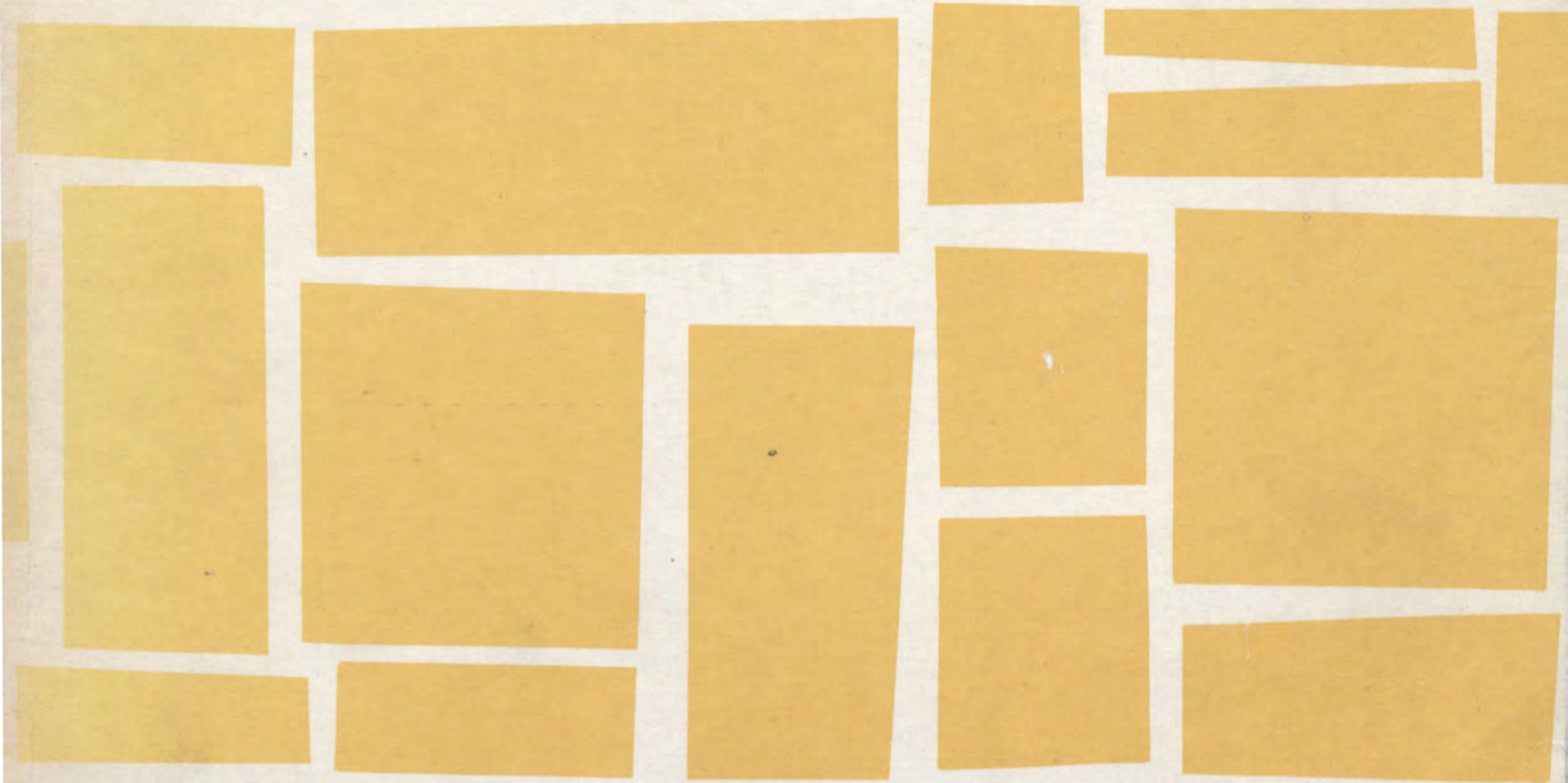


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JOB CREATION IN RURAL CANADA

SEVENTH REVIEW



1978



CANADIAN COUNCIL ON RURAL DEVELOPMENT

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The Honourable Marcel Lehoucq, M.C.
Minister of Regional Economic Expansion
Ottawa, Ontario

Dear Mr. Leonard,

JOB CREATION

I have the honour of submitting to you the Seventh Review of the
Canadian Council on Rural Development IN

It is hoped that this RURAL CANADA encourages a serious examination
of the policy issues recommended to increase the scope of employment and the
quality of life for people in rural Canada.

Yours sincerely,

James A. Abramson

James A. Abramson
1978

Seventh Review

Canadian Council on
Rural Development

Ottawa 1978

The Honourable Marcel Lessard, M.P.
Minister of Regional Economic Expansion
Ottawa, Ontario

Dear Mr. Lessard,

I have the honour of submitting to you the Seventh Review of the Canadian Council on Rural Development.

It is hoped that this review will encourage a serious examination of the policy issues recommended to increase the scope of employment and the quality of life for people in rural Canada.

Yours sincerely

Jane A. Abramson

Ottawa
April 1978

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FOREWORD

The Canadian Council on Rural Development (CCRD) advises the Honourable Marcel Lessard, federal Minister of Regional Economic Expansion (DREE), on policy issues concerning rural development and adjustment in Canada. It is entirely non-governmental in its composition. It has representatives of 20 national voluntary organizations and 10 individual members with regional and rural development expertise.

In this Seventh Review, the CCRD focuses on the problems of rural unemployment and underemployment and identifies resources and opportunities that could increase the number of jobs available to rural Canadians. To open up these jobs, it suggests that certain economic values and assumptions should be changed to encourage a locally-based development approach, with emphasis on community involvement and suitable-scale development.

The review has been prepared by the active participation of a committee of the Council composed of Jane Abramson, William Jenkins, David Kirk, David Love, Gavin Henderson, and staff member M. Jalaluddin. Other members of the Council have also made significant contributions through their constructive criticisms and suggestions. The review also embodies the inputs made by the local development groups in rural areas during the CCRD meetings in places such as Tracadie and Alma in 1977. The CCRD acknowledges these contributions.

It is the intention of the CCRD to follow up the issues raised in this review through seminars and joint meetings with rural people.

I. INTRODUCTION

The Canadian Council on Rural Development (CCRD) periodically prepares a review of an issue of major importance in rural and regional development to assist government agencies concerned with regional and national development in formulating their policies.

In this Seventh Review, the Canadian Council on Rural Development argues for a higher priority for job creation and job retention in rural Canada, as an important element of government policy for economic development. The justification for such a policy, the Council believes, is derived from the basic needs and aspirations of a significant proportion of the Canadian population; the social and economic costs of unemployment and underemployment among these groups; and the need to preserve, in rural Canada, effective social systems that benefit the entire national economy.

The Council also considers that the vast and rich renewable physical resources of productive agricultural land, forests, fisheries and the aesthetic and spatial value of rural space for leisure activities, provide many opportunities for job creation that have not been fully exploited. Further, these resources demand an extensive use of manpower to protect and develop their long-term productivity and value. Finally, the Council submits that, to a significant extent, the problems of rural Canada related to unemployment and underemployment are a product of public policies. These policies can be altered to sustain an acceptable way of life for larger numbers of people.

This review does not provide specific remedies for unemployment in rural Canada. It does, however, make some recommendations that would contribute to more effective ways of dealing with rural unemployment and other related problems. It argues for setting new goals for the creation and retention of jobs in rural Canada; examines existing public policies and programs in the context of these goals; and expresses the belief that innovative plans for action can be devised and adapted to the characteristics of particular regions and sub-regions to achieve these goals.

II. THE CONTEXT FOR RURAL JOB CREATION

Before discussing the potential for rural job creation, it is necessary to state some of the conditions which affect rural unemployment, as well as some of the assumptions made in this report.

First, there should be no misunderstanding about the essential interconnection between rural and urban Canada. The CCRD recognizes that rural unemployment cannot be solved independently of national unemployment, if only because of population mobility and its function in labour force adjustment.

Second, national unemployment is related in turn to the international scene and current global slowdown in economic activity. At the same time, industries in Canada are facing increased competition from both developing countries and advanced industrial countries such as Japan and the United States. Because of such competition, retention rather than creation of employment in sectors such as fish processing and mining, has become a major problem.

In Canada, current unemployment is related to a lack of competitiveness in international markets, as well as to a lack of resource and industrial development to maximum possible levels. In the forest industry, textile industry (much of which is located in the Eastern Townships of Quebec), sectors of the mining industry (which are also for the most part based in rural areas), and in grain and livestock production, Canada faces marketing problems that are largely related to our international competitive weakness. It is evident that the rural economy, like the urban economy, is much affected by international competition and trade. In turn, a decline in the exports of primary products affects the entire national economy, since these have made the most positive contribution to the balance of international trade.

Third, there are no easy or obvious solutions to either national or rural unemployment. Any assumption that governments can overcome the difficulties simply by increased spending (the popular interpretation of Keynesian analysis), ignores the complexities of the systems involved. A crucial test of government action must be its impact on the competitiveness of private industry. More employment has to be created, but in ways that will not encourage inefficiency and waste. Ad hoc projects that are simply substitutes for welfare transfers can reduce the incentive to accept productive employment with similar benefits and such projects, if jointly funded by local governments, may interfere with the rationally-planned development of an area.

As the following sections will show, there is also an urgent need for government programs to encourage long-term social and economic development of rural areas through improved management of resources, better education and training, and the development of appropriate

technologies. Although much of the solution to Canadian economic problems must be found by improving the competitive position of industry by more efficient methods, the CCRD believes that concurrent attention must be given to the negative effects which modernization and rationalization of industry will have on large numbers of rural Canadians.

During a transitional period, investments should be made in subsidizing the labour of underprivileged groups which lack training and experience. Such groups include rural youth, women and persons of Native ancestry, among whom unemployment rates are currently the highest. Though technological change is essential and inevitable, workers directly affected by changes must not be the only ones expected to carry the burden of financial, psychological and social costs, especially when these changes lead to unemployment. Otherwise, individuals and unions will resist change and perpetuate practices which inhibit necessary adjustments.

An obvious step to increased efficiency would be to encourage the restructuring of inefficient industry and the retraining of the workers involved. However, in the past, there has been an undue reliance on government and government intervention to solve the problems of economic disparities in sub-regions of the country. The CCRD believes that the solution does not require massive expenditures of money as much as increased emphasis on self-help and local initiatives.

No matter what steps are taken by governments, the values, attitudes and expectations of rural people will play an important part in any program directed toward revitalization and job creation in rural Canada. If rural people become progressively demoralized and alienated because of a lack of responsiveness on the part of governments to their needs; if rural people are subjected to repeated discontinuities and changing directions in government policies and programs; or see no tolerable future for themselves or their children in rural Canada; they will have little will to invest their money or energies in future-oriented enterprises. The growing alcoholism and crime in rural areas, the decline of institutions such as the family, church and cooperative self-help are concrete evidence of such attitudes.

The brighter side of the picture, however, is the strong, undefeated response of the many rural people who meet with the CCRD across Canada. Wherever we hold meetings, we find people in rural Canada who believe there is potential for economic development and job creation in their areas. Moreover, they frequently want relatively small-scale assistance from government to carry out their plans. Here is an enormous fund of optimism and energy which matches the richness of Canada's

physical resources. Community or public initiatives in small-scale developments to create local employment and meet local or regional needs are increasing in Canada, and some examples of these are discussed in this review. Canadians are committed to work. They have a strong motivation to work. They work not only because they have to, but because they want to¹.

¹M. Burstein, J.R. Tienheare, P. Henson, B. Warrande. Canadian Work Values - Findings of a Work Ethic Survey and a Job Satisfaction Survey. Dept. of Manpower and Immigration, Ottawa, 1976.

III. BASIC POLICIES THAT AFFECT RURAL JOB CREATION

There exists a range of policies at all levels of government and the private sector that could contribute to the growth of employment and income opportunities in rural Canada. This review does not attempt to develop a comprehensive list of these, nor to explore in any detail those mentioned. However, it does raise the following issues, or principles, with a view to stimulating examination of whether, and how, current policies affect rural employment and unemployment.

Induced Outmigration from Rural Areas

Canadian government policies relating to a reduction of regional disparities have frequently encouraged or attempted to induce out-migration of rural people and their relocation in urban centres. It may be true that such measures reduce unemployment in rural areas by transferring those who are unemployed or underemployed to urban areas. However, it is doubtful at present whether the problems of many rural migrants, particularly those ill-equipped for urban labour markets, can be solved in this way. Moreover, there is much evidence to show that depopulation of the hinterland has an unfavourable effect on employment and income in rural villages and towns that depend on the patronage of people living in the hinterland. Growth of employment, in service industries in particular, will depend upon an increase in population through the retention of young people and the redistribution to rural areas of population and industries from metropolitan areas and large cities.

Also, induced out-migration from rural Canada often tends to "cream-off" the most enterprising and highly trained members of rural communities, thus reducing the general ability of the communities to change or undertake new and viable development projects.

Scale of Enterprise

Many Canadian policies, at both the federal and provincial levels, have favoured the development and support of large-scale, in preference to small-scale, enterprises. In agriculture, for example, such policies have led to an increase in the size of farms, adoption of expensive farm machinery and a requirement for sophisticated farm-management skills. In turn, this has resulted in a decline in the need for farm labour. Similar trends can be observed in other resource-based industries such as forestry and fishing. Government incentive and support programs for industry, which may apply criteria pertaining to job creation, nonetheless have often been more accessible to large-scale enterprises than to small. Large projects usually require capital which must be supplied by an external entrepreneur, who subsequently exports the profits from the area. Machinery and supplies must also be obtained from manufacturers and distributors outside the area. Sometimes the more highly trained labour is also imported, so that employment opportunities for residents of the area may be

primarily during a construction phase or limited to unskilled or semi-skilled jobs which do little to solve the problem of underemployment.

Large-scale enterprises have potentially unfavourable effects on the environment and on the social and economic institutions and systems of the development area. These may be disruptive, causing negative effects on the traditional society. Recent attention to small-scale enterprises² that emphasize local initiative, low capital, use of locally available skills and materials and concern for long-term environmental protection, shows that they can be as efficient as large-scale enterprises³, while contributing more to job creation for rural residents. As recommended for northern development by the CCRD and by the Science Council of Canada, a policy of mixed development of large and smaller local projects would significantly contribute to job creation in areas of rural Canada⁴.

