ended March 31, 1969(with comparative figures for the year ended March 31, 1968
and cumulative figures from the establishment of the Board
on December 20, 1962 to March 31, 1969)

	1969	1968	Cumulative to March 31, 1969
Planning, programming and general administration—			
Salaries.....\$	660,718	\$ 583,174	\$ 2,101,547
Employee benefits.....	42,951	32,710	124,306
Accommodation.....	42,200	39,400	141,600
Travel and removal expenses.....	41,076	52,069	207,929
Accounting services.....	37,100	35,100	113,300
Office equipment and supplies.....	29,398	34,712	121,622
Telephone and telegraph.....	22,735	21,610	80,059
Publication of departmental reports and other material.....	13,970	2,335	19,905
Other.....	13,342	26,565	67,392
	903,490	827,675	2,977,660
Professional and technical services.....	1,166,969	1,437,340	4,938,122
Total expense.....	2,070,459	2,265,015	7,915,782
Total expense provided for by—			
Regional Development Vote 1 (Department of Regional Economic Expansion).....	1,986,559	2,190,515	7,656,282
Government departments which provided accommodation and accounting services without charge.....	83,900	74,500	259,500
	\$ 2,070,459	\$ 2,265,015	\$ 7,915,782

Addendum to Schedule 3

ATLANTIC DEVELOPMENT BOARD

Expenditure on Technical and Economic Surveys and Studies
for the year ended March 31, 1969(With comparative figures for the year ended March 31, 1968 and
cumulative figures from the establishment of the Board
on December 20, 1962 to March 31, 1969)

	1969	1968	Cumulative to March 31, 1969
Study of demand for and supply of water resources in Nova Scotia, New Brunswick and Prince Edward Island.....	\$ 370,592	\$ 418,189	\$ 788,781
Study of demand for and supply of water resources in Newfoundland and Labrador	111,202	428,792	539,994
Study of evaluation of industrial potential of Newport plan	57,502	8,469	65,971
Study of local government in Cape Breton, N.S.	53,333	—	53,333
Study of the highway requirements in the Greater Halifax area	50,492	—	50,492
Updating of input and output study.....	48,195	16,142	64,337
Study of administrative framework of water resources in the Atlantic provinces	40,989	19,961	60,950
Evaluation of the study of the water resources of the Atlantic provinces	38,961	27,408	66,369
Study of legal framework respecting water resources in the Atlantic provinces	36,564	32,132	68,696
Study of the fresh and processed fruit and vegetable canning and preserving industry in the Atlantic provinces.....	25,122	—	25,122
Study of the furniture and fixture industry in the Atlantic provinces	22,999	—	22,999
Study of water supplies in Charlotte County and Caraquet areas of New Brunswick	22,872	33,613	142,441
Investigation of the yield from the Noel's Pond and Long Gull Pond catchment area.....	22,339	—	22,339
Study of water supplies in Alder Point, Isle Madame-St. Peters, Cape Sable Island and Digby Neck, N.S.	21,202	39,879	133,859
Preparation and edition of Board's reports for publication	20,190	1,536	21,726

