

THE TEXT ACCOMPANYING THE
FEDERAL-PROVINCIAL EASTERN
QUEBEC DEVELOPMENT AGREEMENT

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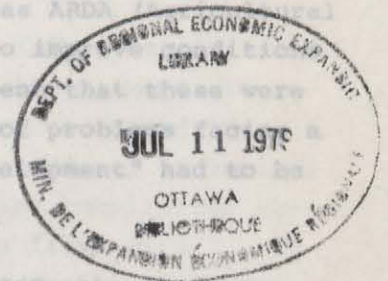
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INTRODUCTION

Background

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At that time, the elimination of such disparities in living standards in different regions of Canada became one of the major national concerns. Programs such as ARDA (Agricultural Rural Development Act) were introduced to improve conditions in rural areas, but it soon became apparent that these were not sufficient, and that the full range of problems of a peripheral region "in the process of development" had to be tackled at the same time.



Both governments therefore charged, in 1962, the Bureau d'Aménagement du Québec (Eastern Quebec Development bureau) with the tasks of analysing the gamut of regional problems and of preparing a development plan which would harmonize the efforts of the various departments and incorporate the efforts of the private sector.

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FEDERAL-PROVINCIAL EASTERN QUEBEC DEVELOPMENT AGREEMENT

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Both governments therefore charged, in 1962, the "Bureau d'Aménagement de l'Est du Québec" (Eastern Quebec Development Bureau) with the tasks of analysing the gamut of regional activity from social and economic view points and of preparing a development plan which would harmonize the efforts of the various departments and agencies and incorporate the efforts of the private sector.

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the regional economy), while expecting that the surplus manpower thus liberated could, after retraining, find employment in the larger growth areas, principally Montreal.

Interdepartmental cooperation and coordination called for under the Plan was subject at start-up to certain constraints. However as these were removed, so the rate of implementation increased.

The Review

Meanwhile, the national economic picture deteriorated, and peripheral regions as Eastern Quebec saw their immediate development perspectives diminish. Inflation eroded the regional buying power, 21.5% of which was made up of various public allowances. Anti-inflation policies complicated the situation of smaller enterprises who were faced with curtailing their expansion projects, and sometimes closure.

Some 12,000 members of the labour force left the region in 1970, and 11,000 returned as a result of not finding employment elsewhere. During this period, approximately one third of the regional labour force remained without work.

Taking these factors into account, together with the implementation experience, the Liaison Committee formulated three fundamental principles to guide the reexamination of the Agreement.

1. That the emphasis be placed on development and diversification and that caution be exercised in the rate of implementation of those programs which liberate manpower.
2. That government intervention be focussed on developing regional potentials rather than on creating favorable conditions for public or private investment from outside the region.
3. That at both the conceptual and implementation phases of all programs and projects, a greater emphasis be placed on intersectorial coherence in the light of the region's development objectives.

These principles did not envisage major changes in the general intervention strategy defined in 1968: rationalization and modernization of the primary sectors, creation of dynamic new activities, upgrading of the labour force. This strategy remains valid and the revision process had as its objective to readjust existing programs and to introduce some elements, the absence of which threatened the success of the total intervention.

Following this work Quebec and Canada agreed to revise the Agreement, increasing the duration by three years and the total budget by \$152,000,000.

The following pages explain and define the revision.

GROUP I - MODERNIZATION AND DEVELOPMENT

Although the region benefits from regular federal and provincial industrial assistance programs and from other types of government aid, the economic activities of the region are generally conducted on a small scale with problems aggravated by the smallness of the markets and the peripheral nature of the region. Their slim profit margins do not permit expansion from retained earnings and their access to financial sources is difficult. It is, therefore, necessary to make a special effort to ensure modernization and development.

SECTOR 1.1 - AGRICULTURE

Although the region has specialized in milk production, it has become necessary to introduce other types of production. A study of the market has shown that the north american continent is a meat deficit area (principally in beef and sheep). The late ripening season also permits the region to compete with other crop imports during certain weeks of the year.

The success of the programs of this sector depends on the capacity of the region to adapt to new products, to assure a high standard of quality and to organize a marketing system which will assure sufficient production flows and regular deliveries.

Four principal programs can therefore be defined in order to:

- a) remove low capability land from agriculture;
- b) accelerate the process of farm enlargement, consolidation and improvement;
- c) diversify agriculture production (principally into livestock, fruits and vegetables);
- d) introduce reliable marketing mechanisms for regional production.