Protection of Secondary Industry

Protection of manufacturing industries tends to raise costs of production for primary producers, the majority of which operate in rural areas. Freer trade in manufactured goods would improve the international competitive position of rural industries - agriculture, forestry and mining - and make smaller enterprises more viable. The federal Task Force on Agriculture⁵ urged the Canadian government to take initiatives to reduce tariffs on agricultural products and to subject other sectors of the Canadian economy to increased foreign competition. "If other sectors of the Canadian economy have not made the adjustments necessary to become competitive, then it is time they are helped to do so by the pressure of competition."

While the elimination of tariff barriers should be the long-term aim of Canada, it must be realized that specific regions and sectors may require protection during an adjustment period. Furthermore, any tariff policy should have equitable impacts on the urban-based and rural-based economic activities.

²E. F. Schumacher. *Small is Beautiful, A study of economics as if people mattered.* London, 1974.

³Barry A. Stein. *Size, Efficiency and Community Enterprise.* Centre for Community Economic Development, Cambridge, Mass., 1974.

⁴Science Council of Canada. *Northward Looking: A Strategy and a Science Policy for Northern Development.* Report No. 26, Ottawa, August 1977. CCRD. *Fifth Annual Review - Commitment to Rural Canada.* Ottawa, 1973. CCRD. *Sixth Annual Review - A Development Strategy for the Mid-North of Canada.* Ottawa, 1976.

⁵Task Force on Agriculture. *Canadian Agriculture in the Seventies.* Ottawa, 1969, p. 59.

Commitment to Full Employment

In the many existing programs to assist industry, encourage entrepreneurship, and improve the quality of labour and management throughout Canada, there is evidence of the concern and efforts of governments to create conditions which foster employment. However, there is presently no commitment to a policy of full employment nor to the right to work for all who are capable of doing so. In part, this may be because job creation has been seen as a by-product of industrial and commercial activity and not as a high-priority goal in itself. Policy choices favouring big, capital-intensive enterprises, automation and mechanization, and immediate high-yield resource-use at the expense of long-term resource management, have caused a steady loss of employment in primary industries. In addition, such choices have resulted in disintegration of rural social and economic systems and erosion of the very resource base which supports the economy.

In the context of social justice, the people of Canada who suffer the highest unemployment rates - the young, women, persons of Native ancestry, and unskilled workers - are demanding that governments place a high priority on a policy of full employment; a priority which may conceivably take precedence over their demands for higher incomes, at least during the periods of high unemployment. As we have discovered in earlier depressions, having a useful work-role and the ability to be self-supporting is a basic human need, required to support a sense of self-worth.

Access to Information

One of the striking and common findings at the CCRD joint meetings with local people in various parts of rural Canada is that there is a very low level of knowledge among rural people regarding the job creation or business assistance programs of governments. The lack of a comprehensive central source of information and the lack of effective coordination among government agencies often create a frustrating situation for a rural person seeking help as an entrepreneur, a farmer or a job seeker.

One effective way of providing coherent and complete information to rural people is through local development associations or local governments. In Alberta, the province helps local municipalities or community associations to employ a resource person who is knowledgeable in government programs. This appears to be successful in providing to rural people a complete range of information on government programs. At the same time, valuable feedback is obtained from them on community needs. The Resource Exchange Project in Middleton, Nova Scotia, is achieving significant success in providing public information on a regional and local basis. The enterprise operates with some government assistance.

Regardless of the appropriate mechanism, the CCRD wishes to stress the need for a single delivery system to provide information, on a local basis, on training and employment opportunities, business grants and loans and other matters pertinent to an individual making efforts to establish or re-establish himself.

Education and Training for Development

The CCRD has consistently held the view that local people are a vital resource in the sustained economic development process of rural areas. The education and the skill levels of rural residents are generally below those of the urban people. Lack of qualified entrepreneurs and managers in rural areas is a hindrance to the sustenance and promotion of economic growth in these areas. The less favourable opportunities for education and training available to rural Canadians must be ameliorated by both long-term efforts in the educational system and short-term remedial measures to enable them to benefit from the emerging economic opportunities, such as the pipe-line construction.

Surveys undertaken by the Canada Employment and Immigration Commission indicate that the problems most frequently faced by young job seekers are related to the lack of specific skill, lack of training and insufficient education⁶.

The special nature of the rural economy and the need for appropriate training and adjustment require flexible manpower programs to provide effective counselling and training and to reach out to the most disadvantaged. The predominantly male orientation of manpower programs and the lack of supportive functions for women must also be corrected.

Planning, Coordination and Decision-Making

Rural poverty and rural unemployment are complex, large-scale issues that involve a multitude of resources, institutions and approaches. They require new values and commitments more appropriate to transforming the planning and decision-making environments in the regions. The CCRD has consistently emphasized the need for a large measure of decentralized decision-making and a coordinated planning approach, based on local needs and preferences, to bring about a satisfactory level of employment and income in the rural areas. A multiplicity of programs emanating from many government agencies in uncoordinated ways often have contradictory objectives - some leading to rural enrichment; others to rural depopulation.

⁶Canadian Work Values.

DREE must be able to provide the needed coordination so that a coherent and integrated development approach can be adopted for rural Canada. The Minister of Regional Economic Expansion should begin this very important process of coordination at the Cabinet level by persuading his colleagues to promote developmental attitudes within their departments and to provide cooperation and assistance in all stages of planning, program formulation and implementation.

The introduction of essentially urban-oriented and capital-intensive activities into the lagging regions is no guarantee that the root causes of regional disparity will be positively affected. Instead, the solutions seem to rest in a reassessment of the basic interests and abilities of rural residents; in the extension and transformation of indigenous labour-intensive regional activities; and in the introduction of complementary new ones. Such a change in our norms and the planning approach would enable us to view the problems of regional disparity and the declining state of the rural hinterland in a different way⁷. The objectives, with respect to regional development, would not be simply employment, but what kind of employment; not simply new industries, but selective and integrated industrial activities; not simply training and educational opportunity, but education and training to support the rural way of life.

⁷Michael Chevalier, Leslie Bailey and Tom Burns. "Towards a Framework for large-scale problem management". In Human Relations, Vol. 27, No. 1, 1974.

IV. THE NEED FOR A HIGHER PRIORITY ON JOB CREATION IN RURAL CANADA

During the last few years, rising unemployment in most parts of Canada, accompanied by rapid inflation, has had particularly serious consequences for rural Canadians. After World War II, rapid growth in the major cities provided employment opportunities during two decades for many Canadians of rural origins, who were unable to find employment or to achieve an acceptable level of living in areas where the economic base was agriculture, forestry or fisheries. Now, high unemployment in cities, the increasing costs of social services and the social problems of rapid urban growth and dense concentration of population, make urban migration a far less effective or efficient solution to rural unemployment and underemployment. At the same time, workers in primary industries are currently confronted with rapid inflation in the costs of production and in the cost of living, while increased competition in world markets has created widespread unemployment in Canada's mining and forestry industries.

Population Mobility and Emerging New Rural Scenes

The priority that is given to rural versus urban job creation depends, among other things, on how we define "rural" and consequently how many rural people we can count. Statistics Canada limits the rural population to those living on farms and in places with fewer than 1 000 residents. This definition has been in use since the 1871 census and is continued today largely because a change would introduce discontinuity in the study of trends. However, many authorities would concede the need for a definition which would more accurately reflect the different concerns and socio-economic characteristics of people and places outside the urban-industrial orbit. Recent analytical studies by D'Costa⁸ and Parenteau⁹ indicate that, although it is difficult to draw a sharp line between them, the characteristics of rural and urban populations meet and overlap somewhere around the population centre of 8 000 - 10 000 people. This, of course, depends on a region's settlement pattern and the distance of a place from other larger centres and therefore on the kinds of services a village or town must provide for the people living in the surrounding area. According to the new typology and definition of urban and rural milieu proposed by Parenteau, the 1971 rural population of Canada would increase by some three million people, from 5.2 to 8.2 million. Such a change would undoubtedly transform the political importance and the priority to be placed on job creation in rural, as compared with urban Canada, among regional and national development agencies.

⁸R. D'Costa. "Socio-demographic characteristics of the population by Community Size". Prepared for CCRD, 1977.

⁹R.F. Parenteau. "Typology of Canadian Population Problem and Application". Unpublished M.A. thesis, University of Ottawa, 1976.

The CCRD strongly feels that DREE, as a major development agency, should take the initiative, together with the CCRD, in further studying the question of the definition of "rural" and discuss the definition with federal and provincial agencies using rural data, with a view to suggesting a better demarcation of rural area for the 1981 and subsequent enumerations.

Expectations about the future also affect priorities in development planning. During the 1960s, the massive migration of rural people to larger urban centres was viewed by many specialists in development planning as an inevitable and irreversible consequence of the economic processes favouring centralization of both industry and population. The economic development problems of rural areas were seen largely as a need for further modernization and more efficient use of physical resources. The federal Task Force on Agriculture, reporting in 1969, foresaw a continuing drastic reduction in farm population which "would shift the balance of power among farmers, consumers and taxpayers"¹⁰. During this time it was common to read predictions that increasing numbers of Canadians would be concentrated in fewer metropolitan centres extended in a continuous zone of dense population.

Recent trends show that new forces are at work to revise our view of the future distribution of population. From 1966 to 1971, half of the 22 metropolitan areas in Canada lost more people through migration within Canada than they gained. In all cases, to a greater or lesser extent, this was offset by international migration. However, in view of the dropping birthrates and limitations in international immigration that came into effect in 1977, some of these cities might soon begin to experience stable or declining populations. Meanwhile, during the latter half of the 1960s, the rate of decline in farm population slowed and the rural non-farm population which had declined at an average annual rate of -0.5 per cent between 1961 and 1966, began to climb at an average annual rate of 2.2 per cent during the second half of the decade¹¹. Over the same period the distribution of growth in towns and cities was uneven. Gerald Hodge showed that while towns and villages of all sizes grew from 1961 to 1971, centres with 5 000 to 10 000 population grew by 62 per cent, while metropolitan areas grew only by 28 per cent¹². Indeed, many small centres near

¹⁰Canadian Agriculture in the Seventies.

¹¹Jane A. Abramson. "Current dynamics and trends in population mobility and their implications for social welfare". People and Places, Social work, Education and Human Settlement, International Association of Schools of Social Work, New York, 1977, pp. 84-103.

¹²Gerald Hodge. "There's a Small Town in Your Future". A paper submitted in the Conference on Urban Environment, Edmonton.

metropolitan areas are growing rapidly because of outmigration from the metropolitan urban core¹³.

Recent studies in the United States show that after a prolonged population decline since 1970, the rural areas have been growing faster than the urban areas. The growth has not been only in counties adjacent to metropolitan areas, but also in unadjacent counties, in which less than 10 per cent of the residents commute, and indeed in entirely rural counties that contain no town of 2 500 or more inhabitants¹⁴. There are many instances of new growth in Canadian villages and small towns that suggest a similar trend in Canada.

Thus it seems that many factors are combining to change the direction of population flow in such a way as to revise the expectation of continuing growth in size and social importance of metropolitan areas and their suburbs at the expense of continued decline of places outside their orbit.

Unemployment in the Rural Milieu

How serious is unemployment in rural as compared with urban Canada? This question cannot be answered with any precision. Provincial and national unemployment rates are generally not considered to reflect the true seriousness of the rural unemployment and underemployment rates for a number of reasons, including:

- 1) the small size of the rural portion of sample surveys;
- 2) the fact that these surveys do not adequately reflect seasonal variation in employment, and
- 3) the hidden unemployment among those who regard it as futile to continue looking for employment in areas where job openings are extremely scarce (particularly for certain groups in the population such as women and Native persons).

Thus an urban-industrial bias in our data and information systems for monitoring unemployment leaves us with little knowledge about the true extent and nature of rural employment and unemployment. To develop effective local employment strategies, planners must have reasonably current and accurate data on a small-area basis with respect to labour force and its changing structure; level of education and training; local occupational pattern and employment, including seasonal and part-time employment; extent of unemployment and underemployment; local business activities and characteristics of local markets.

¹³Leroy O. Stone. Some recent demographic trends that relate to regional policy problems. Ottawa, 1977.

¹⁴Calvin L. Beale. "A Further Look at Non-Metropolitan Population Growth since 1970". American Journal of Agricultural Economy, Dec. 1976. Also Current Dynamics and Trends in Population Mobility.

The Council feels that DREE will continue to experience serious bottlenecks in its encouragement of regional and rural development unless it can devise, with Statistics Canada and other agencies, mechanisms for collecting and analysing data on a small-area basis. DREE's regional or provincial offices should also undertake projects on a continuing basis to collect socio-economic data that are available on sub-regional or local bases from different sources. In all DREE's programs (ARDA, GDAs and sub-agreements), there should be built-in mechanisms for collecting information, not only on program effectiveness, but also on the changing needs and priorities of local people. A competent, balanced and sustained data package on human and non-human resources on a local basis must be the goal of data collection agencies.

In an effort to utilize current data to attain some understanding of the relative extent of unemployment in smaller places, special tabulations of Labour Force Survey data were obtained by the CCRD from Statistics Canada for 1976, comparing labour force and employment characteristics in population centres of 15 000 or more people with those in rural areas. While this is not consistent with the definition of "rural" discussed earlier, this break between smaller and larger places at 15 000 was already incorporated in the Statistics Canada data processing system. The details of analyses in terms of labour force, employment and unemployment by regions and industries for 1976 are shown in tables 2 and 3 Appendix A. They clearly indicate that generally high unemployment levels bear more heavily on people living in the rural milieu.

Other Features of Rural Manpower and Economic Activity

One of the features now evident in rural Canada is the high rate of increase between 1961 and 1971 in the number of rural non-farm wage and salary earners and the concurrent high rates of increase in the proportion in the low-income group. A recent CCRD study analyzing changes in small areas of eastern Canada¹⁵, indicates that only five of 58 selected census divisions showed a decrease in the number of rural non-farm wage earners, while 34 showed a rate of increase higher than the corresponding provincial rate. Similarly, only two census divisions showed a decrease in the female rural non-farm wage earners, while 27 showed rates of increase higher than the corresponding provincial rate. Further, in the 58 census divisions that were analyzed, the non-farm wage earners in the low-income bracket increased from 238 000 (41 per cent) in 1961 to 453 000 (48 per cent) in 1971.

