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*Canada Dept.*  
Regional  
Economic  
Expansion

Expansion  
Économique  
Régionale

**1973 - 1974  
annual report**

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# INTRODUCTION

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The Department of Regional Economic Expansion facilitates economic growth and social adjustment in Canada, through a series of federal-provincial agreements, special programs and other activities designed to increase, and improve access to, development opportunities in the various regions of the country.

During the fiscal year 1973-74, the Department began the implementation phase of a policy review undertaken during the previous year.

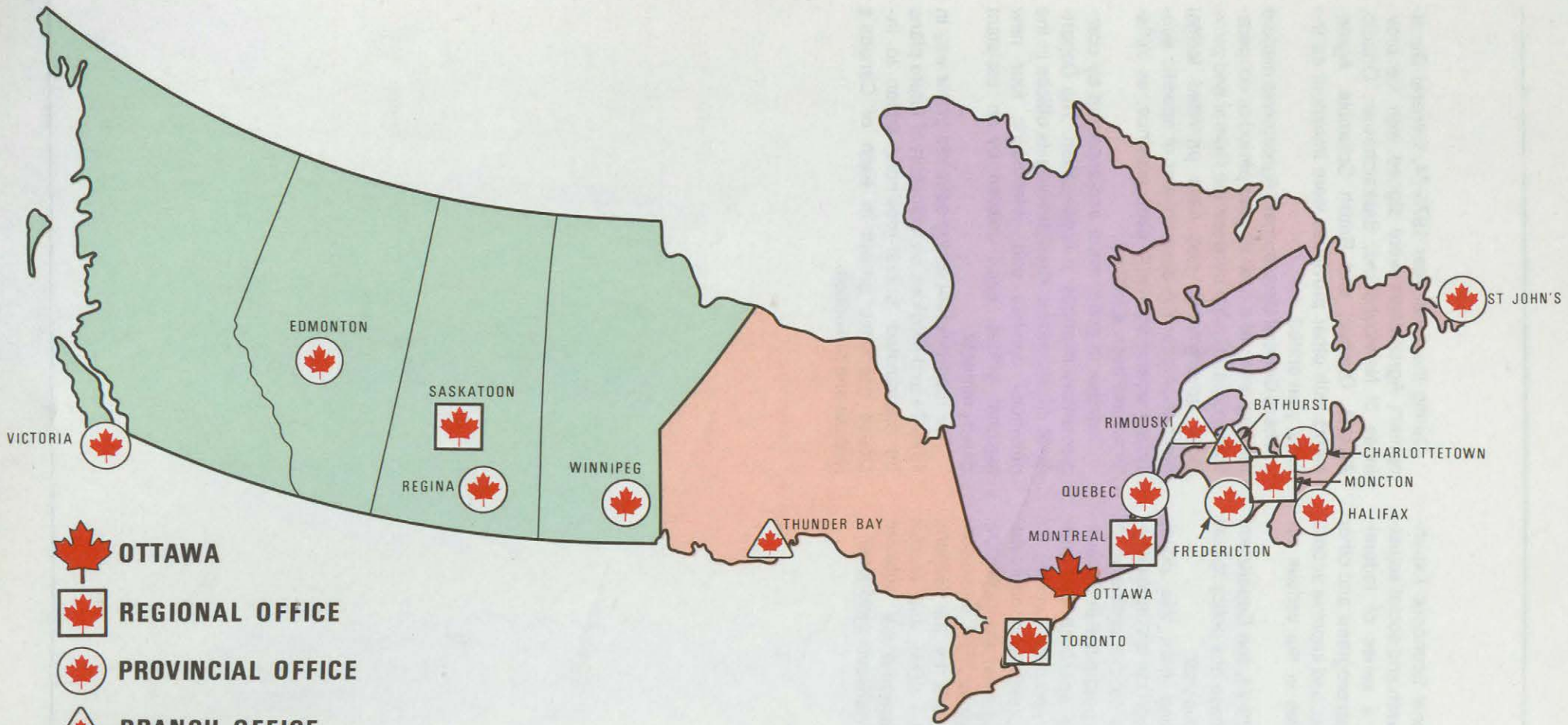
Recommendations resulting from this policy review emphasized the need for an innovative, multi-dimensional approach to the problems of inequality of development opportunities in Canada. The recommendations were approved and provided the basis for a "new approach" calling for close and continuing consultation and coordination with other federal departments, provincial governments and the private sector. The framework for implementation is provided by the General Development Agreement (the GDA), and various subsidiary agreements or "action pacts" between the federal government and individual provinces.









During the fiscal year 1973-74, General Development Agreements were signed with the provinces of Newfoundland, Saskatchewan, Ontario, Alberta, Quebec, and British Columbia. Agreements with other provinces were imminent as the fiscal year ended.

These General Development Agreements marked the beginning of a new 10-year period of cooperation and partnership between the federal and provincial governments, and have provided formal mechanisms for the development of specific subsidiary agreements with each province, as initiatives have been identified.

Changes in policy were accompanied by complementary changes in organization. The Department decentralized, strengthening its offices in the provincial capitals and establishing four new regional offices, each headed by an assistant deputy minister.

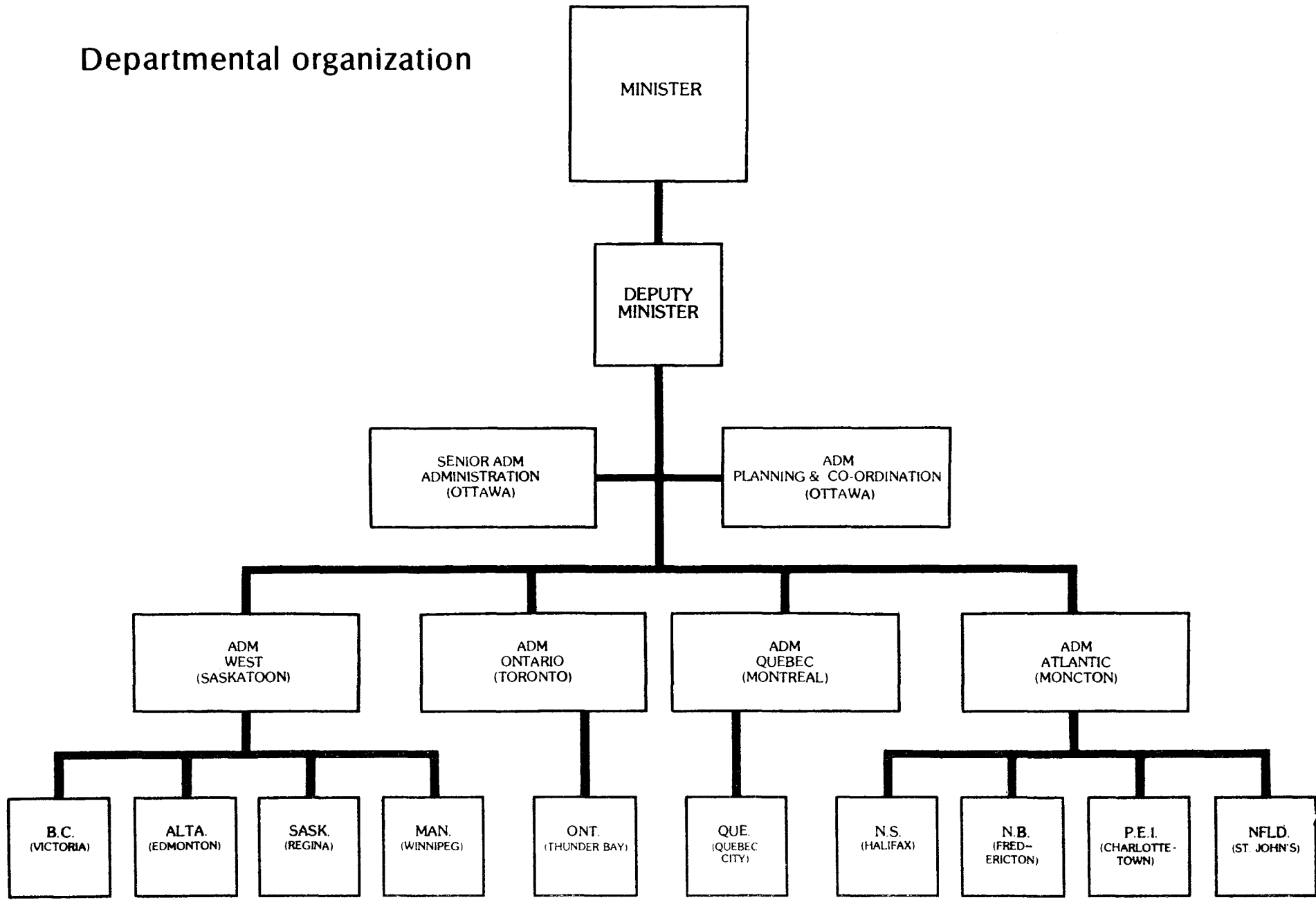
This report describes the activities under way in 1973-74 and provides an indication of future plans for coordinated federal-provincial action to increase economic growth in each of Canada's regions and provinces.



-  **OTTAWA**
-  **REGIONAL OFFICE**
-  **PROVINCIAL OFFICE**
-  **BRANCH OFFICE**
-  **WESTERN REGION**
-  **ONTARIO REGION**
-  **QUEBEC REGION**
-  **ATLANTIC REGION**