Unless the evolution of the market situation were to justify an increase, the regional milk production should remain at its present level. Emphasis will therefore be placed on the reduction in the number of dairy farms with an increase in the yield per cow and the number of cows per herd. In order to assure an adequate return to milk producer, herds should average not less than 50 animals producing an average of 10,000 pounds of milk per cow. The level of regional production (500 millions of pounds of milk) therefore should be divided between approximately 1,000 dairy farms grouped around three milk basins at Amqui, Trois-Pistoles and in the county of Kamouraska.

Calculating 6 acres per cow, dairy farming should occupy 300,000 acres or an average of 300 acres per dairy farm.

The beef market on the other hand is in constant expansion. The profitability of beef operations is dependent on several factors, of which the level of managerial capability and the extent to which the region can become sufficient in forage and feed grains, are the most notable. We can envisage that by 1980, mixed farming should occupy some 450,000 acres.

Fruits and vegetables on the other hand require intensive rather than extensive farming and do not pose problems of land consolidation. It is envisaged that approximately 55,000 acres should be reserved for this type of production.

In summary therefore approximately 300,000 acres are destined for dairy farming, 450,000 acres for mixed farming, 55,000 acres for intensive farming, the balance being destined for alternate land use.

PROGRAM 1.1.1 - AGRICULTURAL LAND USE ADJUSTMENT

The objective of this program is to remove low capability land from agriculture, and to consolidate and improve good agricultural land. It is, therefore, necessary to:

- a) zone good agricultural land;
- b) establish well-defined standards for the number of farms, and size and type of farming most suited to the region;
- c) assess, and with the approval of their owners, to acquire farms in the non-agricultural areas; for land in the agricultural zones, two mechanisms are available:
 - acquisition, after offer to purchase, of those farms that their owners agree to sell;
 - encouragement and technical assistance for private exchange or transfer of land;
- d) to improve, in the light of Plan objectives, agricultural land where profitable;
- e) to redistribute the purchased improved land in lots, by sale or rental to competent farmers;
- f) to systematically diffuse information to permit farmers to fully utilize the credit facilities at their disposal through ongoing federal and provincial credit programs;

- g) to establish the necessary information flows with those responsible for retraining mobility and welfare programs so that those farmers who sell their land are fully aware of the services at their disposal.

The mechanisms for land purchase are as follows: a farmer submits his dossier to the local land use adjustment committee or, where such committee has not been formed, directly to the Quebec Department of Agriculture. After evaluation and agreement, the entire holding may be bought either by the program or directly by a farmer who wishes to expand. In the case of farmers 55 years or older who wish to leave agriculture and who do not wish to leave their residence, their house and surrounding land of a maximum of one acre may be excluded from the Agreement; the house and surrounding acre will remain the property of the retiring farmer until the death of the surviving spouse, at which time they will become the property of the purchaser.

PROGRAM 1.1.2 - FARM MANAGEMENT IMPROVEMENT

The consolidation and diversification programs have as their objectives to increase productivity, profitability and, therefore, income.

One of the essential elements of success of these programs is the improvement of technical and administrative capability. This program, therefore, includes:

- a) introduction of efficient accounting and cost control methods;
- b) introduction of strict quality control systems;
- c) provision of a regular market and financial information service;
- d) modernization of production techniques.

The realization of these objectives requires:

- a) the establishment of study groups (Groupes d'Etudes et de Rentabilité Agricole) who may call upon the services of the National Film Board, Radio Canada, Radio Quebec, Department of Education and other relevant agencies;

- b) the farms described in program 1.1.3 will serve both as model farms for their area and for pilot diversification projects. The knowledge thus gained will be transmitted to other farmers via these study groups;
- c) the Quebec Department of Agriculture in collaboration with other departments and agencies will encourage agricultural cooperatives and associations to formulate and implement marketing programs. This encouragement may include: the publication of a regional information bulletin giving farmers the latest price tendencies, production forecasts; pertinent information on promotion, packaging and so on; an assessment of the future of contract farming in the region; the establishment and promotion of regional brands.

PROGRAM 1.1.3 - DEVELOPMENT AND DIVERSIFICATION

The objective of this program is to launch new profitable production in the region. The special subcommittee of the "Conseil de recherche agricole du Québec" made up of representatives of the Management Committee and the federal and provincial Departments of Agriculture is charged with the task of formulating policies, recommending and supervising the introduction of modern production techniques, and more specifically:

- a) to identify, given existing soil, climate and market conditions, those varieties most suitable for the region;
- b) to identify the animal breeds most suited to the region bearing in mind their feed requirements; priority will be given to pork, sheep and beef;
- c) to liaise with federal and provincial research establishments in order to assure the coherence of their research programs affecting the region, with the general objectives and priorities of the Agreement;
- d) to determine the optimal size of farms and to establish standards of quality by product with a view to ensuring an adequate income to the farmer;

- e) to supervise pilot diversification projects undertaken on the farms described below and to make appropriate recommendations to improve productivity and efficiency;
- f) to liaise with relevant federal and provincial departments and agencies in order to establish a marketing system for regional, national and international consumption.