¹⁵CCRD. "Analysis of Change in Economic and Social Disadvantage in Rural Areas of Eastern Canada". Ottawa, 1976.

Although farm incomes showed increases during the prosperous years of 1972 to 1975, during the last two years the net income of many farmers has declined steeply and there are still many whose net income would be classified as low in comparison with the national average. Indeed, if one takes an annual farm family income of \$5 000 to \$7 000 (from farm and non-farm sources), as low by current standards, there would be in Canada at least 100 000 farm families who are small, low-income farmers¹⁶.

New part-time and seasonal job opportunities should be created in rural Canada to protect essential primary production from decline by providing supplemental income to workers in these industries. Many people living in areas with predominantly primary industries build a way of life based on a combination of income-producing activities.

Farmers with less than \$5 000 gross sales, operationally defined as small or marginal farmers, find it difficult to provide an acceptable family income unless they have opportunities for part-time employment in non-farming activities in the area, or in the nearby towns. In Ontario, the majority of small-scale farmers participate in off-farm work. In the 1971 census, some 57 per cent of small-scale farmers had limited farm income or lost money farming, as compared with about 30 per cent of commercial farmers. Despite this difference, the comparative average total incomes were respectively \$5 600 and \$6 400. Thus off-farm employment, in a permanent or temporary situation, is a major and successful form of supplementing low farm income, and of shifting redundant labour resources out of agriculture¹⁷. Processing occupations (factory jobs), accounted for most off-farm work days (29 per cent), with the second highest recorded in construction trades (13 per cent).

These examples and statistics, though inadequate and potentially controversial, serve to illustrate that high, almost critical, levels of unemployment and underemployment prevail in rural Canada. Varied and viable job opportunities must be created in and around the rural communities to provide stability to these communities. The existence of a large number of low-income small farms indicates that any farm adjustment program to enhance farm income would increase low-income non-farm population in rural areas. The CCRD believes that planning for rural development and job creation should be made on a comprehensive basis and in a wider context, to include rural towns and small urban centres which provide services to, and draw human resources from, the surrounding rural hinterland within commuting distance.

¹⁶K.J. MacKenzie and others. "A discussion paper on Small Farm Development Program". Prepared for the National Small Farm Development Program Advisory Committee, May 1976.

¹⁷G. Stock. "Off-farm work by Small Scale Farmers in Ontario". Proceedings of the First Rural Geography Symposium, University of Guelph, 1975.

V. FEDERAL EFFORTS IN JOB CREATION

Historical Perspective

In the late 1950s, the federal government began to initiate employment programs for people living in depressed rural areas. From these early efforts and experiences it was apparent that more comprehensive and integrated approaches were required. The Agricultural and Rural Development Act (ARDA) came into being in the early 1960s as a means of encouraging more productive and efficient resource use in rural areas, where people were suffering from low incomes and high levels of unemployment. At about the same time, industrial development assistance was being provided through another program aimed at area development. The special problems of the Atlantic Region were recognized in the establishment of the Atlantic Development Board. The need for new industrial skills and employment information systems gave rise to the creation of a manpower department. Commercial farmers' needs were met through Farm Credit Corporation loans, and low-interest loans were available to farmers, fishermen and small businesses through the Department of Finance.

The ARDA program became an important vehicle for federal assistance in depressed rural areas. It included measures for rural adjustment to help people to move from marginal farms; consolidate small farm units; provide community pastures and soil and water conservation and research. From a human resources point of view, the emphases were on retirement of older farmers, transfer of surplus labour to urban centres and increasing the productivity of younger farmers. Program experience and continuing needs for rural assistance led to two subsequent thrusts.

The first was a continuation of the ARDA program and its re-definition to meet different kinds of rural needs on provincial and regional bases. This has resulted in the community-development-oriented ARDA III program in Newfoundland, the more traditional rural-adjustment resource-management approach in Ontario, and Special ARDA for local enterprise assistance to Native people in the prairie provinces.

The second thrust was through the creation of the Fund for Rural Economic Development (FRED) in 1966. It was designed to facilitate the planning and implementation of comprehensive economic and social development programs in selected geographic areas. This approach recognized the need to go beyond agriculture to include the whole resource base, as well as the development of infrastructure, processing, manufacturing and service industries. While ARDA achieved a considerable measure of informal program coordination, FRED was the first vehicle through which major efforts were made to coordinate the delivery of government services on an area basis, including research and planning, resource-sector assistance, federal and provincial manpower service, and industrial assistance. While the FRED program did

not act as a generator of a substantial number of new employment opportunities, it provided new options to rural residents through skill training. This enabled them to take advantage of new job opportunities at home and elsewhere.

When DREE was established in 1969, there was a major philosophical and program shift, from comprehensive resource development to the urban concept of "growth centres" and "special areas". Growth centres were urban areas in lagging economic regions which were perceived to have potential for economic growth, if they were given the necessary capital investments in infrastructure development and financial incentives to attract industries. "Special area" grants followed a similar pattern in selected areas, where there appeared to be a significant resource development opportunity. While many urban areas acquired much needed new infrastructure under the growth centre approach, the impacts of any success in generating new employment opportunities were certainly not generally apparent to the rural people, who are in the greatest need.

As early as 1969¹⁸, CCRD expressed pessimism at the industrial - urban approach to development and pointed out the hazards inherent in such policies for rural development. To identify industrialization of growth centres with regional development is a vast over-simplification. In many parts of Canada, the real opportunity for growth exists in the primary-resource sector - in the agriculture, forest, mining and fishing industries. The CCRD urged the federal government to make a policy commitment to comprehensive redevelopment and revitalization of rural Canada; to ensure not only an increased level of social and economic growth to Canada as a whole, but also a self-reliant rural economy based on developmental opportunities, scale of enterprise and the degree of technology which the rural people can support and sustain¹⁹.

Federal government recognition of the need for a comprehensive approach to development has led to the creation, since 1974, of General Development Agreements (GDAs) with provision for sectoral sub-agreements. These agreements are designed to enable both levels of government to marshal all available resources to meet provincial and local priorities. From the point of view of helping rural people in dire economic circumstances and in danger of losing their valued lifestyle, the most far-reaching and promising sub-agreement yet signed is the type known as the western northlands agreement.

¹⁸CCRD. Third Report and Review - Rural Canada 1970: Prospects and Problems. Ottawa, 1969.

¹⁹CCRD. Fifth Report and Review - Commitment to Rural Canada. Ottawa, 1973.

Like the FRED program, basically it provides for a comprehensive approach to development. However, it is more community and socially oriented, like the Newfoundland ARDA III program. This long-term approach is based on simultaneous investments at the community level in social capital, such as education and training, community infrastructure, and resource development. It broadens access to government programs for the area and its inhabitants. The CCRD believes that this basic approach has the potential to achieve viability of the rural communities in the western northlands and to provide a reasonable measure of economic and social well-being for rural people in that region.

However, not all sub-agreements are conceived in such a comprehensive vein. Indeed, many of the sub-agreements appear to disregard rural needs, particularly social and human development needs. They tend to emphasize infrastructure or industrial development, thus widening the existing gap between rural and urban employment opportunities²⁰.

Role of ARDA and the Need for Program Continuity

In March 1976, the CCRD held a seminar on rural development in which a number of federal and provincial government representatives as well as citizens' groups participated. It was generally felt that ARDA would strengthen the application of the GDAs, inasmuch as it would undertake a specialized or residual role, complementing major sectoral development as envisaged in the sub-agreement. Its complementary role would indeed be essential in the social and human development of rural people and their meaningful participation in programs under the GDAs. ARDA provides, it was felt, a truly participatory planning framework involving local municipalities and local development associations in integrated development of rural resources and opportunities²¹.

The continuity of government is a major issue and cause of concern to rural people. The clients do not understand the rationale for the apparent disruptive changes that occur in criteria, funding, and orientation, or in new names for existing services. Their needs and problems have not changed, nor have their socio-economic circumstances improved substantially. There is a need to bring together positive elements of previous programs and experience, on a continuing basis, to focus on integrated rural development at the community level, at the expense of sector programs and government in-house activity.

²⁰CCRD. "Users' Views on ARDA - Comments and suggestions of the provincial representatives of the Local Development Associations". April 1976.

²¹CCRD. "Proceedings of the Symposium on Rural Development - Experiences of ARDA". April 1976.

In the interest of rural development, DREE should provide for program continuity in the delivery of government services for rural development at the community level. ARDA-type programs have an established name and image and have created certain expectations in rural Canada. Such programs should be retained to maintain program continuity and to assume the following developmental functions:

- provide a framework for comprehensive planning for rural development;
- coordinate the delivery of essential services to communities in rural Canada;
- supplement existing sectoral programs under sub-agreements;
- assist low-income farmers, fishermen and wood-lot operators to improve their operations; and
- increase the employment opportunities for rural women and other disadvantaged groups, such as the Native people.

An example of how the ARDA program can be an effective complementary instrument for job creation in rural areas is provided in ARDA III agreements with Newfoundland. There are two programs of particular interest in this agreement²².

(i) Rural Development Program

Rural Development Associations (RDAs) have been formed across Newfoundland as a means of involving local people in improving social and economic conditions in their communities. Technical, financial and project assistance is available to the associations from government agencies. Each active association has a paid coordinator working on its behalf. There were 36 active RDAs as of February 1976.

²²Atlantic Provinces Economic Council. An Evaluation of the ARDA III Newfoundland Rural Development Program. Its Performance, Effectiveness and Impact. Halifax, 1976.

A survey of 25 associations, to determine the total number of jobs created or improved over about a 2.5-year period, produced the following results²³:

- jobs created	4 460
- jobs enhanced	3 086
- jobs stabilized	1 522
TOTAL	9 068

While RDAs were to report only direct job impacts, some may have reported indirect jobs as well.

In this program, each active RDA receives an administrative grant of \$15 000 per year to hire a coordinator. The coordinators interface with local (ARDA) representatives of the provincial Department of Rural Development, in obtaining contacts and access to other provincial and federal programs. Other ARDA program elements include provision of training; public information; pilot action research; regional project funding; studies and data collection.

(ii) Incentive Grants Program

The incentive grants are a part of "the incentives to rural industries" program, which also includes management training, staff, and evaluation. These incentives are designed to reach small local businessmen, so that they can take advantage of local opportunities in manufacturing, processing, or small rural enterprises in resource extraction. These enterprises would generally be too small to meet Regional Development Incentives Act (RDIA) requirements. The grants cover 50 per cent of the capital cost of the project to a maximum of \$30 000 for modernization or expansion. In some cases, interest-free loans as well as the incentive grants are available from ARDA.

During 1975, about 65 full-time and 210 part-time jobs were created through 31 projects. Most of the projects were in logging, sawmilling, and fishing. In addition, seven management seminars were held. Total expenditures were \$442 800.

A detailed benefit/cost study of 13 small logging firms, for which there are adequate data, showed that 11 were profitable and two were not. Total cost of the projects was about \$212 000. Grants and

²³An Evaluation of the ARDA III. Job created - new jobs.
Job enhanced - marginal job which experienced increased income.
Job stabilized - marginal job reinforced through superior facilities.

interest-free loans amounted to approximately \$165 000, with the remainder covering administrative costs. Fifty-four new jobs in the woods were created as a result. Cost per job to the government, including administrative costs, was \$3 925²⁴.

Industrial Development and Job Creation

The Regional Development Incentives Act is aimed at encouraging private investment in slow-growth regions. The incentives are designed to promote permanent jobs in growth centres of the designated areas by taking advantage of development opportunities associated with an area's resources and activities. Often the opportunities involve backward and forward linkages in processing and manufacturing activities by adding new steps in the chain of activities in a given community. The program, however, is neither adequate nor appropriate to cope with unemployment in rural areas that do not offer large processing or manufacturing opportunities.

Also, the RDIA program presupposes a considerable degree of understanding and experience in all aspects of successful business management - which normally is associated with a strong corporate management team. Corporate forward planning; financing; cash flow analysis; purchasing; market planning and development; plant operation and management; contract negotiations; research and development; personnel training and management, and the ability to deal with bureaucratic procedures and regulations are some of the basic functional needs common in processing and manufacturing establishments. These combinations of sophisticated skills and experience are not easily found in rural areas. Program success must be highly dependent on situations and circumstances.

The RDIA program generates matching private investments and tends to create permanent jobs. However, RDIA fails to achieve a number of desirable objectives. It is not designed to have direct impact on rural areas and disadvantaged groups. The principal reasons why RDIA has not been accessible to local firms in rural areas are:

- (a) RDIA grants are limited to a maximum of 50 per cent of total assets. Many local entrepreneurs cannot provide more than a small fraction of the required equity.
- (b) RDIA grants are not advanced until a project reaches commercial production; thus, small-scale local entrepreneurs face the problem of obtaining interim financing.
- (c) Although RDIA is designed to provide financial assistance only, small-scale entrepreneurs often require assistance in other aspects of business, such as management and marketing.

²⁴An Evaluation of the ARDA III.

- (d) RDIA is not applicable to service industries, such as tourism and recreation development, which provides significant scope for rural job creation.

Special Incentives and Local Enterprise Development

One particular element of the previous Northeast New Brunswick FRED program that is continued under the Canada - New Brunswick subsidiary agreement, is of interest here. It is called "Northeast Development" and is intended to:

- encourage new entrepreneurship; and
- assist in the expansion of very small businesses.

These have been encouraged by providing special incentives to very small enterprises and new entrepreneurs that are not otherwise eligible for assistance under existing programs.

The assistance is in the form of forgivable performance loans. These are interest-free for 50 per cent of approved capital costs up to \$60 000 of new manufacturing or processing facilities, and 30 per cent for expansion, modernization, maintenance, or repair facilities. In each case, the applicant must meet a 20 per cent equity requirement.

Between 1973 and 1977, 53 firms created 348 permanent jobs, at a cost to the government of \$690 000, or about \$2 000 per job²⁵. Total investment generated in the area by this special incentive program is about \$2 million. These achievements are attributed to the kind of administrative approach that has been employed.

- It is decentralized for local decision-making.
- Decisions are made and funds provided with minimum delay.
- Money can be advanced as required because the funds are in form of a loan.