MULTICOM 101

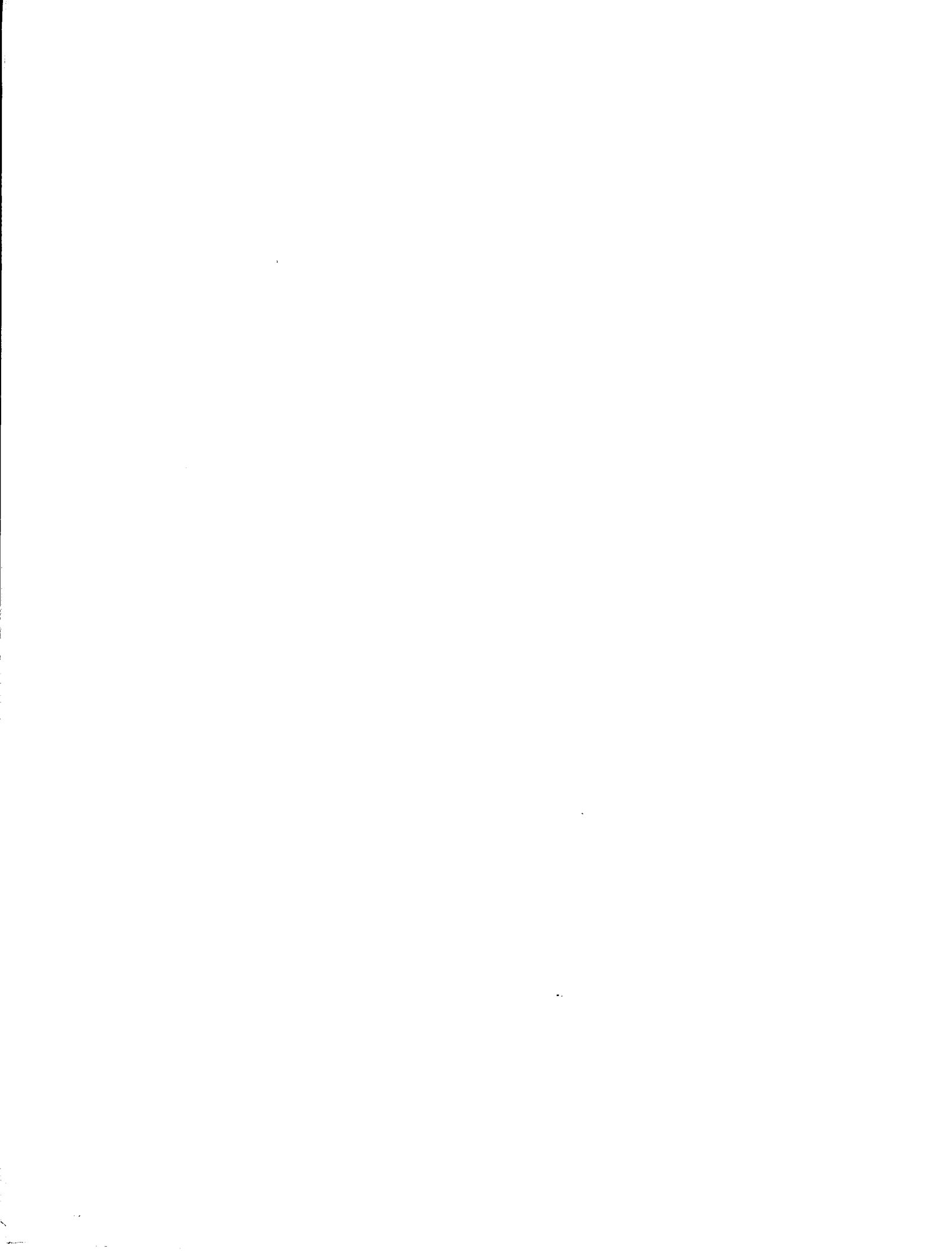
# Departmental organization







**Part I**  
**APPROACH AND ORGANIZATION**



# POLICY APPROACH

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The policy approach of the Department focuses on three main areas — Developmental Opportunity Initiatives, Industrial Incentives, and Other Programs:

## DEVELOPMENTAL OPPORTUNITY INITIATIVES

The identification and pursuit of major developmental opportunities in the various provinces of Canada have been consolidated in comprehensive and individual form in the new General Development Agreements (GDAs) signed by the Department and individual provincial governments.

The GDA provides the framework for encouraging coordinated federal and provincial action to realize the potential for economic and social growth in a particular province. The agreement declares a 10-year period of close, coordinated partnership between the federal government and the province. It defines objectives, a broad strategy to achieve them, the extent of activity, and the types of cooperation and support that will be required. As an enabling document, the GDA does not provide for a commitment of resources. This is done by means of specific subsidiary agreements, which outline the relevant details of individual programs and projects.

As noted above, in 1973-74 separate GDAs were concluded with six provinces of Canada. It is expected that by the end of 1974 agreements will have been signed with every province except Prince Edward Island, for which a 15-year Comprehensive Development Plan, signed in 1969, is still in effect. By the end of the fiscal year, two subsidiary agreements were signed, with more than a dozen in the advanced planning stage. Details of GDAs and sub-agreements, by province, are contained in the appropriate regional sections of this Report.

## INDUSTRIAL INCENTIVES

The Regional Development Incentives Act (RDIA) makes provision for incentives to support the establishment, modernization, or expansion of manufacturing and processing industries and certain types of commercial facilities.

Incentives may take the form of grants or loan guarantees to increase or maintain employment opportunities in certain regions of Canada, as identified by the Governor in Council.

Under the Department of Regional Economic Expansion Act, grants or loan guarantees are also

made available to firms willing to locate, expand or modernize in areas specified by the Governor in Council following departmental consultation with the provincial governments.

The general policy review brought about a revision of the RDIA program, introducing specific province-wide areas of Canada identified for assistance — Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Manitoba, Saskatchewan, Quebec (excluding the Montreal-Hull corridor), and the northern part of Ontario. The revision was introduced by amendment to the Regulations effective April 1, 1974. Incentives may also be provided, through specific sub-agreements to the GDA, to resource-based industries in rural areas of Alberta and British Columbia. Details of industrial incentives by province for the fiscal year 1973-74 are contained in the regional sections of this Report.

## OTHER PROGRAMS

To meet the needs of rural areas, to assist such basic industries as fishing, farming and forestry, and to provide assistance to Canada's native peoples, the Department also administers the following:

*Agricultural and Rural Development Act (ARDA)* — This program operates under cost-sharing agreements with the provincial governments, and seeks to improve the income and employment opportunities of people in rural areas. Activities vary from province to province, but generally include measures to encourage the more efficient utilization of land, the conservation of water supplies and the improvement of soil. Also included are related efforts to diversify rural economic activity, and special programs of adjustment. ARDA agreements are in force in all provinces except Prince Edward Island, where comparable activities are carried out under a comprehensive development plan.

*Prairie Farm Rehabilitation Act (PFRA)* — Water conservation on individual farms and land-use adjustment have been the major activities of PFRA since its establishment in 1935. While activities of this kind retain their importance, PFRA is gradually shifting emphasis, so that it may develop as an instrument for implementing various adjustment and development programs in Western Canada. A separate annual report on PFRA is published by the Department, and is available on request.

*Fund for Rural Economic Development (FRED)* — Programs under this plan are tailored to the particular developmental needs of the areas they are

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designed to serve, and involve a broad mixture of activities in such fields as infrastructure development, improved resource utilization, recreational development, basic education and counselling.

*Special Areas Program — Infrastructure Assistance* — This program operates under federal-provincial agreements, which provide departmental financial assistance for the construction of the specific types of infrastructure needed by a particular community. Projects supported include roads, water and sewer systems, industrial parks and schools. The special areas covered by such infrastructure agreements are detailed in the various regional sections of this Report.

*Supplementary Programs* — The Department supports other measures designed to meet particular needs in particular areas. Examples are mineral development agreements in effect in New-

foundland and New Brunswick, and surveying and mapping programs designed to help the Atlantic Provinces improve their land-registration systems. A further example is the Newfoundland Resettlement Program, which is administered by the Newfoundland government but jointly financed by the Department and the province. This program is designed to assist families or individuals who may wish to move from small, isolated communities to other communities where a wider range of employment opportunities, health, educational and other services is available.

The Department also administers, on behalf of the Department of Finance, the Winter Capital Projects Fund. This fund provides loans to municipalities across the country, to undertake various construction projects that will create jobs in the period of high winter unemployment.

# ORGANIZATION

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In the fiscal year 1973-74, the Department completed a major reorganization, involving a high degree of decentralization.

The Department is now strongly represented in four regional offices at Moncton, New Brunswick; Montreal, Quebec; Toronto, Ontario; and Saskatoon, Saskatchewan. Each office is headed by an Assistant Deputy Minister. In addition, offices in each of the ten provinces have been greatly strengthened. The new decentralized approach has increased the Departmental presence in the regions and provided a better integration of functions. There is now an improved capacity to administer existing programs effectively — particularly the regional development incentives program — and to engage in the process of identifying and carrying out developmental activity under subsidiary agreements, or "action pacts", with each of the provinces. There are, similarly, improved opportunities

now to coordinate and cooperate with other federal departments in the areas concerned and, most important, with the provincial governments.

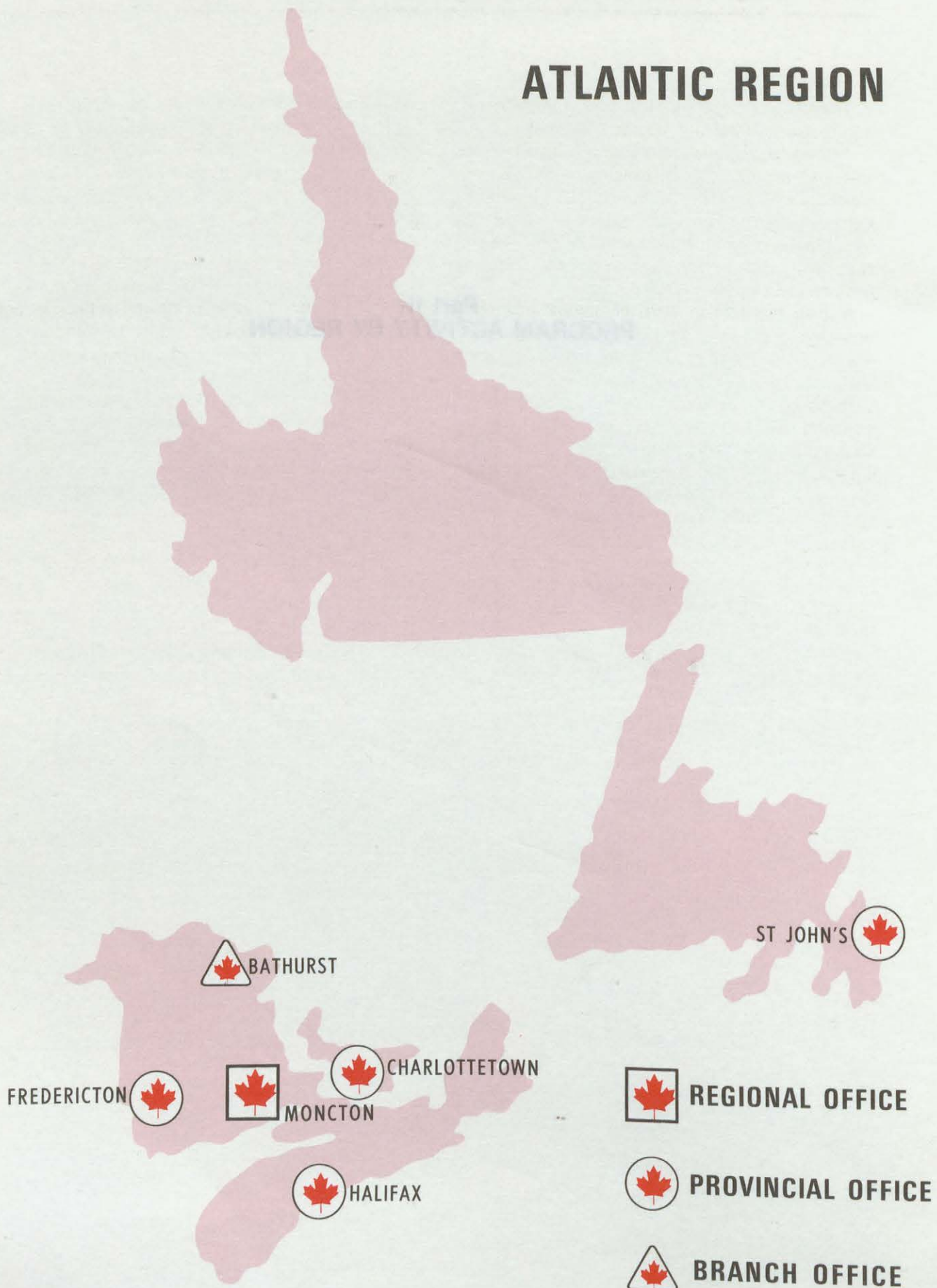
With the decentralization process and the strengthening of regional and provincial operations completed, the role of the Ottawa-based organization is now essentially that of coordination and support.