In order to facilitate the introduction of new production and new techniques and to prove their viability under monitored conditions, a network of designated farms (fermes normes) will be established. This network will be administered through the regional office of the Quebec Department of Agriculture. Furthermore several specific projects will be undertaken among which:

- a) farmers from these designated farms will be chosen to participate in organized visits to modern farms in Quebec, Ontario and the New-England States where soil and climate conditions resemble those of the region;
- b) a number of pilot projects will be launched in order to prove the viability of certain new types of production under monitored conditions. The agricultural subcommittee will publish and distribute the results. The participation of the farmer in a pilot project will be subject to the following conditions:
 - the farmer must agree to follow a course on the production techniques of this product during the winter prior to start up of the project;
 - the farmer must accept to provide the land, the necessary manpower and 25% of the approved cost of the project;
 - the agronomes will monitor progress during the life of the project.

PROGRAM 1.1.4 - RESEARCH

The federal Department of Agriculture through the Agricultural Research Station in Ste-Anne-de-la-Pocatière will provide support for the programs of this sector.

PROGRAM 1.1.5 - RATIONALIZATION OF SECONDARY PROCESSING

A program of rationalization and development will be undertaken in order to permit the farm supply and processing industries to cater to the requirements of the primary sector on the one hand and of markets on the other. The Quebec Department of Agriculture will recommend the terms and conditions for compensation for those facilities that are rendered obsolete through direct Plan intervention, and in collaboration with the subcommittee of the "Conseil de recherche agricole" will determine:

- the location and nature of the new farm supply and processing centers, given the forecast farm requirements and volumes of production;
- which of the existing facilities will become obsolete as a result of the rationalization process.

SECTOR 1.2 - FORESTRY

The objective of this sector is to rationalize the use of forest resources and to increase production.

Modern forestry technology requires larger units of production. The rotation period in the region varies between 55 and 80 years according to the soil, species and so on. The short term action program should therefore accelerate the process of consolidation without, however, compromising the long term.

In order to attain these objectives, it is necessary to:

- a) develop a forestry management policy;
- b) undertake a program of forest land use adjustment;
- c) introduce a program to develop modern forestry techniques;
- d) undertake a program of restoration and reforestation;
- e) take account of market requirements in the establishment of production and processing policies.

PROGRAM 1.2.1 - FORESTRY DEVELOPMENT

This program has as its objective the establishment of a plan for the integrated forest management of forest resources. Therefore, it is necessary to:

- a) select those species which are most suited to each sub-region and to evaluate in each case the annual sustainable yield according to various silvicultural treatments;
- b) establish rotation periods and, therefore, replanting and cutting policies;
- c) determine the optimal size of the forest holdings.

In order to effectively manage this plan a forestry data bank will be established. This data bank will furnish for each sub-region, by species, the necessary information on land tenure, inventory by age, soil capacity, growth rates, rotation periods, silvicultural treatments, yield estimates, the rate of natural regeneration, areas for reforestation and so on.

PROGRAM 1.2.2 - PURCHASE AND CONSOLIDATION OF
PRIVATE FORESTS AND CONCESSIONS

This program has as its objective the purchase of private forests and the concession rights in public forest zones determined in the preceding program. The purchase price and compensation payments will be established according to the terms and conditions of the Quebec Department of Lands and Forests but the price per acre should not exceed \$25.00 for the private forests and \$6.00 for the concessions. During the consolidation process, if it becomes necessary to exchange certain forestry concessions, the terms and conditions of the law of the Quebec Department of Lands and Forests will apply.

PROGRAM 1.2.3 - EXPERIMENTAL AND DEMONSTRATION FORESTS

The Quebec Department of Lands and Forests will establish forest complexes and will undertake a research program in order to:

- a) acquire a detailed knowledge of the region's potential in order to undertake intensive development programs;
- b) develop and adapt, for the region, silviculture, and management techniques for conservation, regeneration, growth rates and soil improvement.

Furthermore, the Department will establish a certain number of demonstration forests, with a view to applying to various types of stands methods of silviculture which will have been developed. These demonstration forests will serve for instruction purposes to wood lot owners. The demonstration forests will be easily accessible and will be chosen to contain representative stands. Instruction will include methods of thinning and partial cutting, regeneration cuttings, methods of reforestation, improvement of species and control of mortality.

The value of the demonstration forests is directly linked to the research which will be undertaken in the forestry complexes. The success of this program, therefore, depends on the successful integration of these two projects.