Regional Trade Show.....	19,350	—	19,350
Study of the paper converting industry of the Atlantic provinces.....	19,200	—	19,200
Study of the water supply of the Greater Halifax-Dartmouth area.....	19,000	—	19,000
Study of stock and flow of post-secondary teachers and other staff in the Atlantic provinces.....	14,995	—	14,995
Study of the operations and organisation of the Atlantic Development Board.....	13,963	—	13,963
Study of factors affecting projections of enrollment at the elementary, secondary and post-secondary levels of education.....	10,095	2,665	12,760
Study of the asbestos products industry for the Atlantic provinces.....	10,000	—	10,000
Public information consultants services.....	8,874	—	14,944
Study to develop methods of alleviating mine water pollution in New Brunswick.....	8,015	—	8,015
Study for the improvement of the water supply to the fish plant at Grand Bank, Nfld.....	7,422	—	7,422
Study of structure and function of urban centres in the Atlantic provinces.....	7,392	69,156	156,321
Office services.....	5,775	2,676	14,902
Study of economics of the fishing industry in the Atlantic provinces.....	5,000	5,000	10,000
Study of the regional aspects of foreign ownership of manufacturing in Canada.....	5,000	—	5,000
Study of the canvas products industry of the Atlantic provinces.....	5,000	—	5,000
Study of the water supply in the Greater Halifax area.....	5,000	—	5,000
Contribution towards an air cushion principle study.....	5,000	—	5,000
Periodic reports by Atlantic Provinces Economic Council.....	5,000	8,750	13,750
Study of the structure of the economy of the Atlantic region.....	4,815	3,408	14,076
Investigation of water supply in Bay St. George, Stephenville, Nfld.....	4,000	207	44,000
Study of barriers to manpower mobility in economically lagging areas of Newfoundland, Labrador, Nova Scotia, New Brunswick and Quebec (cost shared with Department of Manpower and Immigration and Forestry and Rural Development).....	3,500	—	38,500
Study of education as a factor in the growth of the Atlantic provinces.....	2,949	7,803	27,789
Study of potential industrial sites in Halifax area.....	2,500	10,000	22,500
Survey of water resources of North Rustico, Prince Edward Island.....	983	17,419	23,813
Comprehensive study of forestry in the Atlantic provinces.....	954	14,424	47,257
Study of the effects of the Northumberland Strait Causeway upon Prince Edward Island.....	838	34,178	35,016
Layout and design of proposed water front industrial park at site of former Point Edward Naval Base, Cape Breton.....	(185)	20,143	36,804
Study of tourist industry in Newfoundland, New Brunswick and Nova Scotia.....	—	79,948	374,707
Study of the comparative advantage of agricultural enterprises in Nova Scotia, New Brunswick and Prince Edward Island.....	—	37,200	58,200
Study of water supplies and needs in the St. Mary's Bay area, Nfld.....	—	17,988	17,988
Study of ground water resources in Nova Scotia.....	—	16,320	26,500

Addendum to Schedule 3 (cont'd.)

	1969	1968	Cumulative to March 31, 1969
Development plan for Ernest Harmon Air Base, Stephenville, Nfld.....	—	10,000	40,000
Study of social strategy for economic development.....	—	10,000	10,000
Study of industrial park needs of Metropolitan area of St. John's, Nfld.....	—	9,000	25,000
Study of Saint John Harbour Bridge Throughway complex.....	—	8,014	8,014
Survey of Water Supplies at Witless Bay, Nfld.....	—	6,211	6,211
Study of special problems and proposals.....	—	6,119	14,437
Study of marketing possibilities for Sydney steel.....	—	5,000	5,000
Study of the economics of the fishing industry in the Atlantic provinces.....	—	5,000	5,000
Study of agriculture in the Atlantic provinces.....	—	2,435	16,461
Investigation of water supplies to fish processing plants and water resources survey at Trepassey, Nfld.....	—	231	118,870
Study of water supplies and needs in Placentia, Nfld.....	—	(180)	19,501
Beneficiation research program on Wabana iron ore, Bell Island, Nfld.....	—	—	300,000
Study of potash exploration in Nova Scotia.....	—	—	265,801
Study of inter-industry flow of goods and services in the Atlantic provinces.....	—	—	105,000
Foundation investigations for tidal power development in Upper Bay of Fundy, N.B.....	—	—	100,000
Engineering investigations for deep water harbour, ore dock and ancillary facilities at Belledune Point, N.B. (cost shared with Department of Public Works).....	—	—	86,253
Investigation for a possible power site at Minas Basin, Bay of Fundy.....	—	—	70,000
Study of industrial park needs at various centres in New Brunswick and Nova Scotia.....	—	—	55,000
Study of demand and supply for hardwood in the Atlantic provinces.....	—	—	50,000
Consultants services re power and natural resources.....	—	—	47,205
Industrial opportunities study in Cape Breton, N.S.....	—	—	32,000
Economic survey of Bell Island, Nfld.....	—	—	26,661
Economic study of grain trade via Atlantic ports.....	—	—	25,000
Study of trans-Atlantic container shipping operations from ports of Halifax, N.S. and Saint John, N.B.....	—	—	23,976
Study of water resources in New Brunswick.....	—	—	21,163