A similar type of pilot program has been initiated in Kent County, New Brunswick, under the Kent County subsidiary agreement, to improve means of increasing employment opportunities. Since April 1976, eight projects have created 77 new jobs at a cost of \$1 800 per job²⁶.

The CCRD would like to see DREE expanding the local enterprise assistance program across rural Canada. This can be best done as a part of ARDA to avoid any confusion, in the minds of the rural people, with industrial-type assistance which they have not been able to utilize effectively.

²⁵Information obtained through discussion with officials of DREE.

²⁶Information obtained through discussion with officials of DREE.

Special ARDA

DREE has also had experience with business-oriented programming in dealing with particularly disadvantaged groups. In the Western Region of Canada, a Special ARDA program was established to create employment, increase incomes and improve living conditions for Native people in rural areas. The major thrust of this program has been the encouragement of economic development projects by providing financial and other business assistance. Commercial undertakings and primary producing activities represent the bulk of the Special ARDA program.

Up to March 1976, \$10 million was committed to the establishment of 152 commercial enterprises under Special ARDA, involving an estimated total employment of 1 202 persons. Primary, secondary and tertiary sector projects are all eligible for assistance. To date, the largest number of projects has been in the tertiary sector (86); while the largest expenditures have been in the primary sector (58 per cent). Problems encountered in securing the required 20 per cent equity and interim financing are considered to be one of the principal barriers. However, the major weakness in the development of these business enterprises has tended to be lack of management skills, rather than financial constraints. Evidently, the program would be more successful if it were teamed with suitable training and counselling support services.

Primary producing activities represent the other major program component of Special ARDA. The purpose of this component is to improve marginal, or sub-marginal, incomes of disadvantaged people, who rely traditionally on the utilization of primary resources for some part of their livelihood. This objective is markedly different from that of the commercial enterprises and permanent employment. DREE has committed about \$4.3 million in 155 grants for primary producing activities, assisting a total of 3 278 persons, primarily in fishing and trapping activities²⁷.

In the symposium held by the CCRD in March 1976, the Native participants recognized that Special ARDA has great potential in developing Native resources and entrepreneurship. They strongly pressed, however, for significant changes in the agreements in order to provide meaningful Native participation in all phases of the program and to eliminate the features which impede satisfactory application of the agreements, for example, equity requirements and interim financing. They also strongly voiced the need for widening the scope of the agreements to include Native people resident in the urban milieu. The CCRD shares these views of the Native people of Canada.

²⁷Information obtained through discussion with officials of DREE.

Some Rural Views of Federal Efforts in Job Creation

The CCRD frequently organizes a joint session with local people when it holds its general meetings in various parts of the country. The local people, while appreciative of the government programs to assist them, nevertheless point to a number of shortcomings. Common criticisms include: undue bureaucratic delay in program delivery; too many regulations and requirements; insensitivity to local needs and problems; rigidity in applying criteria; lack of program continuity, and insufficient funding. These criticisms arise because of the following major inadequacies in federal policies:

- (1) Federal policy lacks commitment to a serious and sustained effort by the federal government to revitalize rural Canada through balanced rural development.
- (2) Federal objectives are usually aimed at achieving a number of ends, which may or may not be consistent with meeting rural client needs.
- (3) Program criteria, constraints and administration are inappropriate for rural entrepreneurs.
- (4) There is a narrow sectoral, rather than comprehensive, approach to local problems and opportunities.
- (5) There is a lack of coordination among development agencies and lack of adequate information on government programs available to the public.

VI. PROBLEMS AND PROSPECTS OF JOB CREATION IN RESOURCE SECTORS

Farming

Technological advance has progressively led to large-scale farming. Private investments have encouraged large farms, smaller farm populations and the substitution of mechanical and other forms of capital for labour in agriculture, and public policies have not been able to restrain these trends. As a result, farm productivity has increased much more rapidly than has the demand for food, and the employment in agriculture in rural communities has progressively dwindled.

Federal policies designed to assist small farmers and make their farms viable were singularly absent from the late 1960s until 1972, when the Canada Department of Agriculture introduced the Small Farm Development Program (SFDP). Under this program, two types of counselling services are offered. The first is directed toward farmers who are leaving the farm either to retire or to pursue other employment. The second is directed toward farmers who wish to improve their income on the farm, with advice on how to improve the efficiency and productivity of their operation. Clearly, the expansion of this program is extremely important to enable small farmers to stay in agriculture and to provide, for part-time farmers, an opportunity to examine alternatives for gainful employment.

The major thrust of the Small Farm Development Program should be to develop family farm businesses which, by themselves or with other part-time sources of income, would provide farmers with incomes that they consider adequate or satisfactory. Intensive cultivation, application of appropriate technology and adequate assistance in the form of grants, credit, training, counselling and information services are essential elements of any policy designed to preserve small farms.

Characteristically, agricultural programs have been directed at the bona fide full-time farmers, or those who are in the process of leaving or entering farming. The widespread practice of part-time farming has only recently been recognized by university researchers and government workers as a continuing pattern of rural adjustment²⁸. Historical data show that while the total number of census farmers declined by more than a quarter of a million between 1951 and 1971, the relative importance of off-farm work increased over the same period.

²⁸ "Part-time farming: Problem of Resource in Rural Development". Proceedings of the First Rural Geography Symposium, University of Guelph, June 1975.

Census Farm Operators Reporting Off-Farm Work

<u>Year</u>	<u>Number of Census Farm Operators</u>	<u>Number Reporting Off-Farm Work</u>	<u>Percentage Reporting Off-Farm Work</u>
1951	623 091	172 092	27.6
1956	575 015	129 633	23.0
1961	480 903	153 675	32.0
1966	430 522	165 723	38.5
1971	366 128	129 287	35.3

Source: Various Statistics Canada Census of Agriculture reports.

The relationship between the number of census farm operators reporting off-farm work, and the number of days worked, is startling. Of the 129 287 operators reporting off-farm work in 1971, 56 per cent of them worked off-farm for 127 days or more, which indicates the importance of off-farm employment in rural areas.

Distribution of Operators by Number of Days
Worked Off-Farm, Canada 1971

<u>Number of Days of Off-Farm Work</u>	<u>Number Reporting Off-Farm Work</u>	<u>Percentage of Total Reporting Off-Farm Work</u>
1 - 24	17 414	13.5
25 - 48	10 971	8.5
49 - 72	9 413	7.3
73 - 96	7 843	6.1
97 - 126	10 776	8.3
127 - 156	7 861	6.1
157 - 228	22 907	17.6
229 - 365	42 112	32.6
	<u>129 287</u>	<u>100.0</u>

Source: Statistics Canada. Cat. no. 96-701, Table 57.

The reasons for the practice of part-time farming are many and varied. They range from a preference for living in the country and working in the city, to an economic necessity to supplement income in one place by earning in another. The central fact is that this pattern has existed for a long time in Canada and will continue to do so. In this context, the need for off-farm employment opportunities is no less real than for other rural non-farm dwellers. For farmers, seasonal and part-time work may often be preferred. From a rural resource utilization and management point of view, part-time farmers are strongly committed to rural living and with their multiplicity of skills, they are inherently well-equipped for any appropriate technology required at the local level.

Forestry

Forests are a major renewable resource from the east to the west coast and almost to the Arctic. Their occurrence and variations have had important and frequently dominant influences on the characteristics and growth of rural communities²⁹.

Forest industries employ approximately 300 000 people in the harvesting, primary and secondary manufacturing of wood and fibre products. An additional 700 000 people are estimated to be in the service and associated enterprises dependent upon wood industries. There is little question that the effect on the local and general economy generated by the forest industries exceeds that of the direct employment which can be attributed to it.

Timber has frequently been regarded and used as an inexhaustible resource in Canada. As a result, much of the Canadian forest has been cut over without proper regeneration of commercial timber crops. There is a great need for improved forest management practices, including the re-establishment of commercial timber on cut-over and burnt-over lands and the removal of trees of undesirable species and poor quality in stands that are now established. These activities would not only safeguard the future of the forest resource, but also they would create a substantial amount of employment in rural areas.

Employment related to forest resources is often more important at the secondary and tertiary manufacturing level than at the primary harvesting stage. The importance of the forest base must be recognized in the various phases of the conversion of its timber to meet human needs, as must the "multiplier effect" on services and related opportunities.

²⁹CCRD. The Relationship of Canada's Forests to Rural Employment and Community Stability. Ottawa, 1978.

A healthy forest industry requires community-based enterprises and a sufficient number of people trained to perform various specialized activities, such as operating forestry equipment, logging, forest management and planting, as well as operating or managing small businesses on a continuing basis.

One area of the forest industry in Canada which requires greater attention from the government is the private woodlot operation. The potential contribution of small woodlots (which are part of the small business and the appropriate technology system), to the creation of local jobs is considerable. The CCRD feels that small woodlot owners should be given greater encouragement, by the government and by industry, to manage their resources for long-term economic and environmental contributions to the rural communities.

The Fishery

To assist the sea fisheries on both the Atlantic and Pacific coasts to achieve a healthy position, the federal government recently re-examined the acute problems which have afflicted these Canadian fisheries. It found that fish stocks most seriously over-fished and depleted by the foreign fishing fleets included those traditionally fished by Canadians.

As a result, a new management policy was designed in late 1974, and implemented on January 1, 1977, when the Canadian government established its 200-mile zone. Within this zone, Canadian fishing interests are protected by volume of fishing, quotas, area and species. The aim is to manage the fisheries from the standpoint of preserving an ecological balance.

In itself, an extended jurisdiction or a better resource does not constitute the solution to all the problems. The future of the fishing industry is also dependent on factors such as markets, the techniques adopted for harvesting and processing, the volume and value of sales and the enforcement of regulations.

The federal government has initiated a new 15-year salmon development program in British Columbia costing \$150 million in the first phase over the next five years. It is aimed at more than doubling the annual production of Pacific salmon in Canada. The program will also cover sea-run trout and is intended to benefit both the recreational and commercial fisheries. In cooperation with the province, planning is under way to establish a range of development projects along the coastline and the spawning and rearing waters of the British Columbia interior. These projects should involve maximum local participation and ensure local employment. Particularly, the Native people living in small communities along the coast should have an opportunity to

become involved in the implementation of the program through a series of community and economic development projects. The projects should be locally managed and designed to provide skills and employment to Native people in or near their own communities.

In the inland freshwater fishery, the emphasis should be on better resource management and the provision of additional skills in support of the fishery, such as maintenance and repair of small engines and examining new processing opportunities. Opportunities for fishermen to fish lakes more intensively on a rotating basis, as a means to increase incomes in remote areas, should also be investigated, as these fishermen remain unemployed most of the time after the fishing season.

The CCRD report on Atlantic fisheries³⁰, predicts that a decade hence may be marked by expansion in both inshore and offshore fishing not only in tonnage but also in overall employment in the Atlantic Region. A focus on employment will predominantly involve decisions respecting the relative size and nature of the fisheries of the gulf, relative to those along the outer coast and on the banks.

Evidence suggests that while we can obtain one job on land for each job at sea on a longliner (and this is a low figure), a given investment in longliners could generate 1.4 times the employment on land as the same investment in a trawler of the traditional type operating on the Atlantic coast of Canada³¹. However, the trawler fishery ensures the continuity of supply and this is essential for the better performance of the industry as competitive resource. In addition, stocks in distant waters can only be harvested by these larger vessels and to catch non-traditional species, such as squid, and silver lake, will require trawlers with freezing and cold-storage capability. A Canadian presence in all of the 200-mile zone is also important.

The CCRD feels that, except in a few locations, there should be no further reduction of employment in the fishing industry. The following measures will help to diversify and improve the employment of local people: more attention to the exploitation of under-utilized fish stocks; the development of multi-purpose boats in additional inshore areas; removal of disincentives to work; further research in aquaculture projects; greater diversification in the industry; and the promotion of fisheries-related opportunities including, for example, import substitution.

³⁰CCRD. The Canadian Atlantic Fisheries in Transition - The Prospects of Generating Employment. Ottawa, March 1977.

³¹Atlantic Fisheries in Transition.

Policies and programs need to take the greatest possible account of local and regional differences. The thrust of policy should be to encourage local initiative, entrepreneurship and managerial ability. Pilot projects, designed to develop good local plant management, will help people acquire more employable skills and thereby offset the tendency to move out of the industry or area because of an inability to take advantage of opportunities.

Tourism and Outdoor Recreation

Socio-economic changes in our society continue to stimulate interest in tourism and outdoor recreational activities in rural areas. Quality and accessibility are key factors today in meeting the demand for open-air, leisure-type activities. The CCRD study on this subject³², indicates that demands from tourism and the recreational industry for rural resources can contribute supplemental income and employment for rural people. Generally, investments in some development of tourism are most effective when they complement or supplement already existing economic activity. In this way, tourist and outdoor recreation development can be a means of expanding the variety and number of income and job opportunities in rural areas. However, in most projects, the number of full-time job equivalents for rural residents is small, relative to the investment required. And the potential exists for interference with productive economic activities and degradation of the environment.

Federal and provincial tourist and recreation agencies will need to include a rural development component in their current policies and programs, if significant benefits of employment and income are to become available to rural people. While the present programs and operational mandates of these agencies have important implications for rural development, their full potential in this sector can only be realized if rural development is seen, at all times, as an integral element of development policies.

In order for local people to benefit from jobs created by tourism-related investments, participation and control should be organized locally wherever possible; local resources should be utilized; and equipment should be owned by local residents. Programs, such as RDIA and ARDA, could be extended to promote a greater degree of local ownership, control and management, as well as supporting services and other infrastructure. Assistance should be geared to local residents' needs, and access to appropriate training in entrepreneurial and managerial skills is essential.

³²CCRD. "Economic Significance of Tourism and Outdoor Recreation for Rural Development". Working paper, June 1975.

Policies and programs to develop tourism in rural areas should be planned to complement and assist, rather than supersede, the development of existing resources, such as agriculture and forestry. Competition for land and resources throughout Canada is becoming acute, and tourism and outdoor recreation, especially, are placing demands that can and sometimes do conflict with the development of other resources. Emphasis on development of major attractions may lessen this conflict. Public initiatives to promote tourism in rural areas should not be at the cost of the development of the traditional resource sectors.

It is essential to involve local people from the very start of the development of a tourist facility, not only to assess the probable social, economic and environmental impacts on the local economy, but also to maximize the economic benefits for rural people.