The shifting of emphasis of the Department of Regional Economic Expansion to various regions of Canada, the programs in existence, and the new strategies under discussion, represent a structural and operational departure from traditional federal government procedures. A brand new approach to development is emerging: an approach designed to enhance the social and economic growth of the provinces of Canada, with the overall objective of contributing to the quality of life of all Canadians.



**Part II**  
**PROGRAM ACTIVITY BY REGION**

# ATLANTIC REGION





## ATLANTIC REGION

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The 1973-74 fiscal year was one of both change and progress in the four Atlantic Provinces.

Among the major developments during the year was the signing of the Newfoundland General Development Agreement, the first of its kind to be signed with a province. In addition, discussions took place with the provinces of Nova Scotia and New Brunswick for the development of similar General Development Agreements.

Also in preparation were numerous subsidiary agreements to be signed during the new fiscal year with Newfoundland, Nova Scotia and New Brunswick.

In Prince Edward Island, DREE's activities were concentrated on the implementation of the 15-year Comprehensive Development Plan, which was signed in 1969. An assessment of the projects undertaken during the first five years of the Plan was made by both governments and planning work was started for the second phase.

During the year, activity under the Department's incentives program resulted in accepted offers of assistance to 134 industrial projects which were

expected to create 3,739 direct jobs in the region.

The Special Highways Agreements in Newfoundland, Nova Scotia and New Brunswick, and the Special Areas Agreements in Nova Scotia and New Brunswick were all amended to provide additional funds for the implementation of new development projects.

The Northeast New Brunswick FRED Agreement, as amended on September 5, 1972, was in its first full year of activity. Various programs and projects which were undertaken by Canada and the province involved a DREE expenditure of approximately \$5.8 million.

New Brunswick was the only province where the NewStart Corporation continued operations. Originally begun in 1966, this program was designed to develop and test new methods of helping people to cope successfully with social change.

In Nova Scotia, the Metropolitan Area Growth Investments Ltd. (MAGI), designed to stimulate growth in the Halifax-Dartmouth area, was established during this fiscal year.

# NEWFOUNDLAND

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## DEVELOPMENTAL OPPORTUNITY INITIATIVES

On February 1, 1974, the federal government and the government of Newfoundland signed the first General Development Agreement in Canada. This agreement placed emphasis on the development of human resources in the province. Industrial priorities centred on forestry, fishing, agriculture, tourism, ocean sciences, construction and mineral development.

At the same time, the agreement made provision for many subsidiary agreements to cover the broad spectrum of Newfoundland's potential growth. Discussion of these was well under way by the end of fiscal year 1973-74; at year end it was expected that at least five sub-agreements in the fields of fishing, forestry and highways would be signed within a few months.

## INDUSTRIAL INCENTIVES

From its inception in 1969 to March 31, 1974, the RDIA program has committed \$10,975,251 in grants to 85 industrial projects in Newfoundland, based on an expected total capital investment in eligible assets of \$31,883,420 and the creation of an expected 2,783 direct jobs. Payments made against these offers amounted to \$4,335,902 in this period.

## SPECIALIZED INDUSTRIAL DEVELOPMENT

During 1973-74, the Newfoundland and Labrador Development Corporation continued to complement RDIA activities by providing small business with financial, management and marketing assistance.

## OTHER PROGRAMS

### SPECIAL AREAS

*St. John's* — Work continued on the St. John's Harbour arterial road, the Memorial University Engineering Building and Donovan's Industrial Park, and on studies for the St. John's sewer system and the St. John's Urban Region water supply system. The Virginia Park Trunk Sewer, the Holyrood water supply system, Carbonear Road, and the St. John's West High School were completed. In addition, work started on the Mount Pearl Junior High School, the St. John's West Elementary School, and the Carbonear Industrial Park.

*Burin* — Work began on the water and sewer system for the Burin-Burin Bay Arm area, the Marys-town North water and sewer system extension, and the design of the St. Lawrence High School. As well, construction to supplement the Fortune Water Supply was finished.

*Come-By-Chance* — Work was completed on the Come-By-Chance townsite study.

*Grand-Falls - Gander* — Work continued on the Grand Falls water supply extension, and the Bishop's Falls water supply project was concluded. New projects begun this year were the Grand Falls Industrial Park and the provision of such external services as access roads, trunk sewers and external sewers to the Gander North-east Land Assembly. Design work started on the Gander Industrial Park and the Gander High School and was completed on the Gander water supply and Gander sewage treatment plant.

*Stephenville* — Work continued on the Stephenville Industrial Water Supply, and the Stephenville Area 13 High School. The Barachois Brook and Main Gut highway bridges were completed, and construction started on the water and sewer servicing of Stephenville Area 13. Design was completed on the Stephenville Crossing Elementary School.

*Corner Brook* — The Corner Brook Harbour arterial road, Elizabeth Street road construction and the Elizabeth Street water reservoir projects continued. The Maple Valley Industrial Park and the Corner Brook traffic study were completed. New projects begun were the Corner Brook Regional High School and the Country Road water and sewer servicing.

*Hawkes Bay - Port au Choix* — The Port au Choix water supply system (fresh and salt) was completed. Work began on the Port Saunders water supply, the Port Saunders Regional High School and Hawkes Bay Elementary School.

*Happy Valley* — The elementary and vocational schools in Happy Valley were finished. Work began on the Happy Valley water supply system.

### SPECIAL HIGHWAYS AGREEMENT

The Lethbridge-Bonavista, Hawkes Bay — Port au Choix roads, two bridges on the Burnt Islands-Rose Blanche road and the grading and application of granular material to the Deer Lake-Wiltondale road were finished. Thus all the projects under the original Special Highways Agreement, signed in November 1971, were completed.

An amendment signed in early 1973 provided funding for an additional nine projects across

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Newfoundland. Of these, the paving of the Bonavista North road from Traverse Brook to Trinity and of the approaches to Main Gut and Barachois Brook bridges were completed. Work on the St. Lawrence-Lawn, the Burnt Islands-Rose Blanche, Baie Verte towards LaScie, and Cow Head towards Bay D'Espoir roads began. Work was also carried out on the T.C.H. - Northern Peninsula Highway grade reparation and connecting ramps. A contract was awarded for five miles of road to be constructed from Red Indian Lake towards Southwest Branch.

### **AGRICULTURAL AND RURAL DEVELOPMENT ACT (ARDA)**

A major program of rural development was approved for the province under the ARDA III Agreement, providing for the expenditure of \$11,464,923 over five years. The federal share will be half that amount.

The program provides an integrated approach to rural services, with funds being applied to help development associations to plan, organize and implement regional activities, and to aid small local industries that are not eligible for RDIA assistance.

The major agricultural program approved in the previous fiscal year was continued, with expenditures of \$454,921.

A contract also was awarded for improvements to the industrial water supply at Port aux Basques.

### **NEWFOUNDLAND RESETTLEMENT PROGRAM**

An amendment signed to the existing agreement allows assistance to be given to individuals or families moving from a larger number of communities than was previously covered. This requires that the head of the household relocate in a community where employment will be assured. One hundred and twenty-two families took

advantage of the program. The federal contribution totalled \$232,421.

### **NEWFOUNDLAND MINERAL EXPLORATION AND EVALUATION**

On September 3, 1971, the federal departments of Regional Economic Expansion and Energy, Mines and Resources jointly entered into a four-year agreement with Newfoundland to stimulate the exploration and evaluation of mineral resources.

The agreement contains six projects: a mineral inventory, mineral development planning, prospector technical training, a mineral evaluation survey, a glacial geological-geochemical survey and an analytical laboratory.

Work continued on the first five of these projects, and on plans for the construction of the multi-purpose laboratory building, which will also serve other provincial purposes.

Federal expenditure under this agreement for the fiscal year 1973-74 totalled \$564,835.

### **NEWFOUNDLAND LAND SURVEYING AND MAPPING**

Mapping projects continued throughout the province under this agreement. Included were control surveys in the Clarendville and St. Anthony areas and on the Avalon Peninsula. Contracts were awarded in the Bonavista, Stephenville and North East Avalon areas for new work.

During the fiscal year, a construction contract was awarded for the new provincial mineral resources and Crown Lands surveys building. It will house all provincial surveying staff, as well as the Crown Lands central office. DREE provided about \$500,000 under the land surveying and mapping agreement toward the cost of this building, as well as \$400,000 under the minerals exploration and evaluation agreement.

# PRINCE EDWARD ISLAND

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During the year, most of DREE activities on Prince Edward Island were carried out under the 15-year Comprehensive Development Plan, the federal-provincial agreement signed on March 7, 1969. The Plan governs activity in four major areas: resource adjustment and development, social development, resource support and commercial services. Federal expenditures under the Plan in the fiscal year 1973-74 totalled approximately \$15 million in contributions and just under \$2 million in loan funds.

The resource adjustment and development area covers programs that focus on land-based resources, as well as fisheries. Agriculture continues to represent a major thrust, emphasizing family farm development; more than 1,600 farmers have completed their development plans and received grant offers. The completion of individual farm plans has significantly improved farm management practices. The Land Development Corporation has a major role in buying, selling, developing and leasing land. Two community pastures are now operated by the Land Development Corporation with encouraging results in terms of the number of farmers involved and the production achieved.

In tourism and recreation, master plans have been developed, with implementation moving rapidly ahead in the major provincial parks. Several specialized museums have been opened, including a small hydro-electric plant at Scales Pond and a fishermen's museum at Basin Head. Research has been carried out on tourism in order to develop sound, long-range plans to integrate parks and outdoor recreation.

Land use planning activities in the year under review included the completion of the Greater Charlottetown Area Opportunities Study, which revealed developmental opportunities that are now under consideration. Although not financed under the Development Plan, the work of the Royal Commission on Land Use was completed. Recommendations arising from its report are being examined by the provincial government, because land use is expected to receive increasing attention as the Plan proceeds.

In the social development area, education and housing are the two major sectors in which DREE participated financially during the year. The administrative framework of the educational consolidation program was completed. The school con-

struction program, in its third year, continued. Five schools, with a capacity for approximately 2,700 students, were completed, including the first junior high school built under the program. Another two schools are under construction, with planning and site acquisition in progress for three more.

The two programs of home improvement and home ownership achieved a high level of participation with more than 2,200 applicants receiving assistance.