Study and investigation of purification of salt water for use in fish processing plants
 Study of industrial park needs of Edmundston, N.B.
 Water supply study at Come-by-Chance, Nfld.
 Marketing study of selected steel products of Sydney, N.S.
 Engineering investigation of suitable water supply system for fishing plant at Shippegan, N.B.
 Engineering and economic feasibility studies re submarine cable between Prince Edward Island and mainland
 Preliminary study of economic aspects of effects on Atlantic ports of winter navigation in St. Lawrence River and Gulf of St. Lawrence
 Study of industrial park needs in Charlottetown, P.E.I.
 Study of waste products of food and beverages industries in the Atlantic provinces
 Study of manufacturing opportunities in the Atlantic region
 Study of development of Newfoundland economy since Confederation
 Industrial location study
 Agriculture land mapping project
 Sundry projects for less than \$5,000 each

19,947			
15,000			
12,800			
12,776			
11,310			
10,000			
10,000			
10,000			
9,600			
7,700			
7,000			
5,841			
5,000			
75,414			
	2,104		
		\$ 1,437,340	\$ 4,938,122
		\$ 1,166,969	
	29,980		
		\$ 1,166,969	

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*.

INTERPRETATION.

2. In this Act,
 - (a) "Atlantic region" means the region comprising the Provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland;
 - (b) "Board" means the Atlantic Development Board established by section 3; and
 - (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.

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.

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

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

- (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.

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^{Duty of co-operation.} 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.

ORGANIZATION.

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

11. (1) The Governor in Council may appoint an Ex-^{Executive Director.}ecutive 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.

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

12. (1) The Board may, subject to the approval of the Governor in Council, make by-laws^{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.

(2) Any by-law made pursuant to subsection (1)^{Advisory committees.} 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.

13. (1) The Board may^{Appointment of staff.}

(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^{Salaries and expenses of staff.} and, subject to the approval of the Treasury Board, prescribe the conditions of their employment.

(2) The officers and employees of the Board appointed as provided in subsection (1) shall be paid such salaries and ex-

penses 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 by 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.

Appropri-
ations.

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.

Annual
report to
be made.

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.

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 word "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 member-
ship.

(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 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 ^{Board agent} agent of Her Majesty, and its powers under this Act may be ^{of Her Majesty.} exercised only as an agent of Her Majesty.

(2) Subject to the approval of the Governor in ^{Contracts} 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.

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

(4) Actions, suits or other legal proceedings in re- ^{Proceedings.} spect 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."

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

"9. (1) The objects of the Board are to inquire into and ^{Objects and powers.} 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.

(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.

(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.

(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."

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 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."

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

14-15 ELIZABETH II Appendix IV

CHAP. 31

An Act to amend the Atlantic Development Board Act.

[Assented to 11 July, 1966.]

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

1. Subsection (2) of section 8A of the *Atlantic Development Board Act* is repealed and the following substituted therefor:

"(2) The Board may, on behalf of Her Majesty, enter into contracts in the name of Her Majesty or in the name of the Board."

2. Paragraph (d) of subsection (1) of section 9 of the said Act is repealed and the following substituted therefor:

"(d) enter into agreements with the government of any province comprised in the Atlantic region or the appropriate agency thereof, subject to approval thereof by the Governor in Council, or enter into agreements with any other person, providing for

(i) the undertaking by the Board of any 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 for which satisfactory financing arrangements are not otherwise available,

(ii) the joint undertaking by the Board and the province or agency thereof or person of programs or projects described in subparagraph (i), or

(iii) the payment by the Board to the province or agency thereof or person of contributions in respect of the cost of programs or projects described in subparagraph (i)."

3. The said Act is further amended by adding thereto, immediately after section 9 thereof, the following section:

"9A. An agreement entered into pursuant to paragraph (d) of subsection (1) of section 9 shall, where appropriate, specify the respective proportions of the revenues from any program or project to which the agreement relates that are to be paid to the Board and the province or agency thereof or person."

Provision to be included in agreements.

4. (1) Section 16 of the said Act is repealed and the following substituted therefor:

1963, c. 5, s. 6.

"16. (1) There shall be a special account in the Consolidated Revenue Fund to be known as the Atlantic Development Fund."

Atlantic Development Fund established.

(2) There shall be credited to the Fund, in addition to the amounts credited thereto pursuant to subsection (1) of section 16A, all revenues of the Board under agreements entered into pursuant to paragraph (d) of subsection (1) of section 9 and there shall be paid out of the Consolidated Revenue Fund and charged to the Fund all expenditures under agreements entered into pursuant to paragraph (d) of subsection (1) of section 9.