VII. JOB CREATION THROUGH SMALL BUSINESS DEVELOPMENT IN RURAL CANADA

Importance of Small Business

There are more than one million independent business units in Canada, among which self-owned proprietorship predominates. While 90 per cent of all Canadian companies employ fewer than 200 people each, businesses of this size employ more than 65 per cent of the labour force³³.

Small business, particularly in manufacturing, with fewer than 50 employees, accounted for over 80 per cent of all manufacturing establishments in Canada in 1973 and provided about 17 per cent of the total manufacturing employment. The employment proportion was, however, very substantially higher in some provinces: PEI (68 per cent), Saskatchewan (33 per cent), Alberta (29 per cent), and Manitoba (22 per cent)³⁴. The majority of such small establishments in the Atlantic Region and in Saskatchewan are located outside major urban centres. Even in the remaining provinces, a substantial percentage of small business (30 to 40 per cent), is located in the non-metropolitan areas.

The importance of small business in the economic life of rural Canada is difficult to over-emphasize. In addition to employing large numbers of people, it also contributes to employment stability. Rein Peterson³⁵ notes from his comparisons of large and small businesses that larger firms show wider swings in employment than do smaller ones. Also, small businesses are able to respond more quickly to upswings in the business cycle than are their large counterparts.

In its presentation to the federal government, the Canadian Chamber of Commerce suggests that strengthening existing small businesses and encouraging the formation of new small businesses in towns and villages across Canada, will provide employment for young people who would otherwise move to major urban centres in search of scarce employment. The Chamber also suggests that this approach might be the salvation of smaller centres currently in danger of collapsing

³³Executive Council, Canadian Chamber of Commerce, Submission to the Honourable Len Marchand, Minister of State for Small Business, Montreal, Quebec, July 1977.

³⁴Statistics Canada. Manufacturing Industries of Canada: type of organization and size of establishment. Stats Canada Catalogue no. 31-210.

³⁵Rein Peterson. Small Business, Building a Balanced Economy. Press Procipie Ltd., Erin, Ont., 1977.

if a single large employer ceases operations. The Chamber further points out that encouraging small business:

"... may not necessarily require significant new support programs or initiatives, but rather the rationalization of existing resources and the elimination of certain actual, or perceived, barriers which discourage innovation, lengthen the odds against the survival of fledgling firms, and/or limit growth."

Our tax system favours the replacement of labour by machinery. Small businesses usually are labour-intensive operations, while large firms are capital-intensive. The latter, therefore, gain more from such tax incentives as capital cost allowances than do smaller enterprises. This has the effect of increasing unemployment rather than reducing it. There are other disincentives for labour-intensive small businesses including a relatively greater burden placed on the owner-manager to meet the requirements for minimum wage-rates; workmen's compensation; unemployment insurance; Canada Pension Plan; provincial and federal sales tax on most manufactured products³⁶. Large firms have specialized staff to deal with this work load.

In its recent submission to the federal government, the Canadian Federation of Independent Business argues that capital investment incentives have only a modest impact in increasing effective demand and, as such, have not significantly improved output. "Indeed the net effect has frequently been the reduction of employment by making labour-replacing machinery cheaper than labour itself"³⁷. To redress this imbalance between the cost of labour and the cost of capital and to increase employment, the Federation strongly urges the federal government to introduce labour investment incentives, referred to as employment incentives, in the form of employment tax credits. This would encourage direct employment, unlike capital incentives which tend to create employment indirectly by encouraging production in the capital goods sector. Furthermore, the Federation's study indicates that the cost per job created through employment incentives would be substantially cheaper than that of new jobs generated by existing programs.

³⁶Small Business. p. 97-100.

³⁷Canadian Economy and A Proposal for an Employment Tax Credit. A brief presented to the federal government by the Canadian Federation of Independent Business, September 1977.

The CCRD feels that the federal government should undertake a review of federal fiscal policies as they apply to rural development objectives, including their effect on the development of local enterprise. It should also examine the relative merits of tax incentives for capital investment and for employment creation. Such a review can also assess the merits of introducing a graduated tax system for businesses, similar to personal income tax, to encourage small- and medium-size industries, particularly in rural areas.

Problems of Small Business

The Chamber of Commerce identified several major areas of difficulty experienced by their small business members³⁸:

- access to capital, information and expertise;
- government regulations (universal regulations);
- taxation and cash flow;
- relationship with the public service;
- deprivation (government doing work in-house that could be handled by private-sector firms); and
- image of government.

Access to capital is a serious problem for new small business ventures which lack established "track records". Existing businesses experience the problem in different ways, such as having their line of credit restricted when their markets fall off, or difficulties arising from under-capitalization because they lack the necessary financial guarantees or the necessary expertise to support a request for more money.

The CCRD feels that the federal government has an obligation to strengthen the existing mechanisms (farm credit corporations), or indeed develop a new institution (analogous to the Canada Development Corporation), to provide loans or guarantees for loans that small operators in rural areas require to start new enterprises or expand existing operations.

A continuing problem for small business is the lack of access to information and expertise. This is a particular difficulty in rural areas that are remote from the pools of urban business skills and from government information sources.

³⁸Submission to the Honourable Len Marchand, pp. 4-15.

The universal application of government regulations (both federal and provincial), which are often designed specifically to meet urban/industrial situations, can create serious problems for a rural small business. For example, national and provincial level standards and procedures are commonly based on urban/industrial technology and systems, not on the practical realities of meeting needs or making a living in rural Canada. In the tourist industry, the application of hotel/motel type regulations to farm vacation homes, is such an example. Another is the standards and mortgaging criteria applied. One final example deals with partnerships, which are recognized as one of the smallest and simplest forms of business enterprise. A set of very complex government rules applies to virtually every transaction, in an effort to regulate large accounting or large partnerships. However these same rules, including taxation, are universally applied to all partnerships, no matter how small the operation.

While small firms are more efficient users of capital than larger ones, in terms of returns on assets³⁹, they are often restricted in their growth and development by the economic and political power of the large corporations. The latter control access to major markets, and may also control access to resources and have both the financial capacity and expertise to make expert cases to governments favouring the corporate position. Small business operators simply do not have the time, money or necessary skills to document their problems and needs in the context of identifying new markets, products, opportunities, fighting unfamiliar government regulations and contesting lack of access to government business or to the resource base.

Minimum wage legislation, it is alleged, is an impediment to the growth of small-scale enterprises. Small operators cannot afford to pay statutory minimum wages and therefore desist from expanding their operations to create more employment.

To avoid such disincentives, the minimum wage legislation may envisage a range of wages for different categories of labour. DREE should examine the impact of provincial minimum wage legislation on the development of local enterprises and identify programs that would offset the adverse effect of minimum wage legislation in establishing or expanding local enterprise.

Government research and development (R & D) funds, can be an important source of business for small operations. However, these operations are at a disadvantage in securing R & D funds compared with large companies, which have the services of professionals for

³⁹Barry A. Stein. Size, Efficiency, and Community Enterprise. Center for Community Economic Development, Cambridge, Mass., 1974, p. 14.

the purpose. As the Grasley Report⁴⁰ points out, large proposals often receive preference because a small number of large grants is easier to administer than a large number of small ones.

Although several federal agencies are involved in catering partly or wholly to small business, or groups of small businesses, their efforts are too loosely coordinated or not coordinated at all. Further, the federal programs for small business are too restrictive in scope. As the unemployment level is dangerously high, there is a growing consensus in the country that the federal government should develop a comprehensive policy specially designed to assist small business. There is a hope that such a policy might emerge soon, now that the federal government has recognized some of the long-standing problems of small business and expressed its commitment to take some positive actions to ameliorate these problems⁴¹.

The CCRD strongly feels that rural development must occur at the local community level. The dispersed nature of rural settlement, resources and opportunities, creates a set of conditions that provide greater returns to the community when development planning takes place locally. For example, there is, by necessity, a great deal of local sensitivity, derived from experience, to the type and scale of technology that may be required to deal with resources in a more efficient way. Rural Canada does not necessarily need new high-cost government programs. What it needs is access to government programs which are responsive and provide relevant information on technology, resources and markets. It also needs access to additional skills and competent advisors. Many existing programs need to be reoriented to support this approach. Rural Canada also needs help to cope with a disconcerting array of regulations, standards and criteria designed primarily to meet urban-industrial requirements and perceptions.

The federal government should encourage, foster and support, much more vigorously, economic activity of an appropriate scale in rural Canada. DREE can play a major role, in conjunction with the provinces, in identifying rural development opportunities and constraints; coordinating delivery of programs; providing selective additional assistance based on needs at the community level; simplifying regulations and criteria in providing such assistance.

⁴⁰The Availability of Risk Capital for Technological Innovation and Invention in Canada.

⁴¹Ministry of State for Small Business. Small Business in Canada - Perspectives. Ottawa, September 1977.

Government Support of Community-Based Small Business for Local Job Creation

We have discussed, in section V of this review, some of the federal programs, particularly those of DREE, for small enterprise development in the rural areas. Here we outline some examples, to demonstrate how governments and communities have been able to utilize the small business mechanism in rural areas to create jobs, provide vital work experience to disadvantaged groups and develop local resources. As a productive means for training and experience, governments can sponsor small business in several ways. In addition to normal trade skills, these approaches can provide the much-needed vehicles for rural people to develop management and office skills.

(a) St. Laurent Native Project, Manitoba

Known as the Louis Riel Woodworking Plant, this project is largely a Metis-operated plant, employing some 15 adults. The project began with the construction of wooden ladders and has expanded to the manufacture of cafeteria furniture on a contract basis. The ladders have proved to be a marketable item, with considerable demand in western Canada.

The Province of Manitoba is able to establish this kind of project under the Resource Development Bill 17, passed in 1974, which permits the creation of corporations "at arm's length", so to speak. The government guarantees against losses and thereby underwrites bank loans. The bill allows businesses to be set up under their own charter and these corporations can utilize their profits for operating capital. This contrasts with the Crown corporation model, under which profits must go back into the general consolidated revenue and not to the project.

(b) The Parks Furniture Plant, Selkirk, Manitoba

This training-workshop type of program began around 1969 under the Interlake FRED program, but continues today under provincial auspices. It is now a full-scale manufacturing project.

Two branches are involved, the training side and the production side. The project was doubled in size two years ago. Currently, there are plans to expand further. Approximately 60 disadvantaged people (mainly Indian and Metis), are either employed or trained at the plant.

Clients are still referred to the plant by provincial and federal rural development officers in departments such as Employment and Immigration, and Indian and Northern Affairs.

The plant produces much of the province's institutional furniture, such as picnic tables, outhouses and other buildings. It has also produced a complete range of supplies, from architecture to the finished product, at the major provincial park of Hecla Island.

The Parks plant is a Manitoba Crown corporation, now operating as a regular industry. Those who graduate from the training side may be allocated a position in the production side, or may find employment in the Parks system or as a tradesperson elsewhere.

(c) Last Oak Park Development Corporation, Saskatchewan

The Broadview Rural Development Area was designed in 1963 as one of Canada's ARDA-funded pilot projects in rural development. The area numbered a population of some 4 000 people, including approximately 2 000 Indian people on four reservations. A Council was established with members, including Indian people, coming from the major sectors in the area. In 1963 a socio-economic study was conducted in the rural area. This was expanded to a wider study in 1965-66 to include the "urban" and Indian population as well. A Rural Development Newsletter was founded in 1966 and copies were sent to all households in the area free of charge. As one of their suggested activities, a third study was initiated -- on the recreation potential of the Qu'Appelle Valley.

The Last Oak Park Development Corporation evolved in 1971 from the studies and Council activities and is located solely on the Indian reserves. The Corporation constructed a ski resort complex, a golf course, and is now in the process of persuading the senior governments to fund a hotel complex.

The experience, despite many problems, has provided a significant opportunity for Native people of the area to obtain skill training, management training, and employment, and for small local enterprises to cater to tourists.

VIII. COMMUNITY-INITIATED DEVELOPMENT AND LOCAL JOB CREATION

There is an increasing awareness in our society of the basic strength and inherent capability of communities. Through individuals, small business and community enterprises, communities have the potential, not only to survive, but to enhance their viability through social and economic development. This is not a new phenomenon. What is new is the belated recognition, especially on the part of governments that, with modest programs of assistance, sustained social and economic development can be achieved by building on processes and situations at the community level, in both rural and urban settings.

Community strength and continuing economic stability depend on a strong economic base, which is usually associated with diversified economic activity. In rural areas which are dependent on natural resource use, this has to be achieved through a more comprehensive resource development. The people in the community must utilize all the resource-based opportunities available to them, and, as far as possible, locally develop processing, manufacturing, and the supporting services. This in turn fosters full development of the community human resources.

The governments should strengthen their programs to assist local development groups to identify and encourage local initiatives, entrepreneurship and managerial potential in the field of resource development. They should provide programs of necessary training and skill development, seed funding for development projects, as well as services of experts in the initial stages.

Too often the emphasis on resource development in rural areas becomes narrowly focussed on a single aspect of one resource, such as cutting pulpwood or growing potatoes. Through time, attitudes and skills build around these activities, sometimes overshadowing other opportunities that evolve as needs and markets change or grow.

While a great deal of lip service has been paid to the comprehensive resource development approach over the years by federal and provincial governments at the policy level, there are a few examples available to demonstrate the processes, problems and opportunities at the community level. In late 1950s, the federal government introduced, in the NWT and Yukon, what may be called the first integrated approach to resource development. It included resource research; product design; market promotion; managerial and leadership training. The FRED program and its successor, the western northlands program, are also partly based on this comprehensive approach. Traditionally, government programs have met with relatively little success in this regard because:

- They are sector-oriented.

- The coordination is geared to a program focus, rather than community focus.
- There was very limited local participation in planning and decision-making.
- Locally acquired experience is discounted at all levels.

As previously noted, the Newfoundland ARDA III program, discussed in section V, comes the closest of any current government program to providing an effective approach and means for comprehensive resource development at the community level.

Although many rural communities, particularly in remote areas, are often dependent on a single resource base, there can be potential for further development of that single resource, beyond simply increasing output. The opportunities can include alternate uses, new uses, utilizing by-products, or, in the case of a renewable resource, extending activities into such areas as resource management (e.g. forestry improvement, cutting, planning, fishing and wild-life-habitat management).

The trend toward large-scale operations in resource development is counter-productive to healthy rural development and long-term resource management for the benefits of the local community.