PROGRAM 1.2.4 - FOREST RESTORATION AND REPLANTING

This program will be undertaken in those zones most suited for forestry as defined in the forestry development plan. The objective of the program is to undertake silviculture and restoration work in order to increase the yield per acre and to reforest low capability agricultural land that can provide long term viable forestry production. The Quebec Department of Lands and Forests will define the work to be undertaken, supply the necessary equipment and furnish the seedlings.

SECTOR 1.3 - FISHERIES

The growing demand for processed sea products and fresh sea food offers interesting development possibilities. In order to make the fishing industry competitive and to permit it to acquire a larger share of the market, it is necessary to concentrate fishing infrastructure in well-equipped fishing centers, to diversify the catch, to increase the proportion of value added in the region, to set-up strict quality control and to promote marketing.

PROGRAM 1.3.1 - DEVELOPMENT OF FISHING CENTERS

The objective of this program is to increase the productivity of both fishermen and processing plants. Many small fishing ports are dotted along the coast line. This distribution does not justify large investments required by a modern fishing industry. It is, therefore, necessary to concentrate production centers and fish collection points. In the Gaspé region, there will be a principal center at Rivière-au-Renard, and two auxiliary centers at Sandy Beach and at Paspébiac. On the Iles de la Madeleine, Cap-aux-Meules will remain the principal fishing center and Havre-Aubert an auxiliary center. The principal centers will be equipped with access channels and breakwaters which will assure adequate protection and shelter; the wharves will be specially developed for efficient unloading, supply, and boat and gear repair.

Processing complexes will be set up nearby. Electricity, sewage, fresh and sea water, and road access, will be planned with the total requirement in mind and undertaken according to need. These complexes will also include service areas, designed to assist the smooth running of the factories and the fleet, and to facilitate fish reception and shipment of finished products.

Except in special circumstances, producers will be encouraged to move to these production centers and to consolidate in order to benefit from the investments.

FISH COLLECTION POINTS

In addition, there will be seventeen collection points equipped for reception and storage of catches before onward shipment to processing centers or markets: in Gaspésie, Cap-Chat, the Ilets des Méchins, Tourelles (Anse-aux-Quinze-Galets), Mont-Louis, Cloridorme, St-Maurice (temporary), St-Georges de Malbaie, one point in the zone of Percé - Chandler, Gascons-Ouest and Carleton; in the Iles de la Madeleine, Old Harry (temporary), Grosses-Iles (temporary), Pointe-aux-Loups (temporary), Etang-du-Nord, Hâvre-aux-Maisons (temporary), Ile d'Entrée and a point in the Ile de Bassin.

PROGRAM 1.3.2 - DEVELOPMENT

Fluctuations in the price of traditional groundfish has been one of the causes of the financial weaknesses of this sector. Market studies demonstrate the rewards of diversification. This program includes:

- a) identification, through exploration and experimental fishing, of those species not presently fished for, or under-exploited that are capable of increasing the returns to the sector;
- b) introduction of new fishing techniques and fishing gear;
- c) introduction of modern processing techniques to improve the quality of products and viability of the factories;
- d) introduction of high standards of quality;
- e) launching of new products, albeit experimentally, with a view to extending the range of regional products; creation of a regional marketing image;
- f) market research and development to increase and diversify sales.

PROGRAM 1.3.3 - FISHING BOAT SUBSIDIES

The ongoing boat construction subsidy programs will support the modernization and diversification programs.

PROGRAM 1.3.4 - COORDINATION GROUP

The federal-provincial fishery research and development committee will define and coordinate research and development programs undertaken under the Agreement with the view to realizing the sectorial objectives. This committee will assure that fisheries research undertaken by different departments, universities and other bodies which affect the region will, as far as it is possible, conform to the objectives of the Plan.

The committee will recommend the necessary modifications to implementation priorities and will make necessary recommendations concerning research and development programs and projects. Priority will be given to applied research or those projects which will benefit the industry in the short or medium term. This research work should principally cover those species presently not fished for or under-exploited, new products, new fishing techniques, modernization of fishing gear and new markets.

SECTOR 1.4 - MINES

The expansion of mining activities and traces of additional mineralization invite additional research and development work.

PROGRAM 1.4.1 - MINING ACCESS ROAD

The objective of this program is to open the McGerrigle Mountains to mining investments and an access road will be completed.

PROGRAM 1.4.2 - MINING EXPLORATION

A research program will be defined by a joint steering group composed of representatives from the Quebec Department of Natural Resources, Energy, Mines and Resources and Geological Survey of Canada. Elements of this program will include:

- a) exploration and prospection (geophysics, mapping, geochemistry and alluvionary research);
- b) prospecting aid;
- c) prospecting courses.