Construction of the Greater Charlottetown sewage treatment facility continued, with completion scheduled for the next fiscal year. Completion of this project will clear up the last major source of urban pollution on the Island.

The Summerside waterfront development provided a number of construction projects involving both public and private funds. The Department contributed funds for supporting infrastructure. The commercial element of a 150,000 sq. ft. shopping centre, using \$3.3 million of private capital, was more than 75 per cent completed during the year, with the opening set for early in the next fiscal year.

In the resource supporting and commercial services areas, the Department and the provincial government continued the highway construction program with work being carried out on 49 miles of roads.

In manufacturing and processing, a new program was introduced to provide some financial assistance to small manufacturing industries and handicraft activities. The assistance was in the form of forgivable loans to enterprises unable to qualify under the federal Regional Development Incentives Act. Some 20 enterprises were assisted.

An assessment of the first five years of activities under the Comprehensive Development Plan was undertaken jointly by both governments to provide a planning basis for future activities.

The joint management system under the Plan continued. Planning work has begun on the second phase of the agreement, scheduled to start on April 1, 1975.

From its inception in 1969 to March 31, 1974, the RDIA program has committed \$4,840,435 in grants to 44 firms in Prince Edward Island, based on an expected total capital investment in eligible assets of \$13,011,642 and the creation of an expected 946 direct jobs. Payments made against these offers amounted to \$2,431,112 in this period.

## DEVELOPMENTAL OPPORTUNITY INITIATIVES

During 1973-74, the groundwork was laid for the signing of a General Development Agreement between the federal government and the province of Nova Scotia. Several developmental opportunities were explored, including the construction of a railway system on both sides of the Strait of Canso to aid the development of a heavy industry area; a harbour planning study to ensure optimum use of the deep water natural resources; an examination of economic opportunity in Pictou County; and provision for resource staffing to support and assist joint task forces and executive and cabinet committees on development.

## INDUSTRIAL INCENTIVES

From its inception in 1969 to March 31, 1974, the RDIA program has committed \$44,258,533 in grants to 167 firms in Nova Scotia, based on an expected total capital investment in eligible assets of \$203,523,483 and the creation of an expected 6,374 direct jobs. Payments made against these offers amounted to \$16,782,800 in this period.

## SPECIALIZED INDUSTRIAL DEVELOPMENT

During the year, the Metropolitan Area Growth Investments Ltd. (MAGI) was established under an interim board of directors. The federal-provincial corporation is designed to stimulate economic growth in the Halifax-Dartmouth area.

## OTHER PROGRAMS

### SPECIAL AREAS

On October 12, 1973, a major amendment was made to the 1970 development agreement between the federal government and the province of Nova Scotia. The amendment called for a further \$31.4 million which, together with a previous amendment in 1971 of \$13.6 million, brings the total expenditure under the agreement to \$79 million. The program involves close federal-provincial cooperation in infrastructure projects in the two growth areas of Halifax-Dartmouth and the Strait of Canso.

*Halifax-Dartmouth* — There are 108 projects and studies valued at \$57 million in this Special Area: 102 of them went to contract. These included residential land development, educational facilities, a

Halifax-Dartmouth major water supply, trunk sewers and metropolitan transportation improvements. Approximately \$33 million has been paid to the province to date in progress payments.

Among the projects were construction of the harbour storm and sanitary sewer interceptor and the Fresh Water Brook sewer in Halifax; industrial land development in Dartmouth; water and sewer services in the Eastern Passage-Cole Harbour Area; and land assembly for residential development in the County of Halifax. There were also the Pockwock regional water supply, water and sewer services in the Bedford-Sackville area, and improvements to the Lake Major water supply.

*Strait of Canso* — There are 15 projects and studies valued at \$10 million in this Special Area; 12 have now gone to contract and a number are completed and in use. Projects at present nearing completion include a four-lane arterial road linking Port Hawkesbury to the Trans-Canada Highway and upgrading of the connector road to the town of Mulgrave. Construction is expected to commence shortly on the Port Hawkesbury Junior-Senior High School, with associated community facilities, and the Mulgrave bypass highway.

*Highways Outside Special Area* — Fourteen projects along Trunk 103, Halifax to Bridgewater, valued at \$5 million, are now completed and in use.

*Special Highways Agreement* — On October 24, 1973, a \$10 million amendment to the 1970 Special Highways Agreement was signed, increasing the original \$20 million to \$30 million. The agreement called for the construction of six trunk highways in the province. Some 50 contracts throughout the province were awarded and work carried out, including grading, paving and structures on trunk highways 101, 103, 104, 19 and 22. An additional two lanes were provided to trunk 102 between Halifax and Truro.

## AGRICULTURAL AND RURAL DEVELOPMENT ACT (ARDA)

During the year, ARDA operated in a number of separate sectoral programs: agriculture, forestry, tourism, recreation, fisheries, mining, wildlife and rural adjustment.

In the agricultural program, the fruit industry, land improvement and capital grants projects were the ones most fully used by farmers, significantly improving the efficiency of agriculture in Nova Scotia. DREE's share of the cost was \$483,701.

The forestry program continued to improve the forests of Nova Scotia and assisted in many as-

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pects of silviculture on both crown and freehold land. These projects are closely linked to the research study of the supply and demand for Nova Scotia wood. DREE's share of this program was \$894,496.

Tourism and recreation, one of the fastest growing sectors in Nova Scotia, was assisted with \$1,039,994 to provide a basic, comprehensive study of the future pattern of its growth. The successful implementation of this study will lead to a dynamic and profitable industry. Emphasis was also placed on the purchase of high quality beaches and back-up lands.

The fishery sector program concentrated on projects to up-grade and improve small fish-processing plants, using better refrigeration equipment, bait freezers, ice storage and fish tanks. The cost of these projects was \$86,000.

ARDA programs in Nova Scotia also helped determine the economic mineral potential of the Eastern Shore, aided the Stellarton coal wash plant,

and provided groundwater investigation. The environmental hazard of the coal dump at Springhill became the subject of a study to determine the feasibility of its removal. The cost to DREE was \$108,000.

During the year, the wildlife program played a vital part in improving the socio-economic conditions of rural Nova Scotia, providing fishing and wildlife management, public access and public purchase of land for wildlife development. Numerous studies also were initiated, including research into deer and moose reproduction. Expenditures under the wildlife program amounted to \$44,638.

The rural adjustment program is linked to all other ARDA programs; the staff in the field work with the people to take advantage of all applicable assistance programs. The program also provides for leadership training, courses for low-income groups and grants to small, rural industries. Expenditures under the program totalled \$53,151. Total DREE expenditures for ARDA were \$2,810,780.

## DEVELOPMENTAL OPPORTUNITY INITIATIVES

During fiscal year 1973-74, extensive discussions took place between the federal government and the province of New Brunswick on a proposed General Development Agreement. It was expected that an agreement would be signed early in the next fiscal year: an agreement identifying the need for community development programs and community service projects to support broad industrial and social opportunities.

At the same time, there was discussion on future sub-agreements, covering such subjects as highways, forestry, mining and agriculture.

## INDUSTRIAL INCENTIVES

From its inception in 1969 to March 31, 1974, the RDIA program has committed \$49,156,907 in grants to 215 firms in New Brunswick, based on an expected total capital investment in eligible assets of \$130,803,178 and the creation of an expected 8,104 direct jobs. Payments made against these offers amounted to \$20,916,511 in this period.

## SPECIALIZED INDUSTRIAL DEVELOPMENT

The New Brunswick Multiplex Corporation, which was formed by the federal and provincial governments to assist in the development of a metal-working complex in the Saint John area, continued its operation during the fiscal year.

## OTHER PROGRAMS

### SPECIAL AREAS

On June 14, 1973, an amendment to the second Special Areas Agreement of 1971 was signed, providing for the funding of additional infrastructure projects in Moncton and Saint John amounting to another \$28 million. Total federal funding under the agreement was increased to almost \$65 million in contributions and more than \$53 million in loans.

*Saint John* — The projects in this Special Area can be grouped into five categories:

- **Roads within the Special Area** — Provision was made in the agreements for the construction of five projects related to collector streets and the construction of segments of the Saint John Throughway. One collector street project has been completed and construction activity on

three projects is under way. Construction of the fifth was delayed due to the rationalization of systematic development of the Civic Centre complex in the downtown area.

Work on the Saint John Throughway proceeded on schedule and the section from the Harbour Bridge to Fairville Interchange was put into use in the fall of 1973. The entire western section to Spruce Lake is expected to be in use by the fall of 1974.

- **Water Supply and Sewer Systems** — Provision was made in the agreements for three water distribution mains and three major water supply systems. Eleven trunk sewers, three sewage treatment plants and two storm sewers were to be constructed in connection with residential and industrial land development.

Significant progress has been made on all projects; most are complete or nearing completion. One treatment plant has been completed; design of the other two is under way. Design of the one remaining water distribution system and the last trunk water system is under way.

- **Industrial and Residential Land Banks** — Design and construction of internal servicing of approximately 46 acres of residential land and 362 acres of industrial land are in advanced stages. The residential land bank is located in East Saint John; the industrial land consists of two parks: McAllister Industrial Park in East Saint John and Spruce Lake Industrial Park in the western part of the city. Servicing includes water, sanitary and storm sewers, roads, rail and public utilities.

- **Educational Facilities** — Provision was made in the agreements for two elementary schools, the library and gymnasium of a high school and an extension of the Saint John Technical Institute.

One elementary school and the library and gymnasium have been completed and are operating. Construction on the remaining educational facilities is under way.

- **Land Acquisition and Studies** — Provision was made for acquisition of land and easements associated with the construction projects.

Another important project for the Saint John area is the development of its harbour facilities. The National Harbours Board is principally responsible for this project, but DREE provided a \$5 million loan to the province to assist in the design and construction of port terminal facilities.

Six studies have been conducted under Part III of the agreement in connection with the Saint John

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Special Area infrastructure projects. Also included in the agreement was provision for the construction of a shell building suitable for industrial purposes in a Saint John industrial park. Design of this facility is in progress.

*Moncton* — The projects in the Moncton Special Area can also be grouped into five categories:

- **Roads within the Special Area** — Four collector street projects were provided for in the agreements and all have been completed. Also included was the construction of certain projects on the western section of Wheeler Boulevard between St. George Street and Mountain Road interchanges.
- **Water Supply and Sewer Systems** — The agreements provided for three distribution water mains and for seven trunk sewers to serve industrial development and community growth. All the water mains have been made operational and five trunk sewer projects completed; the remaining two sewers are under construction. A project for water supply improvements at source is being designed.
- **Industrial Land Servicing** — To facilitate rapid growth in industrial expansion in the special area, some 285 acres of industrial land have been serviced or are in various stages of construction. This industrial land is located in the western and northern areas of Moncton and in the town of Dieppe. During the year considerable progress was made toward completion of the servicing of the 140-acre park in West Moncton. It is expected to be completed in the next construction season.
- **Educational Facilities** — In order to overcome the serious lack of high school vocational training facilities in the area, both French- and English-language facilities are being constructed. The first phase of the French-language facility is operational and construction is well advanced in phase two. In addition, an elementary school and a junior high school have been completed. Construction on the Moncton Senior Vocational High School was about 30 per cent completed at the end of the fiscal year.
- **Land Acquisition and Studies** — The construction project included provision for the acquisition of land and easements. Four studies have been included under Part III of the agreement for Moncton infrastructure projects. Three have been completed; the fourth, the Moncton railway relocation feasibility investigation, is in progress.