Credits and charges to Fund.

(3) No payment shall be made out of the Consolidated Revenue Fund under this section in excess of the amount of the balance to the credit of the Fund.

Limitation.

16A. (1) Subject to subsection (2), the Minister of Finance may, on the recommendation of the Minister, credit to the Fund out of the Consolidated Revenue Fund such amounts not exceeding in the aggregate one hundred and fifty million dollars as are from time to time required by the Board under agreements entered into pursuant to paragraph (d) of subsection (1) of section 9.

Payment out of Consolidated Revenue Fund.

(2) No amount may be credited by the Minister of Finance to the Fund under subsection (1) in respect of programs or projects described in an agreement entered into under paragraph (d) of subsection (1) of section 9 with a province or agency thereof, unless the agreement has been approved by the Governor in Council."

Approval of agreements.

(2) For the purpose of section 16A of the said Act as enacted by this section, all amounts credited or charged to the

Atlantic Development Fund pursuant to section 16 of the said Act before the coming into force of this Act shall be deemed to have been credited or charged, as the case may be, to the Atlantic Development Fund pursuant to sections 16 and 16A of the said Act as enacted by this section.

Appendix V

MEMBERS OF THE ATLANTIC DEVELOPMENT BOARD 1963-69

<i>Name</i>	<i>Address</i>	<i>Date of Initial Appointment</i>	<i>Expiration Date</i>
Brigadier Michael Wardell (Chairman, Jan. 24, 1963-Aug. 2, 1963; Vice-Chairman, Aug. 6, 1963-Jan. 24, 1965)	Fredericton, N.B.	Jan. 24, 1963	Jan. 24, 1965
Frank H. Sobey (Vice-Chairman, Feb. 2, 1963-Aug. 6, 1963)	Stellarton, N.S.	Jan. 24, 1963	Jan. 24, 1967
Melvin J. McQuaid, Q.C.	Souris, P.E.I.	Jan. 24, 1963	Dec. 15, 1965
Donat Lalonde	Moncton, N.B.	Jan. 24, 1963	Sept. 12, 1963
Fred W. Ayre	St. John's, Nfld.	Jan. 24, 1963	Jan. 24, 1967
Ian M. MacKeigan, Q.C. (Chairman, Aug. 2, 1963-Jan. 24, 1969)	Halifax, N.S.	Aug. 2, 1963	Jan. 24, 1969
Albert M. Martin (Vice-Chairman, April 6, 1965-Jan. 24, 1969)	Corner Brook, Nfld.	Aug. 2, 1963	Jan. 24, 1969
Robert C. Eddy	Bathurst, N.B.	Aug. 2, 1963	Jan. 24, 1969
Carl F. Burke	Charlottetown, P.E.I.	Aug. 2, 1963	Jan. 24, 1968
Captain Maxwell Burry	Glovertown, Nfld.	Aug. 2, 1963	Jan. 24, 1968
Stephen A. Dolhanty	Glace Bay, N.S.	Aug. 2, 1963	Jan. 24, 1968
Armand H. Cormier	Moncton, N.B.	Sept. 12, 1963	Jan. 24, 1967
Dr. Stephen Weyman	Saint John, N.B.	Jan. 24, 1965	Oct. 14, 1966
Neil R. MacLeod, Q.C.	Summerside, P.E.I.	Jan. 7, 1966	Jan. 6, 1969
Joseph A. Likely (Vice-Chairman, Feb. 7, 1969-March 31, 1969)	Saint John, N.B.	Jan. 31, 1967	Mar. 31, 1969
Simon L. Bujold	Moncton, N.B.	Jan. 31, 1967	Mar. 31, 1969
C. Arnold Patterson	Dartmouth, N.S.	Jan. 31, 1967	Mar. 31, 1969
Calvert C. Pratt	St. John's, Nfld.	Jan. 31, 1967	Mar. 31, 1969
Maurice J. Quinlan	St. John's Nfld.	Feb. 15, 1968	Mar. 31, 1969
Michael S. Schurman	Summerside, P.E.I.	Feb. 15, 1968	Mar. 31, 1969
Harry H. Smofsky	Bridgetown, N.S.	Feb. 15, 1968	Mar. 31, 1969