SECTOR 1.5 - RECREATION, TOURISM AND CULTURAL DEVELOPMENT

Tourism is one of the natural vocations of the region and its development depends on the quantity and quality of services offered.

The improvement of these services has to be accompanied by a coherent development of the region taking due account of the characteristics of the tourism zones within the region; these include major tourist centers and stop-overs; parks, to improve contact with nature; and supplementary facilities where tourists can remain for a short stay or for special activities. There will also be a program of salmon river development which constitutes a special tourist attraction.

This effort will be accompanied by a study to evaluate, on one hand, the quantity and the quality of services available and to define the full potential of the industry and the economic impact of its development on the other. It is expected that the number of tourists visiting the region will triple by 1985. The expected increase in their expenditures (\$25,000,000 by 1985) dictates that the tourism sector be regarded as a regional industry whose management capability and amenities should be improved.

It is also expected that tourists will represent an additional regional market of 10 million meals by 1980. It is therefore essential that other sectors such as agriculture, fisheries and tertiary sector (hotels, restaurants) organize themselves to take advantage of this market and that the region refrains from importing that which it can produce. It is, therefore, necessary to closely oversee the relationship between the development of this sector and the resource and business development sectors.

The purpose of recreational and cultural activities is not only to establish attractions capable of increasing the length of stay of tourists, but also to improve the quality of life within the region.

PROGRAM 1.5.1 - FORILLON NATIONAL PARK

The objective of this program is to develop a national park in the Forillon peninsula. This park will become an additional regional attraction for visitors. According to the average increase in visitors to national parks across Canada, the number of visitors visiting Forillon will increase at the rate of approximately 10% per annum.

PROGRAM 1.5.2 - TOURISM CENTERS AND STOP-OVERS

The objective of this program is to develop a regional tourist circuit with three tourist centers (Percé, Carleton, and Mont Saint-Pierre). The principal center will be Percé which is already the tourist pole of the region and the destination point of vehicle traffic.

The regional attractions are too numerous and diversified to imagine that three centers and parks suffice. The area of Rivière-du-Loup, the coast line, Matapédia and Témiscouata Valleys offer many other attractions to increase the length of stay or to become the object of a special trip.

Provincial parks are designed to serve recreational needs somewhat different from the park at Forillon. Four provincial parks are retained: Chic-Choc, Bic, Kamouraska and Témiscouata.

PROGRAM 1.5.3 - SUPPLEMENTARY FACILITIES

In order to increase the length of stay of tourists in the region and to cater at the same time to the recreational needs of the region, it is necessary to improve the recreational facilities in the priority centers and stop-over points as well as in the urban centers. Such programs should include swimming pools, youth hostels and recreation centers.

PROGRAM 1.5.4 - SALMON RIVERS

Salmon rivers are an important tourist attraction and it is necessary to develop a well-organized network which will ensure survival of the species with increased fishing potential. More specifically, certain rivers will be cleared up to facilitate spawning, and, access work undertaken.

PROGRAM 1.5.5 - CULTURAL ATTRACTIONS

The objective of this program is to develop the regional historic and cultural heritage, restoring historic sites and monuments. Projects will be undertaken either under this Agreement or under the program of the Department of Indian Affairs and Northern Development.

SECTOR 1.6 - "DEVELOPPEMENT DES AFFAIRES"

Business development in the region is contingent on the expansion capacity of existing small and medium size local enterprises on the one hand and the creation of new activities on the other.

It is therefore necessary to improve local management, capability, complement their skills, and to launch new activities.

The projects described below complement regular government assistance programs to industry; their purpose however goes beyond the development of manufacturing activity as they encompass the total range of regional activity including tourism. A considerable expansion of both secondary and tertiary sectors is required to absorb manpower liberated from the primary sectors.

These programs, therefore, have as their objective to facilitate such expansion in coherence with the other sectorial programs of the Plan.

PROGRAM 1.6.1 - LOCAL DEVELOPMENT ASSISTANCE

The principal objective of this program is to stimulate new economic activities in the region within the context of programs, projects and sectorial objectives of the Plan. In this way enterprises may take full advantage of all government programs. For example, a study of tourism infrastructure has shown that even today there is an excess demand for rooms, motels and camping sites during the tourist season. Given the shortness of the season, it is necessary to encourage private investment in this sector by complementing available assistance from such institutions as the Industrial Development Bank, by special technical assistance under the Agreement, in order to assure the realization of projects which would not otherwise be undertaken.