## **HIGHWAYS OUTSIDE SPECIAL AREAS**

The first agreement on special areas included provision for totally funding highway projects on Routes 5, 11 and 15 outside the special areas. Highway projects totalling approximately \$17 million were completed.

## **SPECIAL HIGHWAYS AGREEMENT**

An amendment to the 1971 agreement was signed in June 1973 providing for an additional \$10 million and an extension of two years to the 1973 termination date. The project will now run to March 1975 with total expenditures to be \$30 million. The agreement provides for general improvement in the highway network throughout the Atlantic area and involves considerable new road construction. Fifty-three construction projects were initiated under this agreement and were in various stages of completion by the end of the fiscal year.

The improvement of the highway network in the northern and eastern parts of the province is particularly important as a means of integrating the regional economy. New segments of Route 11, including the Campbellton-Dalhousie bypass, the Bathurst bypass, the Shediac North and Shediac to Moncton highways, have been completed.

Approximately \$28 million of the total \$30 million has been spent since the signing of the agreement.

## **FUND FOR RURAL ECONOMIC DEVELOPMENT (FRED)**

This year has proven to be the most active one in FRED programs since the original signing of the Northeast New Brunswick FRED Agreement in 1966. The agreement, as amended on September 5, 1972, was in its first full year of activity in its modified form during the 1973-74 fiscal year, and Canada and the province undertook programs and projects involving a DREE expenditure of approximately \$5.8 million.

In order to meet the two major objectives stated in the revised agreement, which are to create the greatest number of permanent jobs and to facilitate the employability of area residents, projects were implemented in the fields of economic development and social adjustment.

Within the framework of industrial development services, efforts were made to solidify the regional industrial commissions by financially supporting the hiring of industrial commissioners, and by conducting or supporting a number of feasibility and opportunity identification studies of which peat moss and fisheries are the two major ones. Management advisory services were also provided.



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In activities directly related to employment, a special program of incentives to small business was initiated; 26 grant offers were made, involving the creation of approximately 200 jobs. Work progressed on the building of the Acadian Historic Village, together with projects in forest and agriculture development.

These economic activities were supported by an industrial infrastructure program which proved to be beneficial to a number of industrial parks and sites. The most important of these was the new Forest Product Industrial Park in the Bathurst area.

The social adjustment objective resulted in increased activities in both school construction and municipal services, the latter being of benefit to four urban communities in the area. District planning commissions became more active, with the hiring of professional planners. Steady progress was also made in other urbanization projects, together with a number of social adjustment service projects.

#### **AGRICULTURAL AND RURAL DEVELOPMENT ACT (ARDA)**

The 1973-74 fiscal year proved to be most active, with an increase in both activity and expenditures under the ARDA agreement.

Work continued under the agricultural resource conservation and development program, with both technical and financial assistance being provided by the New Brunswick Department of Agriculture to farmers for projects such as stream bank protection, farm improvement and irrigation.

The resource industry development program assisted New Brunswick farmers in moving from dairy to beef farming, and provided demonstrations in new field crops, as well as assistance with livestock housing facilities.

Under the Kent County Regional Development Program, financial and technical assistance was provided to area residents in order to help them capitalize on the development potential in their

region. Projects involved oyster farming, woodlot development and other activities designed to create permanent jobs.

New programs undertaken with the province of New Brunswick include the following:

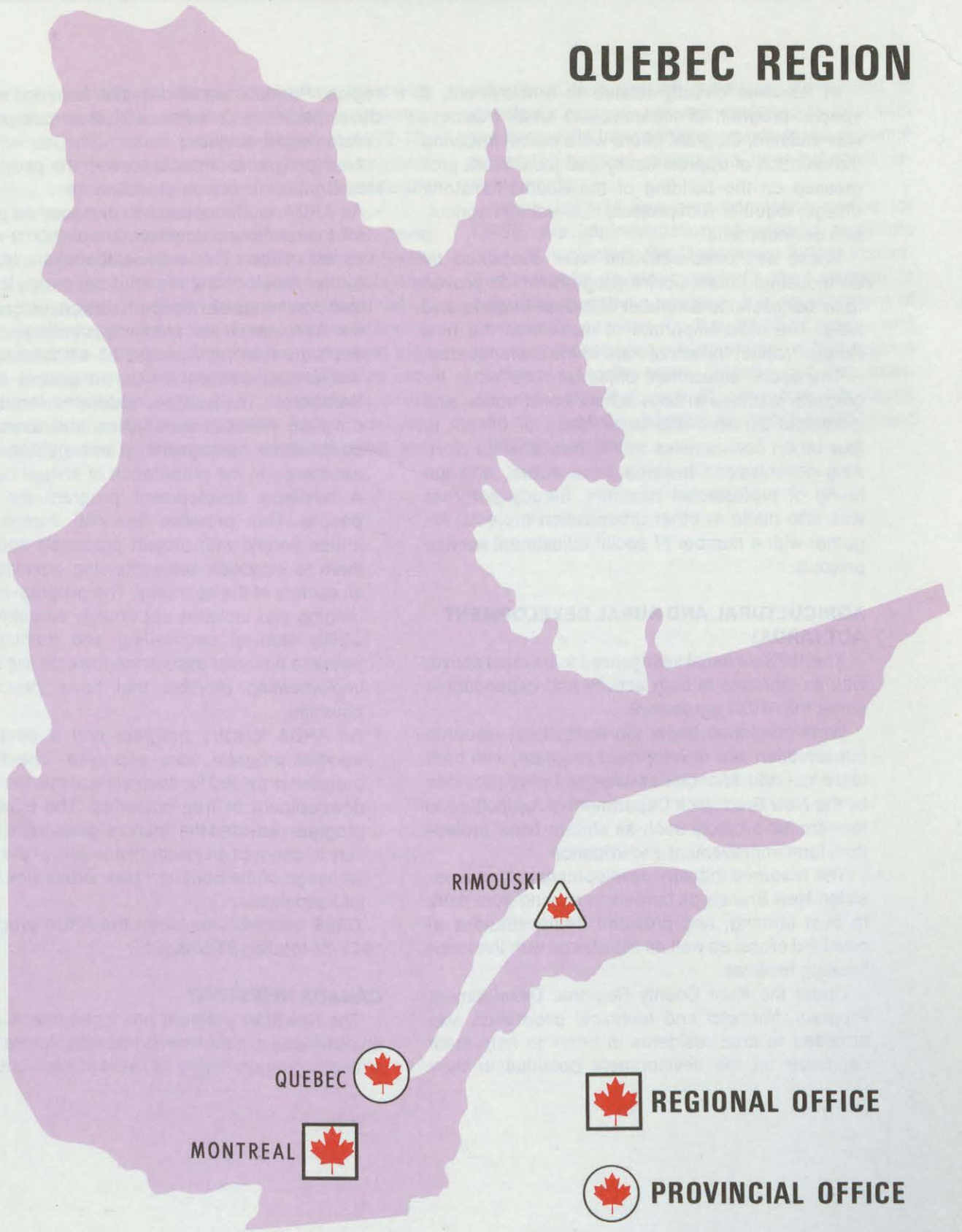
- An ARDA tourism program, designed to provide for the continued development of tourist-related opportunities. The work undertaken included further development of provincial parks, land acquisition, engineering and design projects, as well as research and planning activities.
- A program to provide for the establishment of viable cooperatives for Indian people in New Brunswick. The services extended through the program included supervision and direction in cooperative management, and guidance and assistance in the preparation of annual budgets.
- A business development program for Indian people. This provides financial incentives to Indian people with project proposals and helps them to establish self-sustaining businesses in all sectors of the economy. The program is wide-ranging and includes opportunity searches, feasibility studies, counselling and training, and possible financial assistance towards the cost of implementing projects that have job-creating potential.
- An ARDA forestry program and a pilot study woodlot program were approved. The forestry program provided for such services as the further development of tree nurseries. The pilot study program provided the financial assistance necessary to conduct an in-depth analysis of the woodlot usage of the Southern New Brunswick Woodlot Association.

DREE expenditures under the ARDA program in 1973-74 totalled \$1,533,451.

#### **CANADA NEWSTART**

The NewStart program has been phased out in all provinces except New Brunswick, where it continued to operate during 1973-74 in Kent County.

# QUEBEC REGION



 **REGIONAL OFFICE**

 **PROVINCIAL OFFICE**

 **BRANCH OFFICE**

## QUEBEC REGION

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The year 1973-74 was particularly important with respect to the Department's activities in Quebec. The decentralization process, begun in 1972-73, led to the establishment of a Quebec regional office, responsible for matters relating specifically to the province of Quebec.

A General Development Agreement has been signed with Quebec, which enables the two levels of government to carry out priority projects that capitalize on Quebec's development potential. A subsidiary agreement was signed on the financing of the 1974-78 Sidbec Corporation expansion plan to increase production capacity, rationalize production methods and diversify the products of this important iron and steel complex. As the fiscal year ended, plans by the two governments were well

advanced on a second subsidiary agreement to develop a highway network designed to deal with the immediate transportation needs of the province generated by steel-related and other industrial developments.

While 1973-74 was a re-orientation period for DREE, the implementation of existing programs was not neglected. The Department further intensified industrial development in Quebec through its industrial incentives program, the development of community services in the Special Areas, and social and economic adjustment in certain regions of Quebec (northwestern Quebec, the Saguenay, Lake St.-John, the lower St. Lawrence, the Gaspé and the Magdalen Islands) through the ARDA and FRED agreements.

## DEVELOPMENTAL OPPORTUNITY INITIATIVES

On March 15, 1974, a General Development Agreement was signed by the federal government and the government of Quebec. The 10-year agreement has as its objectives the improvement of opportunities for employment in the province, the improvement of living standards, and the reinforcement of the industrial and urban structures of Quebec in order to promote balanced development in the province in relation to other regions of Canada.

In addition to the General Development Agreement, the two governments also signed the first of a series of subsidiary agreements. This provided for financial assistance to the provincially-operated steel works of the Sidbec Corporation. The agreement is designed to increase production capacity and bring about the effective use of new technology. At the same time, the plant will be assisted in diversifying its product line and in formulating Sidbec's plans for expansion.

Other sub-agreements were discussed during 1973-74. One of these dealt with proposed financial assistance to the highway between Boucherville and Sorel, known as the "steel route". The highway is an important strategic route in steel and heavy industry in Quebec. Another sub-agreement on a proposed industrial park in Sherbrooke, including necessary highways and infrastructure support, was under discussion, as well as a program to focus on municipal infrastructure needs for certain industrial projects.