Where there are identifiable opportunities, government must play an important role to develop local enterprises by providing necessary access to resources, market information and training facilities. Local resources, reserved by large-scale corporations and not being used, must be freed for the benefit of local people.

Community-Level Action

Given the problems and opportunities in the rural resource sectors, what can be done to achieve a greater potential through resource and human development? The action must begin at the local community level, where rural people can decide how they must shape their own futures. This requires a locally-generated planning effort through local development associations or similar groups. The government can greatly assist in the process by encouraging social animation or community development projects as a means of involving local people in local resource development.

Through their chosen mechanisms, local people can begin to deal with the process of meeting local needs and creating jobs on a systematic basis. This process requires an appraisal of the local resource phase, new opportunities, markets, area problems, available skills and community needs. There are so many things to be done in rural areas that, given a proper approach and institution, it is inconceivable that there should be an unreasonable degree of unemployment among local people.

Some of the different kinds of needs and opportunities that often exist in rural areas are outlined below as examples:

(a) Sustained Woodlot Management

- building access road,
- thinning and improvement cutting,
- planting,
- cutting logs, pulpwood, firewood and Christmas trees,
- equipment repair and rebuilding,
- sawing lumber and shingles, and
- pest control.

(b) Fish and Wildlife Management

- habitat improvement,
- policing,
- guiding,
- harvesting and processing,
- predator control, and
- restocking and population control.

(c) Commercial Fishing

- exploring new species and products for local markets,
- local initiatives in aquaculture and marine farming,
- better handling, processing, and storage facilities, and
- equipment repair and rebuilding.

(d) Farming

- building repair,
- landscaping and site upgrading,
- fencing and property boundary location,
- brush, weed, and pest control,
- ditch-digging and ditch maintenance,
- soil conservation measures,
- security surveillance,
- small business services such as bookkeeping and accounting,
- equipment servicing and rebuilding,

- on-farm storage facilities,
- restoration and preservation of antiques,
- farm and garden applied crop research,
- sickness and holiday manpower replacement,
- on-farm management service, and
- sanitary services (garbage disposal, repair and replacement of septic systems).

(e) Water Resources

- monitoring stream flows,
- monitoring water quality,
- weed control,
- stream bank maintenance,
- maintenance of structures (including bridges), and
- providing local water supply.

(f) Recreation/Tourism

- identifying and meeting local needs,
- supply and market analysis to meet outside needs, and
- development planning for themes, events, products, and services.

(g) Area Development Planning

- local infrastructure needs,
- local business needs,
- social and cultural needs, and
- identifying new opportunities.

(h) Community Needs

- paramedical and dental services,
- special services for aged and handicapped,
- utilities,
- communications,
- library, and
- community recreational and meeting facilities.

(i) Availability and Quality of Government Services

- identification of relevant policies, programs and contact points,
- criteria and requirements for services (to be met at community and area level),
- identification and interpretation of local needs, and
- liaison with governments.

(j) Training and Skills re: a - i above

- (services, educational support systems, training, etc.).

Whether directly or indirectly, small communities may need government assistance to initiate and carry through this process. Government's major role in this regard is to facilitate the process at the local level, by providing some initial funding, expertise and information to local development associations.

When a community has established more precisely the local needs and development opportunities, there are a number of ways in which they can proceed. Some examples of experiences in different communities are presented below, in the form of models. There are many others as well⁴².

1. The Cooperative Model

Familiar to rural areas is the cooperative model. Small communities are characterized by face-to-face social relations. This means that people in these communities have, for generations, relied on many self-help projects, such as joint barn-raising projects, helping one another build a house with volunteer labour, (with expectations of reciprocal assistance in the future), and the like. Rural areas have different problems and fewer resources than urban areas for comprehensive community-controlled programs. For these reasons, a cooperative rather than a multi-purpose community development corporation is more usual in rural areas⁴³. Also, compared to urban slums, poor rural areas tend to mix rich and poor together and the criteria of resident definition is not easy to apply in order to assure benefits to the low-income sector.

⁴²Glen A. Eyford. Research Coordinator. "Documentation and Analysis of Development Programs in Canada". Sponsored by the International Development Research Centre, Dept. of Regional Economic Expansion, and Secretary of State, Ottawa, 1977.

⁴³Stewart E. Perry. Federal Support for CDCs: Some of the History and Issues of Community Control. Center for Community Economic Development, Cambridge, Mass. 1973.

(a) The Matador Cooperative Farm

This non-equity cooperative in Saskatchewan is worth considering for its potential in using expensive land and community service benefits in a special way. The special way dispenses with ownership and instead focuses on use. Membership in the Matador Cooperative Farm, for example, means that ownership of the property has been turned over to the Saskatchewan Land Bank. However, the community facilities on it are still of benefit to all its members because they are citizens of that community. This model, therefore, makes it possible, at least in theory, for local people to use their resources directly in constructing and executing community economic development projects.

The Matador Coop is an example of land trusts and related experiments found in other parts of the world. In the socialist countries, land is usually appropriated by the central government and allocated to what is judged to be the common good. Here, the state is the trustee of the land. But when carried out within a framework of decentralized control (as in some communities in the USA), these are usually known as the community land trust concept. One such example, the New Communities, Inc. of Lee County, Georgia, is the largest example of a community land trust in the United States and consists of about 5 700 acres of good farmland and a number of buildings. Lack of funding has slowed development, but plans call for the settlement of up to 800 families on the land in several clusters⁴⁴.

The land trust, as a public body dedicated to social ends, holds forth the hope of obtaining access to land use without having to build up a personal financial stake. For the low-income family, this offers a definite advantage. Besides farming and education, various forms of industry are also envisaged. These include a horticultural greenhouse operation, catfish farming, recreational facilities and processing plants for locally grown produce. There is also a plan to employ welfare families in the community as worker-owners of the farm.

(b) Regional Resource Project No. 1 (Southern Alberta)

Project No. 1 is the cooperative activity of a local development association whose activities are spread throughout a number of rural towns and villages, usually five or

⁴⁴International Independence Institute. The Community Land Trust: A Guide to a New Model for Land Tenure in America. Cambridge, Mass., 1972, p. 14.

six in southern Alberta. With major funding from the Alberta government, this intercommunity project was established in 1972 to fill gaps "in the area of community development process" by providing professional assistance, in coordinating government services at the local level, information dissemination, community inventories, and encouragement to local businesses to integrate their needs with the cooperating communities.

During the course of its operation, the project has established local development cooperatives, which in turn have stimulated the establishment of a shopping centre, a seed cleaning plant, sports areas, a local restaurant and an area ambulance service.

In the province as a whole, the regional resources program has worked with some six groups of communities. Besides the Carbon example, two other groups that have survived for some time are located at Lac-la-Biche (northern Alberta), and the Crows Nest Pass area.

Despite many failures, this cooperative approach remains a remarkable assemblage of rural communities, working together on a cooperative basis, and striving to maintain a cohesive community and a viable regional socio-economic structure. The basic concept is that the project functions with the assistance of government, but not at the direction of the government⁴⁵.

2. The Community Development Corporation

(a) The New Dawn Enterprises Limited, Nova Scotia

New Dawn Enterprises Limited, incorporated in June 1976, is a form of community development corporation adapted to the needs of the Cape Breton industrial area. It is an attempt to mobilize both government and voluntary resources in such a way as to contribute to a solution of problems both economic and social in nature.

New Dawn Enterprises takes the form of a mother corporation, providing a variety of managerial, liaison and referral services to a complex of complementary organizations and enterprises. All have taken out membership in New Dawn. Businesses or organizations may belong to New Dawn, either

⁴⁵Robert C. Scace. Second Assessment Report, Regional Resource Project No. 1. 1976.

as subsidiaries or as affiliates. The policy-making membership of New Dawn is comprised of delegates from member-bodies and members-at-large appointed by the board.

In cases where a community need is evident and appropriate organizations or businesses do not exist, then New Dawn will initiate the establishment of such bodies. The criteria used are:

- Is there a real need not being met?
- Are the resources available to get the job done?
- Will the project contribute to a comprehensive development of the community?

New Dawn activities may be divided into three broad areas, although all of these are interrelated and contain aspects of comprehensive community development. These areas are:

- business division,
- social development division, and
- cultural division.

The business division comprises a construction department, a property department, and a jobbers department. In the construction field, New Dawn has built a nine-unit apartment building for low- and middle-income people through CMHC funding.

The social development division, with store-front offices, provides leadership and services for a broad range of community needs. Key projects are: metro information and referral service; senior citizens' guest house; dental facilities; and a community employment committee seeking out employment possibilities and making proposals to the government.

Under the cultural division, the Cape Breton School of Crafts is supported by the Department of Recreation and Education, as well as the College of Cape Breton. The division also organizes entertainments and sponsors efforts to assist in the development of local culture.

In general, the member organizations of New Dawn are able to operate both inside and outside the New Dawn structure. Some of the associated members are incorporated in their own right while others are simply committees of New Dawn. Each preserves as much autonomy as it desires.

Finally, New Dawn is experimental. It attempts to combine the economic with the social and cultural aspects of community development. All business enterprises initiated by New Dawn are funded through conventional sources, such as the federal Department of Health and Welfare; DREE incentives; Local Initiatives Program, Employment and Immigration. All are intended to be self-sustaining. However, these programs become operative only if a community group is willing and able to make use of them. New Dawn attempts to translate many of these programs into action. Thus, while New Dawn is neither free enterprise nor government, it uses the resources of both.

(b) The Institute of Man and Science

From the USA, there is a recent model of development in small town communities. It is called the Institute of Man and Science⁴⁶, located at Rensselaerville, New York. The institute is a conference centre, a research centre, as well as an action centre committed to seeing how well theories translate into practice. Among their novel demonstration programs, the institute purchased an entire village, the existence of which was threatened by sale to developers. Their projects have included the construction of new community sewage system, roads, and other facilities, generally relying on local labour for carrying out the projects. The net effect has been to make possible the improvement of the selected communities through the pooling of local resources, rather than relying on much more expensive outside contractors.

The proponents of the institute argue that local people often dislike regional plans because they do not understand them. As much as possible, their focus is on locally-based projects, whereby local people control the resources, and benefit directly from them.

3. Appropriate Technology Model Applied at Community Level

Appropriate technology is the use of precise knowledge to meet a need or opportunity by matching available resources, human skills, and available capital at the local level. It provides an approach and a process for people at the individual or community level to further their social and economic development, without destroying the environment they live in. Appropriate technology is applied according to the principles of small businesses.

⁴⁶The Institute of Man and Science. "1976 Program Report and Contributor's Roster". Rensselaerville, New York 12147.

For many years, picking and selling blueberries has been an important part of the agricultural economy of the Saguenay-Lac Saint-Jean region of Quebec. Various processing attempts met with failure. Recently a locally formed company has begun to produce and market blueberry wine. It is a community-initiated project, utilizing appropriate technology to local advantage.

The production of blueberry wine fits in very well with the development perspectives for the region's resources: availability of raw materials, growth of the wine market in Quebec and Canada and the local initiatives displayed in local resource development. The firm comprises 21 shareholders, most of whom live in the Saguenay-Lac Saint-Jean region. It employed local craftsmen to direct their talents into building stainless steel tanks used in the fermentation and ageing of wine. Notwithstanding its modest size and the fact that it is a private firm, it constitutes an important asset in regional activation and an element of pride for the region's population⁴⁷.

4. Community Initiative in Regional Capital Formation

The Caisses d'entraide économique (regional economic societies), are a unique example of local initiatives for resolving the financial impediments to local enterprise development. A group of 25 local people interested in the economic development of the Saguenay-Lac Saint-Jean region founded the Entraide économique in 1960 in Alma, Quebec, with a local subscription of only \$75 000. Today, it has 150 000 members and subscribed capital of \$400 million. The basic philosophy has been that there must be local saving, and that the saving must be retained for local investment and job creation. A member saves with the Entraide économique \$25, \$50, \$100 or more and receives the benefit of obtaining loan funds for any local enterprise, including mortgages for his house. Saving, credit and member's education have been the three mainstays of the Entraide in achieving success in this cooperative method of regional capital formation and regional development.

⁴⁷Luc Bureau. "Appropriate Technology and Rural Development, Saguenay-Lac Saint-Jean Region". Working paper prepared for a seminar on Environmentally Appropriate Technology for the Mid-North of Canada, sponsored by the CCRD, July 1976.

RECOMMENDATIONS RECAPITULATED

General

1. In order to preserve effective social systems in rural Canada and to reduce the rural-urban disparities in employment and income opportunities (as well as social costs resulting from excessive rural to urban migration), the federal government should accord a higher priority to the development of rural resources and rural enterprises to obtain maximum possible employment in rural Canada.
2. In view of the multiplicity of programs affecting rural Canada, DREE must be able to provide the coordination needed so that a coherent and integrated development approach can be adopted for rural Canada. The Minister of Regional Economic Expansion should begin this very important process of coordination at the Cabinet level, by persuading his colleagues to promote developmental attitudes within their departments and to provide cooperation and assistance in all stages of planning, program formulation and implementation.
3. In view of the changing socio-economic environment affecting both urban and rural people, DREE, as a major development agency, should take the initiative, together with the CCRD, to study the question of the definition of "rural" and hold discussions with federal and provincial agencies using rural data, with a view to proposing a better demarcation of rural areas for the 1981 and subsequent census enumerations.
4. It is extremely important that DREE should develop, with Statistics Canada and other agencies, mechanisms to collect and analyse data on a small area basis with respect to labour force, level of education and training, employment, unemployment, business activities and market characteristics. Such data will be used to develop effective local employment strategies and programs. ARDA and GDA sub-agreements should have in-built mechanisms for collecting information, not only on program effectiveness, but also on the changing needs and priorities of local people. DREE regional and provincial offices should also undertake projects, on a continuing basis, to collect socio-economic data that is available from different sources on a sub-regional or local basis.