In general, the local development assistance will include three principal elements:

a) Publicity and promotion:

It is necessary to create and actively promote a regional image and:

- to prepare and direct publicity in favor of regional tourism;
- to create regional brands for agricultural, fishery and other processed products, and to prepare, coordinate, and monitor, the launching of these brands;
- define and implement precise promotion campaigns for regional products.

b) Marketing:

Similarly new markets should be found not only for existing but for new products that local entrepreneurs could produce. To assist in the marketing of these products, it therefore, necessary to:

- find and, if necessary, negotiate contracts;
- assist in the organization of the distribution of food products in the region (fruits, vegetables, milk, fresh fish and sea food) particularly for the tourism market in hotels, motels, and camping areas;
- distribute regularly to regional entrepreneurs necessary data on markets, prices and other relevant information.

c) Regional technical assistance:

It is necessary to ensure that adequate communication be established between the regional entrepreneurs and federal and provincial agencies and departments that provide grant or loan assistance and to help regional entrepreneurs in the preparation of their applications.

The Management Committee may establish roving teams to solve management and technical problems and to awaken latent regional entrepreneurial skills.

PROGRAM 1.6.2 - COMPLEMENTARY ASSISTANCE

The objective of this program is to facilitate specific projects implantation of regional enterprises through assistance to commercial and industrial development, and pre-implementation assistance.

PROGRAM 1.6.3 - INDUSTRIAL PARKS

In order to encourage the concentration of manufacturing activities at Rimouski, Mont-Joli, Rivière-du-Loup and Matane, special assistance will be given for the creation of well-equipped and specially sited industrial parks. This program will be implemented in conjunction with the urban development program.

PROGRAM 1.6.4 - HANDICRAFTS

The objective of this program is to commercially develop the regional handicraft industry.

Those products capable of being marketed will be identified, market outlets sought, and technical assistance will be provided for the organization of production and marketing.

GROUP II - SPATIAL DEVELOPMENT

The natural trend to urbanization, modernization and consolidation of enterprises, together with the abandonment of non-viable concerns has already caused profound changes in the distribution of the population. In addition, the further economic development of the region is contingent on its integration into the main stream of north-american activity.

The programs of this group are aimed at reinforcing the natural urban hierarchy and improving transportation links.

SECTOR 2.1 - URBAN DEVELOPMENT

Urban development policy is aimed at facilitating and encouraging migration to regional centers and equipping the priority centers with necessary community infrastructure.

PROGRAM 2.1.1 - URBAN PLANNING AND MUNICIPAL REORGANIZATION

The objective of this program is to improve the quality of municipal services and community infrastructure through consolidation. Technical and financial assistance will be given for municipal reorganization.

A team of specialists will assist designated urban and service centers, and will advise municipalities and assist them with their planning and management problems.

PROGRAM 2.1.2 - URBAN INFRASTRUCTURE

In view of the need to promote the orderly development of the natural hierarchy of urban centers within the regional context, this program envisages three levels of intervention:

- a) to concentrate on the quantity and quality of urban infrastructure and services in the three principal centers (Rimouski - Mont-Joli, Rivière-du-Loup and Matane);
- b) to improve urban infrastructure in the remaining service centers with specific reference to their regional functions;
- c) to make limited and specific infrastructure inputs in selected centers as may be required by special needs of the sectorial programs.

PROGRAM 2.1.3 - HOUSING

Housing policy in the region is conceived in the larger framework of regional development. It is aimed not only at improving the quality of existing housing and facilitating the access to housing for those families whose income does not permit them to own adequate housing; but is also situated within mobility, and urbanisation contexts.

This program is composed of two types of intervention:

- a) capital grants equivalent to discounted municipal operating deficits, for low cost housing;
- b) grants for moving houses in the case of families leaving a marginal area and moving to designated centers within the plan region, and with special terms and conditions for the Iles de la Madeleine.

The management structure of the Agreement will define the details of this program in collaboration with Central Mortgage and Housing Corporation and the Quebec Housing Corporation.

A study of housing requirements will also be undertaken for the principal regional centers.

SECTOR 2.2 - TRANSPORT

The increase of inter and intraregional trade requires the establishment of an integrated transport system.

Serious deficiencies exist in the transport network. In certain cases these deficiencies do not spring so much from a lack of infrastructure as from the rules and regulations which determine operating conditions, and from the lack of regular services.

PROGRAM 2.2.1 - ROAD NETWORK

In order to reduce the cost of access to markets, encourage tourism, ensure minimum road standards, and encourage interregional trade, road construction in the priority tourist centers will be completed and an accelerated reconstruction program of highways 6 and 10 will be undertaken, construction priorities following from recommendations made.

PROGRAM 2.2.2 - WATER TRANSPORT

The objective of this program is to encourage interregional trade.

The introduction of regular ferry and steamship services between the North and South Shore of the St. Lawrence will facilitate manpower mobility and will permit commercial links to be reestablished to the mutual advantage of both economies.