## INDUSTRIAL INCENTIVES

From its inception in 1969 to March 31, 1974, the RDIA program has committed \$186,948,020 in grants to 1,557 firms in Quebec, based on an expected total capital investment in eligible assets of \$1,016,336,100 and the creation of an expected 64,025 direct jobs. Payments made against these offers amounted to \$80,272,324 in this period.

## OTHER PROGRAMS

### SPECIAL AREAS

*Trois-Rivières* — Work continued on Autoroute 40 between Pointe-du-Lac and Trois-Rivières and on the intermunicipal road (Autoroute 755), accounting for a total of \$8,185,744. The total amount given to this area was \$8,739,447, of which \$5,154,316 was in grants and \$3,585,131 in loans.

The balance of expenditure was used for various basic community service projects, such as a water main in Shawinigan, a major access road to the industrial park in Trois-Rivières, and access roads and a main sewer at Becancour.

*Sept-Iles-Port Cartier* — Work continued on a number of projects to set up new community projects and to improve the quality of municipal services in the area. In Sept-Iles, the extension of Boulevard Laure was completed, as was construction of the social and recreational centre offering a range of sports and cultural activities. Work was begun on a new phase of urban renewal, an arena and a study of municipal structures.

In Port Cartier, various projects were completed or begun, such as the extension of the Chemin des Îles, construction of a main sewer and a wastewater treatment plant, and the installation of infrastructure for residential development and for an industrial park.

Total expenditures for 1973-74 amounted to \$6,320,472 of which \$5,015,309 was in grants and \$1,305,163 in loans.

*The New Montreal International Airport* — DREE expended close to \$45,394,000 in this area, including \$36,728,000 in the form of contributions and \$8,666,000 in loans, to assist the Quebec government and the municipalities concerned in setting up regional projects generated by the new international airport.

Although the funds were used mainly for the construction of a regional highway network and access roads to the airport (including Autoroute A-13), to which DREE contributed \$30 million, there were other projects under the agreement. DREE was involved in studies on establishing an airport commercial and industrial park; the improvement of the regional urban environment, through development work in the downtown areas of St-Jérôme, Ste-Thérèse and Lachute; enlarging the regional incinerator at Deux-Montagnes; construction of a regional system for the disposal of solid wastes for the Ste-Thérèse-St-Jérôme-Lachute region; and increasing the capacity of the filtration plants at Deux-Montagnes and Lachute.

Other programs included repair work on the seven chapels at Oka, development of the Carillon section of Dollard-des-Ormeaux Park, preparation of several municipal town-planning projects, and development of the airport region.

### FUND FOR RURAL ECONOMIC DEVELOPMENT (FRED)

With three years remaining, the FRED agreement

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for the development of the Lower St. Lawrence, Gaspé and Magdalen Islands areas was thoroughly reviewed to ensure continued progress on major projects.

Among the more significant activities were the introduction of two new projects in the agricultural sector. The first, involving the diversification of resource development, is designed to provide suitable technical and financial assistance to meet the immediate needs of the population of marginal areas in the interior, and to develop new methods for exploiting and managing resources which would enable these areas to attain a level of stability. The second project is aimed at introducing and promoting beef cattle grazing, which is expected to turn low-yielding land into a productive resource.

In the forestry sector, efforts again were concentrated on the systematic development of private forests, further supporting the government's aim of offering a viable alternative to the population of the interior. More than \$1.9 million was made available through the program.

In the mining sector, the year was marked by the opening of the Mount McGerrigle road, built at a cost of \$7 million, to provide access to new mineral deposits.

During the fiscal year, the fisheries sector entered an important phase. After lengthy and complex preliminary work, involving the active participation of various groups and the construction of unloading docks, the fisheries industrial park was begun. Of all the natural resource sectors, fisheries is unquestionably the one sector in which efforts at modernization and rationalization have produced the most visible results. It is expected that more than \$45 million will be provided for this purpose between the fiscal year and 1976.

In the tourism sector, attention was focused primarily on the Percé tourist centre. As a result of cooperative federal and provincial efforts, Percé has become a major centre and the hub of the region's tourist network. In this sector, the task of providing the region with adequate basic services for tourist accommodation is well in hand. Most of the work on the 17 tourist areas has already been completed and the facilities are open to visitors. Among these are the Notre-Dame-du-Portage centre, six government campsites and trailer parks, Fort Ingall, the Rimouski and Magdalen Islands museums, the Gaspé, Métis, Matane, Fort Prevel and Bic parks, three golf courses at Percé, Fauvel and Carleton, Forillon Park, and the salmon rivers for sports-fishing.

In the transportation sector, two important events in Gaspé during the year were the completion of the program to rebuild the main highway, to which \$54 million was allocated under the agreement, and the contribution of an additional \$10 million to harbour development.

In the land development sector, infrastructure work in the 18 designated service centres made considerable progress. Housing assistance funds, totalling approximately \$18 million, enabled the principal service centres to acquire about 1,200 low-rental housing units.

As in previous years, DREE cooperated in the implementation of major social-development programs designed to help the population adapt to socio-economic changes, and to provide the region with basic health and social facilities.

### **AGRICULTURAL AND RURAL DEVELOPMENT ACT (ARDA)**

During the year, DREE concentrated its activities mainly in the Saguenay-Lake St. John and north-western Quebec regions, where it had been decided that a special effort would be made to promote the development of agricultural, forestry, mineral and tourist resources.

The forestry sector was particularly active and received \$1,965,767, more than one-third of the total funds. This covered reforestation projects, silviculture activities, forest roadways, and the support and improvement of private woodlots.

Reforestation work was carried out on 2,700 acres in the counties of Abitibi-East, Dubuc and Roberval, using more than 10 million seedlings. DREE participated in a program to develop and expand the Normandin and Trécesson nurseries, to enable them to attain an annual production of approximately 10 million seedlings by 1978. More than 25 miles of forest access roads were built or improved. The program to promote improvement of private woodlots made it possible to regroup 41 holdings with a total of 5,000 acres of wooded land.

Expenditures in the tourist sector totalled \$1,291,330, mainly to establish provincial and municipal parks offering recreational and tourist facilities. Some of this money was used to complete the work on the municipal campgrounds in Malartic and Roberval, where there are some 250 equipped campsites, and to begin an important phase in the development of an historic site — the town of Val-Jalbert.

In the agricultural sector, DREE, working in cooperation with the Quebec Department of Agriculture, continued to fund various programs to a

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total of \$1,147,809. These included the plan to promote land utilization and rationalization, intensive technical training for producers, encouragement of crop diversification, consolidation of processing equipment, and the marketing of agricultural products.

DREE was active in the mining sector, with investments totalling \$986,516. These were for projects involving the construction of access roads to areas containing promising mineral deposits in the Chibougamau Lake and Duparquet regions, and

for surveys and geoscientific work aimed at increasing mineral production.

DREE funded various projects to assist secondary industries, such as snowshoe-making, and the establishment of highway and tourism community service projects that provide access to Indian reserves. Expenditures under this program totalled \$742,525.

Altogether, DREE spent \$6,200,385 in Quebec under the ARDA programs in 1973-74.

# ONTARIO REGION



THUNDER BAY



TORONTO



**REGIONAL OFFICE**



**PROVINCIAL OFFICE**



**BRANCH OFFICE**

## ONTARIO REGION

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As a result of the decentralization of departmental activities, a regional office has been established in Toronto to coordinate all DREE activities in Ontario. In addition, a new DREE office has been opened in Thunder Bay, in Northern Ontario. This office, under the direction of a Director-General, will include staff for the planning and implementation, in cooperation with the province, of departmental activities in Northern Ontario.

DREE's new thrust in Ontario is the 10-year General Development Agreement (GDA) signed between the governments of Canada and Ontario. A subsidiary agreement was also signed with Ontario to bring about a long-term expansion

in the employment and income opportunities available in the Cornwall area. This is to be done through improvements to the local physical, socio-economic and cultural environment, with particular emphasis on infrastructure. Negotiations between the governments of Canada and Ontario continued towards the signing of a subsidiary agreement on Northwestern Ontario.

During 1973-74, DREE assistance in Ontario continued under the Canada-Ontario Rural Development Agreement 1970-75 (ARDA III), the Regional Development Incentives Act (RDIA) and the Special Areas provisions of the Department of Regional Economic Expansion Act.



## DEVELOPMENTAL OPPORTUNITY INITIATIVES

On February 26, 1974, a General Development Agreement was signed between the federal government and Ontario. The 10-year agreement provides for a closely coordinated approach to the economic and social development of the province, primarily in northern and eastern Ontario. The two governments will ensure that future cooperative programs include recognition of the province's regional planning priorities under the Ontario Design for Development program. The agreement also acknowledges the need for coordination of the federal Regional Development Incentives Act with existing provincial incentive programs.

On the same day that the GDA was signed, the two governments also signed a subsidiary agreement for joint action in the Cornwall area. The federal and provincial partnership will provide approximately \$14 million towards programs designed to increase employment opportunities, stimulate industrial growth, and develop the tourist potential of the city and the surrounding area. The main activities under these programs will include the servicing of an industrial park in the eastern part of the city, the servicing of a single-industry site on the western boundary of the city, the construction of a civic centre complex, and the development of the canal lands area for recreational, cultural and commercial purposes.

Other subsidiary agreements were under discussion in 1973-74. The first of these dealt with a regional economic program for Northwestern Ontario to develop roads, to study the feasibility of an industrial complex, and to provide the necessary infrastructure support in selected growth areas. A similar sub-agreement is under discussion for the Northeastern area of the province.

## INDUSTRIAL INCENTIVES

From its inception in 1969 to March 21, 1974, the RDIA program has committed \$49,727,628 in grants to 167 firms in Ontario, based on an expected total capital investment in eligible assets of \$295,254,207 and the creation of an expected 8,423 direct jobs. Payments made against these offers amounted to \$18,452,690 in this period.

## OTHER PROGRAMS

### AGRICULTURAL AND RURAL DEVELOPMENT ACT (ARDA)

During the year this program aimed at alleviating the problems of agricultural adjustment. Research was jointly undertaken in support of various planned projects, with expenditures amounting to \$112,118.

Land use and farm adjustment projects made additional arable land available to farmers, enabling them to improve their net income and to convert low-yield agricultural land to more effective use. These projects cost \$3,241,852.

Retraining and rehabilitation assistance was given to people who left farming. Expenses in this category totalled \$20,245.

Rural development field services provided counselling service to people directly affected by general ARDA activities, to offer them the opportunity to make the necessary social and economic adjustments involved in relocating. Project expenditures amounted to \$251,060.