Existing Programs

5. In the interest of rural development, DREE should make provision for program continuity in delivering government services for rural development at the community level. ARDA-type programs have an established name and image and have created certain expectations in rural Canada. Such programs should be retained to maintain program continuity and to assume the following developmental functions:

- provide a framework for comprehensive planning for rural development;

- coordinate the delivery of essential services to communities in rural Canada;
 - supplement existing sectoral programs under sub-agreements;
 - assist low-income farmers, fishermen and wood-lot operators to improve their operations; and
 - increase the employment opportunities for rural women and other disadvantaged groups such as the Native people.
6. The CCRD would like to see DREE expanding local enterprise assistance across rural Canada. This can best be done as a part of the ARDA program, to avoid any confusion in the minds of rural people with industrial-type assistance, which they have not been able to utilize satisfactorily.
7. The CCRD shares the views of the Native people expressed in the CCRD-sponsored symposium held in March 1976 on Special ARDA. They recognized that Special ARDA has a great potential for developing Native resources and entrepreneurship. They strongly pressed, however, for significant changes in the agreements in order to provide meaningful Native participation in all phases of the program, and to eliminate the features which impede satisfactory application of the agreement, e.g. equity requirement, and interim financing. They also strongly voiced the need for widening the scope of the agreements to include Native people resident in the urban milieu.

Physical Resource Development

8. In the area of physical resource development, particularly in agriculture, the CCRD feels that the major thrust of the small farm development program should be to develop family-farm businesses which, by themselves, or with other part-time sources of income, would provide the farmers with incomes they consider to be adequate. Intensive cultivation, application of appropriate technology and adequate assistance in the form of grants, credit, training, counselling and information services are essential elements of any policy designed to preserve small farms.
9. One area of the forest industry in Canada which merits government attention is the private woodlot operation. The potential of small woodlots, which, as part of the small-business community, are appropriate for the technological approach to local job creation, is considerable. CCRD feels that small woodlot owners should be given greater encouragement by government and industry to manage their resources for long-term economic and environmental contributions to rural communities.

10. The CCRD feels that, except in a few locations, there should be no further reduction of employment in the fishing industry. The following measures will help to diversify and improve the employment of local people: more attention to the exploitation of under-utilized fish stocks; the development of multi-purpose boats in additional inshore areas; the removal of disincentives to work; further research in aquaculture projects; greater diversification in the industry; and the promotion of fisheries-related opportunities including, for example, import substitution.
11. For local people to benefit from jobs created by tourism-type investments, there should be local participation and control, local use of resources and local ownership of equipment. Programs such as RDIA and ARDA could be extended to promote a greater degree of local ownership, control and management as well as supporting services and other infrastructure. Assistance should be geared to local residents and access to appropriate training in entrepreneurial and managerial skills is essential.

Local Enterprise Development

12. The federal government should encourage, foster and support much more vigorously economic activity of an appropriate scale in rural Canada. DREE can play a major role, in conjunction with the provinces, in identifying rural development opportunities and constraints; coordinating delivery of programs; providing selective additional assistance based on needs at the community level, and simplifying regulations and criteria in providing such assistance.
13. To promote local enterprise development, the CCRD feels that the federal government should undertake a review of federal fiscal policies as they apply to rural development objectives, including their effect on local enterprise development. It should also examine the relative merits of tax incentives for capital investment and for employment creation. Such a review can also assess the merits of introducing a graduated tax system for businesses, similar to personal income tax, to encourage small- and medium-size industries, particularly in rural areas.
14. The federal government has an obligation to strengthen the existing mechanisms (e.g. Farm Credit Corporation), or indeed to develop a new institution (analogous to Canada Development Corporation), to provide loans, or guarantees for loans, that small operators in rural areas require to start new enterprises or expand existing operations.
15. DREE should examine the impact of minimum wage legislation on the development of local enterprises and identify programs that would offset the adverse effect, if any, of minimum wage legislation in establishing or expanding local enterprise.

16. Governments should strengthen their programs to assist local development groups in order to identify and encourage local initiatives, entrepreneurship and managerial potential in the field of resource development. Governments should also provide programs for necessary training and skill development, seed funding for development projects, as well as expertise in the initial stages.
17. Government must play an important role in developing local enterprises by providing necessary access to resources, market information and training facilities where there are identifiable opportunities. Local resources, owned but not being used by large-scale corporations, must be freed for the benefit of local people.
18. Regardless of the appropriate mechanism, the CCRD wishes to stress the need for a single delivery system to provide information, on a local basis, on training and employment opportunities, business grants and loans and other matters pertinent to an individual making efforts to establish or reestablish himself.
19. The CCRD believes that the special nature of the rural economy and the need for appropriate training and adjustment require flexible manpower programs to provide effective counselling and training and to reach out to the most disadvantaged. The predominantly male orientation of manpower programs and the lack of supportive functions for women must also be corrected.
20. The CCRD believes that new part-time and seasonal job opportunities should be created in rural Canada to protect essential primary production from decline by providing supplemental incomes to workers in these industries. Many people living in areas with predominantly primary industries build a way of life based on a combination of income-producing activities.



APPENDIX A

TABLES

TABLE 1

Unemployment Rate (seasonally adjusted)

Year	Quarter	Canada	Atlantic	Quebec	Ontario	Prairies	Pacific
1973	I	5.9	8.9	7.9	4.2	4.3	7.5
	II	5.5	9.0	7.1	3.9	3.7	6.3
	III	5.5	8.3	7.3	4.1	3.9	6.0
	IV	5.5	7.9	6.6	4.3	4.3	6.1
1974	I	5.3	8.2	6.7	4.4	3.7	5.6
	II	5.2	8.6	6.6	4.0	3.7	5.8
	III	5.3	8.6	6.4	4.5	3.2	6.4
	IV	5.6	8.8	6.8	4.8	2.9	6.9
1975	I	6.7	9.2	7.8	6.2	3.7	8.6
	II	7.0	10.1	8.0	6.6	4.0	8.2
	III	7.1	10.5	8.1	6.4	4.2	9.9
	IV	7.1	10.0	8.5	6.3	3.9	8.4
1976	I	6.8	10.0	8.0	5.9	4.1	8.7
	II	7.2	11.0	8.0	6.4	4.2	9.4
	III	7.2	11.6	9.1	6.0	4.1	8.6
	IV	7.4	11.5	9.9	6.3	4.1	7.8
1977	I	7.8	12.1	9.6	6.7	4.7	8.6
	II	8.1	12.4	9.8	7.3	5.3	8.4
	III	8.2	12.2	10.4	7.0	4.9	8.5

Source: Estimated from Statistics Canada, Catalogue 71-001 Monthly, The Labour force.

TABLE 2

Urban Labour Force, Employment and Percentage Unemployment
For Canada by Region and Industry, 1976

	CANADA			ATLANTIC PROV.			QUEBEC			ONTARIO			PRAIRIE PROV.			BRITISH COLUMBIA		
	LF 000	Empl. 000	% unem.	LF 000	Empl. 000	% unem.	LF 000	Empl. 000	% unem.	LF 000	Empl. 000	% unem.	LF 000	Empl. 000	% unem.	LF 000	Empl. 000	% unem.
Total	8 575	7 983	6.9	546	490	10.3	2 308	2 122	8.1	3 455	3 244	6.1	1 253	1 313	4.6	953	874	8.3
Agriculture	86	78	9.3	*	*	*	12	11	8.3	34	31	8.8	23	26	11.5	11	10	9.1
Non-Agriculture	8 444	7 095	6.4	539	486	9.8	2 282	2 111	7.5	3 403	3 213	5.8	1 230	1 253	1.8	937	864	7.8
Other Primary Industries	156	143	8.3	19	16	15.8	26	23	11.5	46	43	6.5	36	38	5.3	28	24	14.3
Manufacturing	1 832	1 707	6.8	69	59	14.5	563	519	7.8	897	845	5.6	142	149	4.7	154	141	8.4
Construction	586	518	11.6	40	29	27.5	141	120	14.9	218	197	9.6	106	114	7.0	73	64	12.3
Transport, Communications and Other Utilities	755	716	5.2	60	56	6.7	206	195	5.3	253	242	4.3	131	136	3.7	100	94	6.0
Trade	1 552	1 456	6.2	113	05	7.1	398	368	7.5	587	553	5.8	259	270	4.1	184	175	4.8
Finance, Insurance and Real Estate	484	467	3.5	23	23	0	119	114	4.2	214	207	3.3	67	70	4.3	58	55	5.2
Service	2 442	2 291	6.2	160	47	8.1	663	618	6.8	943	889	5.7	384	401	4.2	275	253	8.0
Public Administration	637	607	4.7	54	50	7.4	165	155	6.1	246	237	3.7	104	107	2.8	65	61	6.2
Unclassified**	45	-	-	*	-	-	14	-	-	18	-	-	-	*	-	5	-	-

Source: Based on Canadian Labour Force Survey Data and urban centres with 15 000 or more population.

* Sample size judged too small to be included.

** Comprises unemployed persons who have never worked, and those persons who last worked more than 5 years ago.

TABLE 3

Rural Labour Force, Employment and Percentage
Unemployment for Canada by Region and Industry, 1976

	CANADA			ATLANTIC PROV.			QUEBEC			ONTARIO			PRAIRIE PROV.			BRITISH COLUMBIA		
	LF 000	Empl. 000	% unem.	LF 000	Empl. 000	% unem.	LF 000	Empl. 000	% unem.	LF 000	Empl. 000	% unem.	LF 000	Empl. 000	% unem.	LF 000	Empl. 000	% unem.
Total	1 733	1 589	8.3	272	238	12.5	408	358	12.3	476	445	6.5	396	384	3.0	182	164	9.9
Agriculture	405	397	1.9	19	17	10.5	66	63	4.5	86	83	3.5	226	225	0	9	8	11.1
Non-Agriculture	1 320	1 193	9.6	252	221	12.3	339	295	13.0	389	362	6.9	169	157	7.0	172	156	7.6
Other Primary Industries	107	94	12.1	25	22	12.0	31	26	16.0	16	15	6.3	10	9	10.0	23	21	8.9
Manufacturing	266	238	10.5	47	41	12.8	87	76	12.6	84	78	7.1	17	16	5.9	32	29	9.4
Construction	146	124	15.1	31	25	19.4	35	27	22.9	41	37	9.8	21	19	9.5	18	15	16.7
Transport, Communications and Other Utilities	127	118	7.1	27	25	7.4	24	21	14.3	35	33	5.7	23	22	4.3	17	16	5.9
Trade	217	202	6.9	40	37	7.5	52	48	7.7	66	63	4.5	32	31	3.1	26	24	7.7
Finance, Insurance and Real Estate	36	34	5.5	4	4	0	8	8	0	13	12	7.7	6	4	33.0	5	5	0
Service	336	304	9.5	58	53	8.6	87	76	12.6	102	94	7.8	46	44	4.3	42	38	9.5
Public Administration	85	78	9.4	15	13	13.3	15	13	13.3	31	30	3.2	14	13	7.1	9	8	11.1
Unclassified**	8	-	-	*	-	-	*	-	-	*	-	-	*	-	-	*	-	-

Source: Based on Canadian Labour Force Survey data and rural centres with 15 000 or less population.

* Sample size judged too small to be included.

** Comprises unemployed persons who have never worked, and those persons who last worked more than 5 years ago.

TABLE 4

Provincial Percentage Shares of Canada's Population
1951 to 1976

	1951	1956	1961	1966	1971	1976
Canada (in thousands)	14 009	16 081	18 238	20 015	21 568	22 598
Newfoundland	2.6	2.6	2.5	2.5	2.4	2.4
Prince Edward Island	0.7	0.6	0.6	0.5	0.5	0.5
Nova Scotia	4.6	4.3	4.0	3.8	3.7	3.6
New Brunswick	3.7	3.4	3.3	3.1	2.9	2.9
Quebec	28.9	28.8	28.8	28.9	27.9	27.1
Ontario	32.8	33.6	34.2	34.8	35.7	35.9
Manitoba	5.5	5.3	5.1	4.8	4.6	4.4
Saskatchewan	5.9	5.5	5.1	4.8	4.3	4.0
Alberta	6.7	7.0	7.3	7.3	7.5	8.0
British Columbia	8.3	8.7	8.9	9.4	10.1	10.7
Yukon & Northwest Territories	0.2	0.2	0.2	0.2	0.3	0.3

Sources: 1966 Census of Canada, Vol. 1 - Population, Table 1; 1971 Census of Canada, BuL. 1.1-2, Population, Historical, Cat. No. 92-702, Table 1; and 1976 Census of Canada, final population counts in Statistics Canada Daily.

Leroy O. Stone. "Some Recent Demographic Trends that are Related to Regional Policy Problems". 1977.

TABLE 5

Average Annual Growth Rates for the Metropolitan and Non-Metropolitan Parts
of the Five Major Regions of Canada, 1951-56 to 1971-76

(Area units as of 1971)

Area	1951-56	1956-61	1961-66	1966-71	1971-76
Canada (a)	2.76	2.52	1.86	1.49	1.28
Atlantic CMAs	3.24	2.49	1.62	1.33	2.64
Atlantic non-CMA	1.36	1.20	0.58	0.67	0.73
Quebec CMAs	3.40	3.65	2.86	1.39	0.90
Quebec non-CMA	1.88	1.34	0.69	0.09	0.86
Ontario CMAs	4.00	3.49	3.01	2.42	1.51
Ontario non-CMA	2.22	1.95	0.91	1.34	1.58
Prairie CMAs	4.99	4.58	2.66	1.41	2.19
Prairies non-CMA	0.83	0.59	0.16	-0.35	0.45
British Columbia CMAs	3.39	3.36	2.41	2.85	1.81
British Columbia non-CMA	4.03	2.59	3.37	3.38	3.27

(a) The figures shown pertain to all of Canada, including Yukon and Northwest Territories.

Sources: Unpublished census tabulation; 1971 Census of Canada, Vol. 1.1, Tables 2 and 8; and 1976 census final population counts in Statistics Canada Daily.

Compiled by Dr. Leroy O. Stone in "Some Recent Demographic Trends that are Related to Regional Policy Problems".