This program includes a construction grant for a ferry with ice-breaking capability to be placed in service between Matane and North Shore and operating subsidies for ferry services linking the Iles de la Madeleine with the mainland, on the one hand and the North and South Shore of the St. Lawrence on the other. This program also includes port development to embrace both water transport requirements and those of the fisheries sector.

PROGRAM 2.2.3 - AIR TRANSPORT

The development of a regional airport at Mont-Joli and the improvement of the sub-regional airport at Gaspé and the Iles de la Madeleine will facilitate the access of entrepreneurs to markets, and of the population to social services.

PROGRAM 2.2.4 - TRANSPORT STUDY

This study has already been undertaken within the context of the first Agreement.

GROUP III - SOCIAL DEVELOPMENT - MANPOWER AND MOBILITY

A high level of social assistance, inadequate professional and general training, pronounced attachment to social, local and regional traditions, inadequate health and social services; such are the principle characteristics of the region in the social field.

The on-going programs of both governments adequately fulfill certain needs; however, the structural changes that will occur in economic activities throughout the territory with their accompanying population shifts, will provoke difficult social, psychological and technological adjustment problems.

New formulas and adjustment mechanisms must be introduced to encourage acceptance and to alleviate the impact of these changes.

SECTOR 3.1 - SOCIAL DEVELOPMENT

PROGRAM 3.1.1 - REHABILITATION, IMPROVEMENT AND MOTIVATION

It is not reasonable to presume either that the total population will automatically benefit from the investments which will be made in the various sectors; or that they will easily adapt to the new ways of life brought about by socio-economic changes; or that they will understand and accept the necessity for this evolution.

It is therefore necessary to undertake specific programs for certain specific clientele in order to facilitate the acceptance of the new reality.

A special rehabilitation effort will be made to assist the various categories of handicapped to acquire new skills and, where possible, to return to work.

For other clientele such as those on welfare, "rehabilitation-through-work" programs will be undertaken. Special attention should be given to the nature of retraining projects, which should meet the following specific criteria:

- the recognition, by the community, of the value of such projects;
- the possibility for those undergoing rehabilitation to see tangible results for themselves;
- the possibility that such work is related to eventual employment opportunities.

Concurrently, education and motivation programs will be undertaken in collaboration with the Quebec Department of Education for this clientele and their families.

PROGRAM 3.1.2 - RURAL/URBAN MIGRATION

The objective of this program is to improve family access to community services, thus permitting them to reestablish themselves in a more favorable environment for their development and social adjustment.

The several measures of the housing program meet certain requirements. However, it is also necessary to provide

additional assistance for those families living in extremely disadvantage areas; such assistance ranging from selective moving to closing of marginal parishes.

Relocation grants will be given to eligible families or individuals. Furthermore, the relocation program may, according to its scope, require the closure of public bodies or private services to the population. In such an event it would be necessary to recompense such bodies.

Finally, in all cases where a manpower mobility grant is given to an individual, his relocation grant will be reduced by that amount.

PROGRAM 3.1.3 - SOCIO-MEDICAL FACILITIES

Health and social service amenities have not kept pace with requirements. The relatively small proportion of the population of the province living in the region, the size and peripheral nature of the region, the large number of small communities and the evident lack of professional resources are among the factors which have caused this situation.

The objective of this program is, therefore, to accelerate the creation and use of the necessary amenities to adequately serve the social and health needs of the region.

To attain this objective in the health field, priority will be given to rationalizing health facilities.

In the social field, priority will be given to start-up projects and the provision of specialized social facilities.

The various elements of this program will be undertaken in collaboration with pertinent departments, principally the Department of Social Services and National Health and Welfare.

SECTOR 3.2 - RETRAINING AND MOBILITY

RETRAINING

The objective of this program is to improve the qualifications of the regional labour force, thus improving access to the labour market and subsequently to an improved standard of living. This program is aimed at the following clientele:

- those who will continue in their present occupations but who should improve their skills in line with the modernization objectives of their sector;
- those who will leave their present occupations in a primary resource sector but who are capable of being quickly reabsorbed into the labour market within the region or elsewhere, following a period of retraining;
- those who are physically capable of being members of the labour force and who after a period of rehabilitation and improvement and subsequent upgrading could rejoin the labour market.

Within the framework of the agreements between the federal Department of Manpower and the provincial Departments of Labour, Manpower and Education, this clientele will benefit from recycling or from reclassification courses.

The important inputs by the federal Department of Manpower will continue. Adequate training is not only the means to an improved standard of living but is also a pre-requisite if sectorial objectives are to be met.

In order to assure coherence with Plan policies and regional requirements, it is necessary to establish a joint advisory forecasting committee who under the aegis of the administrative structure of the Agreement will integrate training requirement proposals within the sectorial framework of the Plan and after study will make appropriate recommendations.