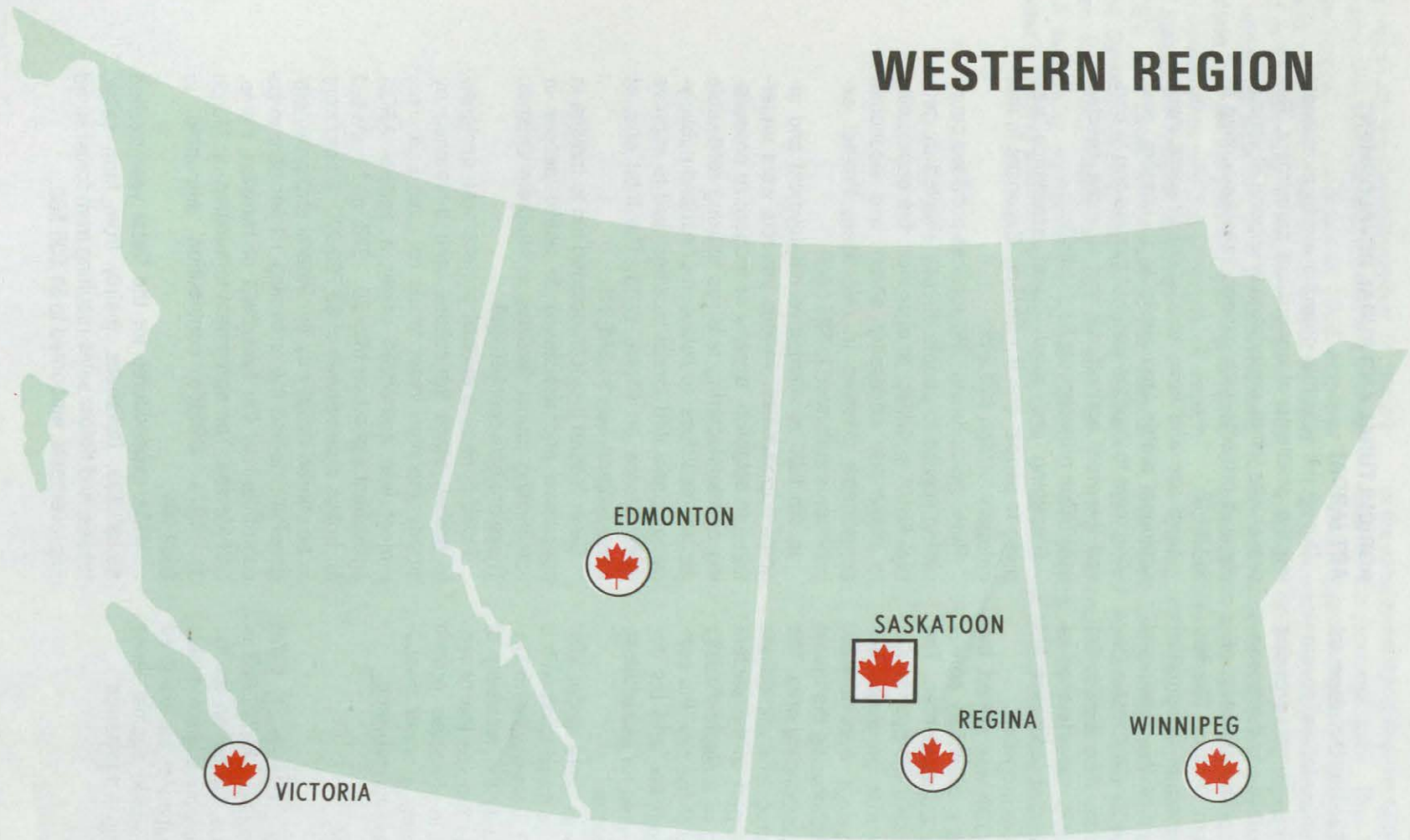
In the field of alternative employment and income opportunities, various projects were undertaken to establish, expand or modernize processing or manufacturing facilities utilizing renewable natural resources; to establish or expand publicly-owned parks and tourist facilities; and to improve forest stands on Crown Land. The total cost of these projects was \$1,263,215.

Other federal projects included aid to Indians in agriculture and assistance to native people in establishing tourist facilities in Northern Ontario. These projects cost \$65,648.

Flood control, a special project, was designed to protect prime agricultural land threatened by storms and high water levels on Lake Erie. This project was authorized under a special ARDA agreement signed on May 20, 1973, and provided for public expenditures of \$2,700,000: 90 per cent to be shared equally by the federal and provincial governments and the remaining 10 per cent to be contributed by the townships of Harwich, Pelee, and Mersea. The agreement terminated on March 31, 1974. DREE's contribution amounted to \$904,390.

ARDA expenditures for the fiscal year totalled \$5,883,139. Revenues, mainly from farm sales, leases, and timber sales resulting from forest stand improvements, amounted to \$1,505,560.

# WESTERN REGION




 VICTORIA

EDMONTON  


SASKATOON  


REGINA  


WINNIPEG  


 REGIONAL OFFICE

 PROVINCIAL OFFICE

## WESTERN REGION

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The Western Region operation was officially transferred from Ottawa to Saskatoon on January 4, 1974. Staffing of the regional office and of the four provincial offices is expected to have been completed shortly after the beginning of the new fiscal year.

The most significant development during the fiscal year 1973-74 was the signing of General Development Agreements with Saskatchewan on February 11, 1974; Alberta on March 5, 1974; and British Columbia on March 28, 1974. A similar agreement with Manitoba was in the advanced planning stage as the fiscal year ended.

Departmental policy in the Western Region was also influenced by the Western Economic Opportunities Conference which took place July 25-26, 1973. As a result of this conference, DREE began discussions with other federal departments and with provincial authorities in such fields as: the development of the western northlands; transportation access in the western northlands; a review of the Special ARDA agreements; industrial development, especially iron, steel and other related metals in Saskatchewan; mineral development; and north-western British Columbia planning and forestry development.

ARDA agreements continued in all four western provinces. These agreements were designed to increase farm incomes through the encouragement of further diversification of agriculture into livestock production in suitable areas and the improvement of the agricultural resource base.

The Department continued to make industrial incentives available in parts of the four western provinces. During the year, activity under the Department's incentives program resulted in offers of assistance to 72 industrial projects which are expected to create 2,198 direct jobs in the region.

Work also continued on infrastructure development and social adjustment in the Special Areas of The Pas in Manitoba, Meadow Lake in Saskatchewan and Lesser Slave Lake in Alberta.

The Prairie Farm Rehabilitation Administration was originally established in 1935 in response to the problems then facing prairie agriculture. It has been a part of DREE since 1969.

During the year financial and technical assistance was provided for more than 7,000 farm water projects. These included 2,600 dugouts, a 70 per cent increase over the previous fiscal year, and 4,500 wells under a program introduced during 1973-74. Construction on 41 small community water projects was also started during this period.

On March 31, 1974, under federal-provincial agreement, the St. Mary and Bow River Irrigation Projects in southern Alberta were transferred to the province. A federally-financed renovation and reconstruction scheme formed part of the transfer agreement. Work proceeded on schedule on the \$4.4 million reconstruction of the Western Irrigation Headworks in Calgary. This is one of four major structures that PFRA will renovate or reconstruct under the agreement with Alberta. Work also continued on the Shellmouth Dam in Manitoba and on the South Saskatchewan River Project.

Development work was started on one new community pasture during 1973. In 1973-74 the 95 PFRA pastures, which encompass 2.4 million acres, served more than 5,800 clients and provided grazing for over 230,000 cattle.

An Agricultural Service Centres agreement, similar to that signed in the summer of 1972 with the provinces of Manitoba and Saskatchewan, was formalized with Alberta in September 1973. The agreements covering this program provide financial and technical assistance for the installation of water and sewage facilities in prairie centres that play an important role in providing essential services to the surrounding agricultural communities and are considered to have a potential for economic expansion. As of March 31, 1974, agreements under this program had been entered into with 24 centres in Manitoba and Saskatchewan.

The PFRA Tree Nursery at Indian Head, Saskatchewan, provided 5.5 million trees to more than 6,000 farmers in the three provinces, as well as to a number of government agencies. The trees are used for farm and field shelter belts and for institutional plantings.

PFRA expenditures totalled some \$19 million during 1973-74. Revenues of some \$4.9 million were received from the operation of the various PFRA programs.

## DEVELOPMENTAL OPPORTUNITY INITIATIVES

During 1973-74 extensive discussions were held between the federal government and the government of Manitoba. As an outcome of these talks a General Development Agreement was expected to be signed by the spring of 1974.

The agreement will focus the attention of the two governments on the socio-economic development of the province, particularly with respect to providing viable and attractive options and opportunities for people in northern areas. Agricultural, industrial and resource opportunities, and the development of urban and rural areas, will also be identified as priorities.

It is expected that a subsidiary agreement may be signed at the same time to permit the establishment of certain interim measures which could eventually form part of long-term northlands development strategy. Other topics under discussion as possible development opportunities involve farm machinery manufacturing, vegetable oil, and live-stock production and marketing.

## INDUSTRIAL INCENTIVES

From its inception in 1969 to March 31, 1974, the RDIA program has committed \$36,770,929 in grants to 228 firms in Manitoba, based on an expected total capital investment in eligible assets of \$187,530,336 and the creation of an expected 7,935 direct jobs. Payments made against these offers amounted to \$19,237,238 in this period.

## SPECIALIZED INDUSTRIAL DEVELOPMENT

To offset the economic and social impact of closure of the Canadian Forces Base at Gimli, the base was turned over to Manitoba for use as an industrial park. DREE provided \$1.6 million to offset conversion and operating costs for the initial period.

DREE also provided \$1.1 million for short term construction employment and to strengthen the natural recreation potential at Gimli. The agreement time limit was extended to September 30, 1974, to allow for completion of the recreation facilities. The approved projects include a marina complex, a fishing village, a trailer park, town enhancement, a museum, lakefront development, and a library and interpretive centre. Departmental expenditures amounted to \$476,868.

## OTHER PROGRAMS

### SPECIAL AREAS

*The Pas* — All of the infrastructure projects covered by the first and second Special Area agreements for The Pas were essentially completed.

An amendment to the second agreement was signed on March 12, 1973, to provide additional assistance to the town of The Pas for development and servicing of a light industrial park, construction of a district library, extension of the sanitary and storm sewer facilities and a program of street reconstruction. The amendment also provided for the installation of sewer and water facilities in the community of Cranberry Portage and the upgrading of provincial road 283 west of The Pas. Total DREE commitments within The Pas Special Area as a result of the March 1973 amendment are \$8.8 million in contributions and \$6 million in loans.

Manpower Corps Training programs continued with on-the-job training of Special Area residents at The Pas, Cormorant, Moose Lake, Easterville and Grand Rapids. The information-communication program continued to facilitate the flow of information to and from the residents of the Special Area so that they might have up-to-date knowledge of events and emerging opportunities in the area.

Total departmental expenditures during the fiscal year amounted to \$1.4 million in contributions and \$570,000 in loans.