TABLE 6

Labour-Force Participation Rate by Size for Each
Community Size by Provinces, 1971

Provinces	Rural Farm		Rural non-farm		1 000 - 2 499		2 500 - 4 999		5 000 - 9 999		10 000 - 29 999		30 000 - 99 999		100 000 - 499 999		500 000 and over	
	male	female	male	female	male	female	male	female	male	female	male	female	male	female	male	female	male	female
NFLD.	64.8	27.9	57.4	17.9	66.3	21.3	67.1	24.4	71.8	29.4	79.9	31.7	73.9	40.8	-	-	-	-
P.E.I.	83.4	39.2	70.4	35.2	70.6	35.5	-	-	-	-	77.5	42.5	-	-	-	-	-	-
N.S.	78.6	31.2	68.3	27.1	73.9	32.3	73.7	32.1	71.5	36.7	68.9	32.1	70.4	36.3	80.5	45.1	-	-
N.B.	75.7	31.3	66.2	28.0	68.4	31.2	68.9	35.2	72.5	34.1	74.3	35.8	77.7	42.1	-	-	-	-
QUE.	72.4	32.5	63.9	25.5	67.9	28.7	69.8	31.2	69.6	31.8	71.1	33.5	70.9	35.2	70.1	35.5	74.6	38.9
ONT.	87.2	46.4	73.9	35.9	73.8	36.9	78.0	38.5	78.4	39.5	79.3	42.1	79.8	42.9	80.5	43.1	82.6	49.7
MAN.	85.9	42.1	66.2	29.1	70.4	36.7	75.4	37.9	73.9	39.7	81.3	38.6	76.7	44.8	-	-	79.4	46.7
SASK.	87.5	39.1	66.6	30.0	69.1	33.8	69.6	36.4	74.2	40.7	73.8	41.9	69.8	38.2	79.6	46.1	-	-
ALTA.	87.3	45.8	69.8	32.9	75.0	37.8	76.6	41.5	75.2	40.5	77.2	43.2	77.9	44.0	82.7	47.6	-	-
B.C.	85.0	43.9	75.6	33.0	80.4	35.4	76.1	35.5	81.4	38.4	78.1	37.7	79.9	43.0	73.4	39.9	77.8	44.5

Sources: Statistics Canada Catalogue 94-773.

Dr. R. D'Costa. "Socio-demographic Characteristics of the Population by Community Size. A comparative study". CCRD, 1977.

TABLE 7

Percentage Distribution of the Population of Each Province
by Community Size, 1971

Rural/Urban Community Size	Canada	NFLD.	P.E.I.	N.S.	N.B.	QUE.	ONT.	MAN.	SASK.	ALTA.	B.C.
% (Total Population)	100.0 (21 568 545)	2.4 (522 095)	0.5 (111 660)	3.7 (788 980)	2.9 (634 615)	28.0 (6 027 915)	35.7 (7 703 100)	4.6 (988 240)	4.3 (926 150)	7.6 (1 628 040)	10.1 (2 184 515)
Rural	23.9	42.8	61.7	43.3	43.1	19.4	17.6	30.5	47.0	26.5	24.3
1 000 - 2 499	3.7	11.4	4.6	4.1	10.0	4.0	2.3	3.3	5.6	4.0	3.0
2 500 - 4 999	3.9	10.1	-	4.5	4.2	4.4	2.9	2.5	4.2	6.3	3.0
5 000 - 9 999	3.9	9.6	-	8.5	4.4	3.3	4.1	3.0	3.0	3.0	3.5
10 000 - 29 999	8.1	7.2	33.7	10.7	8.4	7.9	7.9	4.1	8.1	5.0	11.1
30 000 - 99 999	9.0	18.9	-	4.8	29.9	8.1	11.6	3.1	3.4	2.5	5.2
100 000 and over	47.5	-	-	24.1	-	52.9	53.6	53.5	28.7	52.7	49.9

-: not applicable.

Source: Dr. R. D'Costa. "Socio-demographic Characteristics of the Population by Community Size. A comparative study".
CCRD, 1977.

TABLE 8

Percentage Change of the Total Population by Community
Size, Canada and Provinces, 1961-71

Province	Total	Rural Farm	Rural Non-Farm	1 000- 2 499	2 500- 4 999	5 000- 9 999	10 000- 29 999	30 000- 99 999	100 000 and over
Canada	18.3	-31.5	7.9	2.8	31.3	39.8	66.7	13.2	29.3
Nfld.	14.0	-50.1	0.9	23.5	37.3	326.5	-22.6	15.9	-
P.E.I.	6.7	-38.8	31.8	-26.3	-	*	105.4	-	-
N.S.	7.0	-53.8	12.7	1.1	23.1	362.6	72.5	**	-31.1
N.B.	6.1	-58.9	-3.8	80.5	25.7	18.5	-14.4	39.6	-
Que.	14.6	-45.9	9.3	-1.5	43.7	11.7	72.6	27.5	20.8
Ont.	23.5	-28.1	9.8	-5.9	14.9	26.3	103.3	-4.1	39.4
Man.	7.2	-23.9	6.2	9.0	-7.6	84.8	-20.1	**	13.4
Sask.	0.1	-23.4	-9.1	1.0	70.6	-21.4	55.3	-75.3	137.1
Alta.	22.2	-17.1	-3.6	-9.5	61.5	108.4	84.4	16.2	41.7
B.C.	34.1	-5.2	23.6	-0.1	20.5	84.9	58.9	**	25.7
Yuk. & NWT.	41.4		6.3	41.1	-17.7	21.7	**	-	-

* No community in this size group in 1971.

** No community in this size group in 1961.

Source: Dr. R. D'Costa. "Socio-demographic Characteristics of the Population by Community size. A comparative study". CCRD, 1977.

TABLE 9

Percentage Population Growth in Canada and Provinces
1951-1971

	TOTAL POPULATION		TOTAL URBAN POPULATION		TOTAL RURAL POPULATION		TOTAL RURAL FARM POPULATION		TOTAL RURAL NON-FARM POPULATION	
	Change	Average Annual Growth	Change	Average Annual Growth	Change	Average Annual Growth	Change	Average Annual Growth	Change	Average Annual Growth
Newfoundland	44.46	1.9	93.03	3.3	8.07	0.4	-70.72	-6.0	14.44	1.9
P.E.I.	13.42	0.6	73.32	2.8	-6.62	-0.3	-54.81	-4.0	76.86	2.9
Nova Scotia	22.78	1.0	29.75	1.3	14.71	0.7	-76.57	-7.0	69.86	2.7
New Brunswick	23.05	1.0	67.97	2.6	-9.07	-0.5	-82.46	-8.3	59.99	2.4
Quebec	48.62	2.0	80.22	3.0	-14.12	-0.8	-60.19	-4.5	45.61	1.9
Ontario	67.55	2.6	95.12	3.4	0.97	0.0	-46.37	-3.1	48.99	2.0
Manitoba	27.26	1.2	56.16	2.3	-10.43	-0.5	-39.18	-2.5	39.88	1.7
Saskatchewan	11.36	0.5	94.33	3.4	-24.80	-1.4	-41.41	-2.6	11.77	0.6
Alberta	73.27	2.8	166.03	5.0	-11.90	-0.6	-30.57	-1.8	30.51	1.3
B.C.	87.49	3.2	108.50	3.7	42.63	1.8	-33.11	-2.0	74.43	2.8
Canada	53.96	2.2	90.20	3.3	-4.16	-0.2	-49.79	-3.4	54.21	2.2

Sources: Estimated from: Censuses of Canada, 1951, 1956, 1961; STC Catalogue 92-608, 1966; STC Catalogue 97-755, 1971.

TABLE 10

Percentage Change in Rural Farm and Non-Farm Populations
1951-1971

	ATLAN- TIC	NFLD.	P.E.I.	N.S.	N.B.	QUE.	ONT.	PRAIRIES	MAN.	SASK.	ALTA.	B.C.	CANADA
TOTAL RURAL													
1951-1971	3.2	8.1	-6.6	14.7	-9.1	-14.1	1.0	-16.9	-10.4	-24.8	-11.9	42.6	-4.2
1961-1971	-4.8	-1.1	-2.6	1.5	-14.5	-13.8	-3.8	-13.3	-9.3	-17.4	-11.7	18.6	-6.9
1966-1971	-1.1	-1.5	0.1	7.7	-10.2	-7.1	-0.6	-7.2	-4.8	-10.6	-5.3	14.5	-2.5
RURAL FARM													
1951-1971	-75.8	-70.7	-54.8	-76.6	-82.5	-60.2	-46.4	-37.0	-39.2	-41.4	-30.6	-33.1	-49.8
1961-1971	-52.4	-50.1	-38.8	-53.8	-58.9	-45.9	-28.1	-21.3	-23.9	-23.4	-17.4	-5.2	-31.5
1966-1971	-43.0	-46.5	-31.5	-41.9	-50.4	-38.1	-24.5	-16.4	-18.4	-16.6	-15.0	-13.7	-25.8
RURAL NON-FARM													
1951-1971	48.5	14.4	76.8	69.9	60.0	45.6	49.0	25.6	39.9	11.8	30.5	74.4	46.4
1961-1971	5.0	0.9	31.8	12.7	-3.8	9.3	9.8	-3.0	6.2	-9.1	-3.6	23.6	7.9
1966-1971	6.2	0.2	25.8	16.0	-2.1	13.0	12.4	4.9	9.1	-2.5	9.8	20.8	10.8

Sources: Estimated from: Censuses of Canada, 1951, 1956, 1961; STC Catalogue 92-608, 1966; STC Catalogue 97-755, 1971.



APPENDIX B
COMPOSITION OF THE COUNCIL

Executive Committee

Jane Abramson Chairperson	University of Saskatchewan Saskatoon Campus
René Laforest Vice-chairperson	Institut canadien d'éducation des adultes
Bill Jenkins	Atlantic Provinces Economic Council
W. Scott Neal	Canadian Chamber of Commerce
Donald Snowden	Memorial University St. John's, Newfoundland
Dave Love	University of Toronto
Thomas-Louis Tremblay	Chaîne Coopérative du Saguenay Alma, Quebec

Secretariat

Executive Director	Gerald Steele
Assistant Executive Director	M. Jalaluddin
Administrative and Executive Assistant	Florine Frappier
Research Officers	Gabriel Audet Koozma Tarasoff Ghislaine Lanteigne

MEMBERSHIP

Organizational Members

ARPIN, Muriel	National Council of Women
BAKER, Harold	Canadian Association for Adult Education
BIELISH, Martha	Federated Women's Institutes of Canada
BRAITHWAITE, George	Co-operative Union of Canada
CARTER, Thomas	Canadian Water Resources Association
CHARRON, Paul-Émile	Fédération de Québec des Caisses populaires Desjardins

CLARK, Clare	Canadian Association in Support of the Native People
DALPÉ, Paul-Émilien	La Centrale des syndicats démocratiques
HENDERSON, Gavin	National and Provincial Parks Association of Canada
JENKINS, William	Atlantic Provinces Economic Council
JOHNSON, Robert	Fisheries Council of Canada
LAFORÉST, René	Institut canadien d'éducation des adultes
LEA, Dobson	Canadian Federation of Agriculture
LOVE, Dave	Canadian Forestry Association
MONCRIEFF, Patrick	Agricultural Economics Research Council of Canada
NEAL, W. Scott	Canadian Chamber of Commerce
NOUSIAINEN, Seppo	Canadian Labour Congress
PASSMORE, Richard	Canadian Wildlife Federation
POTTER, Evelyn	National Farmers Union
VACANT	Canadian Council on Social Development
VACANT	Union des producteurs agricoles

Individual Members

ABRAMSON, Jane	Saskatoon, Saskatchewan
BREWIS, Thomas	Ottawa, Ontario
DEITER, Walter	Regina, Saskatchewan
GALLANT, Adéland	Cape Egmont, Prince Edward Island
KIRK, David	Ottawa, Ontario
MORSE, Norman	Halifax, Nova Scotia
RICHARDS, N. Richard	Guelph, Ontario

SNOWDEN, Donald

St. John's, Newfoundland

THOMAS, Henry

Tracadie, New Brunswick

TREMBLAY, Thomas-Louis

Alma, Quebec

APPENDIX C
STUDIES MADE BY THE CCRD

First Report and Review, 1967

Second Report and Review – Some Major Problems of Regional Development, 1968

Third Report and Review – Rural Canada 1970: Prospects and Problems, 1970

Fourth Report and Review – Towards a Development Strategy for Canada, 1972

Fifth Report and Review – Commitment to Rural Canada, 1973

Sixth Report and Review – A Development Strategy for the Mid-North of Canada, 1976

Views on Rural Development in Canada, 1967

ARDA: An Experiment in Development Planning, 1969

Participation and Regional Planning, 1969

Report of a Seminar at Geneva Park, 1969

Brief submitted by the CCRD to the Special Senate Committee on Poverty, 1970

Statement submitted by the CCRD to the Canadian Agricultural Congress, 1970

Brief submitted by the CCRD at the Public Hearing on Fundy National Park, 1970

Regional Poverty and Change, a compendium of essays on regional development, 1976

Resettlement of Fishing Communities in Newfoundland, 1972

Local Development Associations in Rural Canada, 1975

Economic Significance of Tourism and Outdoor Recreation for Rural Canada, 1975

Federal Services for Rural Canadians, 1976

Community Development Associations in Newfoundland, 1971

Rural Development Centre – Evaluation of Agricultural Training Activities, 1975

Development and Communications, 1971

A report on the joint meeting of CCRD at Moncton with local leaders,
April 1973

A report on the joint meeting of CCRD at Winnipeg with local leaders,
December 1973

A report on the joint meeting of CCRD in Atlantic Region with local
leaders, Halifax, February 1974

A report on the joint meeting of CCRD at Kenora with local leaders,
June 1974

A report on the joint meeting of CCRD at La Ronge with local leaders,
October 1974

A report on the joint meeting of CCRD at Calgary with local leaders,
January 1976

A report on the joint meeting of CCRD at Corner Brook, Nfld. with local
leaders, 1976

A report on the joint meeting of CCRD at Kelowna, B.C., with local
leaders, 1976

A report on the joint meeting of CCRD with local leaders in northeastern
New Brunswick, June 1977

A report on the joint meeting of CCRD with local leaders and citizens of
Alma, September 1977

The Canadian Atlantic Fisheries in Transition, 1977

Canadian Forestry - Its Role in Rural Employment Creation, 1977

A report on National Seminar on ARDA, 1976

A report on National Seminar on Tourism and Outdoor Recreation, 1975

A report on National Seminar on Local Development Associations, 1976

A report on Seminar on Environmentally Appropriate Technology for the
Mid-North of Canada, December 1976

A report on Seminar: Working Towards a Future - Eastern Ontario Workshop
Report, Perth, October 1977

A report on Seminar on Technology Appropriate to Northwestern Manitoba,
Flin Flon, November 1977

Statement of Activities 1974-75
1975-76