### FUND FOR RURAL ECONOMIC DEVELOPMENT (FRED)

Under the FRED agreement signed in 1967, DREE shares with Manitoba the cost of a 10-year development plan for the Interlake area, a 10,000 square mile region between Lakes Winnipeg and Manitoba with a population of some 60,000 people. During year seven of the FRED Interlake plan, emphasis was on sets of programs for farmers, fishermen and other wage earners in the region.

Eighty-seven farmers were taken on the farm diversification program, bringing the total to 144. Under the farm water services program, 284 grants totalling \$30,000 were paid.

Eighty-eight fishermen participated in the fishermen management program. In addition to the records system, introduced during the program's first year, activities included the introduction and demonstration of new equipment.

Manpower Corps continued to provide training and work orientation. Emphasis was placed on projects likely to lead to long-term employment

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within the part of the Interlake where the trainee wished to live. Some 250 trainees participated during the year.

Major capital works on highways and water control, as well as parks and recreation work in Hecla Park, were completed or left with only minor work needed to complete the balance of the contract.

Total DREE expenditures for the fiscal year were \$2.2 million.

### **AGRICULTURAL & RURAL DEVELOPMENT ACT (ARDA)**

*ARDA* — The program in Manitoba is designed to improve farm incomes: by widening the agricultural resource base through the comprehensive soil and water program; and by encouraging change in farm production from grain to livestock in suitable areas through the farm diversification program.

Support was provided for such projects as the groundwater investigation and comprehensive programs for Wilson Creek soil and water, and the community affairs, farm water services and veterinary clinic programs for farm diversification.

DREE expenditures for the fiscal year were \$1.9 million.

*Special ARDA* — This special program under the ARDA legislation covers the period to March 31, 1975, and is designed to provide people of native ancestry in rural areas of Manitoba with new and better opportunities to improve their economic circumstances.

The agreement provides for grants to assist in establishing or expanding various types of commercial enterprise in rural areas where there is a concentration of people of native origin. Community, recreation, transportation and communication facilities can also be assisted in selected rural areas.

To ensure that native people play a significant and continuing role in the operation of the program, representatives from the Manitoba Indian Brotherhood, Manitoba Metis Federation, and the Northern Association of Community Councils have been named to a special committee which reviews and recommends projects submitted for assistance under the program.

Up to March 31, 1974, offers of assistance had been accepted for 75 projects involving capital costs of \$5.4 million, which are expected to create 1,149 jobs. The Department committed itself to provide Special ARDA grants totalling some \$2.9 million to these projects. During the fiscal year the Department's expenditures were \$1.1 million.

### **AGRICULTURAL SERVICE CENTRES AGREEMENT**

Under this federal-provincial agreement, signed on August 1, 1972, the Department undertook to provide \$10 million in grants and loans over a five year period, towards the development of sewer and water services for selected centres serving the agricultural areas of the province. During the fiscal year work under this program was carried out in nine communities in Manitoba.

## DEVELOPMENTAL OPPORTUNITY INITIATIVES

On February 11, 1974, a General Development Agreement was signed between the federal government and the government of Saskatchewan. The developmental strategy outlined in the agreement calls for the coordination of existing federal and provincial development programs and the establishment of continuing programs to fill any gaps which may exist. Special attention is to be given to steel and metal-related industries, forestry, agriculture, tourism and rural and urban development.

During the 1973-74 fiscal year discussion took place on proposed subsidiary agreements to cover joint government action in the Qu'Appelle Basin with the aim of increasing employment opportunities through a year-round recreation and tourist area.

Two other sub-agreements, dealing with minerals exploration and development assistance in Northern Saskatchewan, were in the advanced planning stage as the fiscal year ended.

Other initiatives under study include the Qu'Appelle Valley development, rapeseed and edible oils, livestock production and processing, farm machinery manufacturing and service, forest industries development, urban and community affairs, tourism, and rural industrial development.

## INDUSTRIAL INCENTIVES

From its inception in 1969 to March 31, 1974, the RDIA program has committed \$10,751,211 in grants to 67 firms in Saskatchewan, based on an expected total capital investment in eligible assets of \$44,963,332 and the creation of an expected 3,216 direct jobs. Payments made against these offers amounted to \$5,001,960 in this period.

## OTHER PROGRAMS

### SPECIAL AREAS

*Meadow Lake* — This agreement terminated on December 31, 1973, although claims will continue until December 31, 1974, up to a total commitment of \$2.8 million in contributions and \$1.9 million in loans from the federal government.

With the exception of the mobile homes park,

which should be completed during the 1974-75 fiscal year, all community work initiated under the agreement was concluded.

The training opportunity program continued to March 31, 1974, for those projects undertaken before the official termination of the agreement. Up to 150 trainees were involved in projects related to the forestry industry, agriculture, and resort management and operation. The program included educational upgrading and practical work experience.

Total departmental expenditure on the Special Area during the fiscal year was \$2.6 million in contributions and \$1.5 million in loans.

## AGRICULTURAL AND RURAL DEVELOPMENT ACT (ARDA)

*ARDA* — Emphasis was placed on those programs designed to encourage agricultural diversification into livestock production and alternative land uses. DREE expenditures came to \$1.5 million.

In a separate agreement under the ARDA legislation, DREE continued to assist four Indian bands in developing Last Oak Park, a year-round recreation complex in the Round and Crooked Lakes area of Southern Saskatchewan.

Work proceeded ahead of schedule on all major projects, including the completion of a nine-hole golf course and the continuation of a road link between a major provincial highway and the internal park road system. Experience gained during the first phase of the program provided valuable inputs for the development of a second agreement providing for the completion of the complex. Federal expenditures totalled \$861,000.

*Special ARDA* — DREE provides assistance to various projects that will generate employment and income opportunities for people of native ancestry living in rural Saskatchewan.

Program guidelines were revised late in the year and the scope of the program was extended. These changes have resulted in an increased level of activity in projects which include forestry and fishing operations, service industries and agricultural enterprises. Approval was also given to examine the feasibility of other possible projects, and 55 offers of assistance have been made. The total commitment under Special ARDA amounts to some \$1.5 million.

## DEVELOPMENTAL OPPORTUNITY INITIATIVES

A General Development Agreement between the federal government and the province of Alberta was signed on March 5, 1974. The developmental strategy outlined in the new 10-year federal-provincial partnership includes joint action to produce balanced growth, in terms of the rural/urban mix, employment opportunities, and the diversification of the primary resource sector to provide increased resource processing. Special attention is given to providing viable job opportunities to people living outside the major urban areas.

An interim planning agreement was also under discussion as the 1973-74 fiscal year drew to a close. This would provide for cost-sharing of a number of planning studies.

Other possible subsidiary agreements have been discussed, involving agricultural, industrial and primary resource development.

## INDUSTRIAL INCENTIVES

From its inception in 1969 to March 31, 1974, the RDIA program has committed \$26,277,994 in grants to 62 firms in Alberta, based on an expected total capital investment in eligible assets of \$144,493,408 and the creation of an expected 2,577 direct jobs. Payments made against these amounted to \$15,808,537 in the period.

## OTHER PROGRAMS

### **SPECIAL AREAS:**

*Lesser Slave Lake* – Work on community service projects approved under the second Special Area Agreement, and the amendment to that agreement,

continued. Progress during 1973-74 occurred mainly in the town of Slave Lake where a new water trunk line, access roads, storm sewers, and water supply intake were completed. Paving of the Slave Lake airport and the installation of runway lights were also completed. Work on the Northern Industrial road and the Sandy Lake-Desmarais road continued.

In the Mitsue Lake Industrial Park, the completion of extensions to the rail spur line and water trunk line fulfilled the DREE commitment to provide financial assistance for the development of the industrial park.

In the social adjustment field, the Opportunity Corps continued to provide intensive counselling and exposure to a work environment, and to give inexperienced workers on-the-job training in basic skills. The Corps complements the work of such other social adjustment activities in the area as the "Outreach", "General Guidance", "Upgrading and Training" and "Retention" programs. These emphasize the teaching of vocational and life skills to residents located in more remote centres of the Lesser Slave Lake Special Area.

Departmental expenditures in the Lesser Slave Lake Special Area totalled \$1,085,438 in contributions and \$1,051,793 in loans in the fiscal year. In addition, the DREE share of the social adjustment programs during 1973-74 totalled \$894,380.

## **AGRICULTURAL & RURAL DEVELOPMENT ACT (ARDA)**

Activity under ARDA focused mainly on farm programs, livestock water supply, land assembly, grazing reserve development, forage crop development and reforestation. Departmental expenditures under this shared cost program amounted to \$2.5 million in 1973-74.

## DEVELOPMENTAL OPPORTUNITY INITIATIVES

A General Development Agreement was signed with British Columbia on March 28, 1974. Concurrently, DREE and the province entered into an interim planning agreement under which the federal government will cost-share up to \$1 million for consultant fees to assist the province in carrying out planning studies. Sixteen sectoral/geographic studies have been initiated under the agreement. These investigations and the resulting recommendations will provide information on areas that may require special measures to realize their optimum development potential. The department and the province continued to work to identify development opportunities and jointly formulate strategies which might incorporate such opportunities into specific subsidiary agreements.

Although no subsidiary agreements have been signed with British Columbia, two major initiatives are under active consideration. One will examine opportunities for development of the forest industry and the improvement of rail transport facilities in the northwest of the province; the other will undertake mineral development studies in the northwest district of the province.

Other specific initiatives relate to the northeast region, the Kootenay region, the fruit industry, the agricultural industry, industrial and commercial development and northlands development.

## INDUSTRIAL INCENTIVES

From its inception in 1969, to March 31, 1974, the RDIA program has committed \$5,325,501 in grants to 38 companies in British Columbia, based on their anticipated total investment in eligible assets of \$23,277,627, and the creation of an ex-

pected 1,640 direct jobs. Payments against these offers amounted to \$2,544,395 over the same period.

## AGRICULTURAL & RURAL DEVELOPMENT ACT (ARDA)

*ARDA* – The main emphasis continued to be the completion of irrigation works begun during earlier agreements.

Encouragement continued to be provided to resource-based industries that would create new jobs in designated rural development areas. Two commercial projects – Decker Lake Forest Products Ltd. (Burns Lake) and D. Groot Logging Ltd. (Smithers) – were approved for assistance.

Greater emphasis was also given to the expansion and development of community pastures in the Peace River area, and work is being undertaken in the north Okanagan Valley area on farm water supply for forage and livestock production. Departmental expenditures were \$1.4 million.

*Special ARDA* – This agreement provides for DREE to contribute up to 50 per cent of the total capital costs for the establishment, expansion or modernization of various kinds of commercial enterprises in rural areas of British Columbia where native people form a significant proportion of the population. There is also provision for assistance to transportation and communications projects that will help give native people access to existing or new job opportunities.

Projects under this agreement are to be reviewed and recommended by a committee which includes two status and two non-status Indian representatives.

During the fiscal year, there were 12 accepted offers for projects which are expected to create 922 jobs. DREE commitments totalled \$1,552,500. Actual payments amounted to \$161,148.