The presence of provincial departmental representatives will ensure that these propositions are in accordance with provincial thinking, and that the training given meets the

requirements of the sectorial objectives. These recommendations will be transmitted to the administrative structure of the Agreement for its own use and simultaneously transmitted to the regional office of the federal Department of Manpower responsible for purchases of training courses for onward transmission to head office.

MOBILITY

Modernization of the traditional primary sectors will increase productivity, viability and stability to ensure satisfactory income and well being for those who will continue in these occupations. This process of modernization however will release some manpower which should find other employment. Appropriate mechanisms and programs should therefore permit periodic adjustments of the supply and demand of manpower, taking into account the rhythm of primary sector reorganization, the simultaneous creation of new activities, and the annual increase of the labour force.

The objective of this program is therefore to help workers move to those regions where they may find permanent employment. Such mobility will ensure the fullest use possible for the region manpower resources.

GROUP IV - ADMINISTRATION

The lower St. Lawrence, Gaspésie and Iles de la Madeleine development plan is a joint undertaking of the governments of Canada and Quebec.

Mechanisms permitting the closest collaboration between Canada, Quebec and the population of the region, not only at the conceptual level of action programs and projects but also during all phases of their joint implementation, are required to successfully carry out this endeavour.

PROGRAM 4.1.1 - MANAGEMENT STRUCTURE

Plan Management

For those elements of the Plan which fall within their respective jurisdictions, Canada and Quebec will designate the department or agency the most directly concerned in the implementation of each program or project under this Agreement as "maître d'oeuvre" and will encourage each of the departments and agencies involved in the plan to nominate coordinators.

The provincial structure

Within the framework of this Agreement, the regional Plan Delegate is responsible for program coordination between departments and agencies of the Government of Quebec and for the preparation and financial and administrative control of programs and projects undertaken by Quebec.

He will preside the Regional Administrative Conference, composed of the coordinators from the departments and agencies of Quebec directly or indirectly involved in the implementation of the Plan.

The federal structure

Within the framework of the Agreement, the Federal Plan Administrator is responsible for the coordination of programs of departments or agencies of Canada involved in the agreement or whose activity within the region affects the implementation of the Plan.

He will ensure that regional reactions and constraints are taken into account during the programming and budgeting of Plan activities.

He will preside a regional programming conference composed of representatives from federal departments or agencies directly or indirectly involved in the Plan.

THE JOINT STRUCTURE

a) Liaison Committee

The administrative structure will be headed by a federal-provincial Liaison Committee composed of at least six members with equal representation from each government. The Liaison Committee will guide the Management Committee defined below; it will study, reject, or recommend to Canada and Quebec programs together with their financial implications; it will approve all projects undertaken under the Agreement; it will monitor the management, the effectiveness and the rate of implementation of the plan not only from the point of view of objectives, but for progress and priorities; and it will recommend, if necessary, modifications to this Agreement.

b) The Management Committee

The Regional Plan Delegate and the Federal Administrator together form the Management Committee responsible for the day to day management of the plan. The Management Committee:

- will assist the "maître-d'oeuvre" in the elaboration of projects together with their financial implications;
- will evaluate each project in the light of annual budgets, its conformity with the objectives pursued, its coherence with other projects and with alternative ways of realizing the same program, for subsequent recommendation for the Liaison Committee;
- will facilitate collaboration and coordination between the departments and agencies of the two governments whose activities affect the implementation of the Plan;
- will form necessary sub-committees for the successful fulfillment of its mandate;
- will consult and keep informed the population and bodies affected by the present Agreement, special reference being given to the "Conseil Régional de Développement;

- and finally, will undertake those tasks assigned to it by the present Agreement and will report to the Liaison Committee.

Information and Communication

The two departments responsible for the management of the Plan (Department of Regional Economic Expansion and Quebec Planning Development Office), are responsible for an information program, and more particularly for the distribution of research results. The Management Committee will assure that this program meets the information requirements implicit in the implementation of the objectives of the Agreement.

PROGRAM 4.1.2 - CONSULTATION AND PARTICIPATION

The development Plan has been conceived in conjunction with the population of the region. To ensure effective results, the population must be able to participate and collaborate in the development and implementation stages of the various programs. While it is not only necessary for this purpose that the population be informed, it is essential that they be consulted on a permanent basis. Both parties to this Agreement recognize the "Conseil Régional de Développement de l'est du Québec" as the privileged spokesmen for the region for as long as, in their judgment, this body remains truly representative; they will provide it at appropriate moments, with the opportunity to put forward opinions on the implementation of the development strategy. The "Conseil Régional de Développement" will also ensure, harmonize and channel regional participation in plan activities.

PROGRAM 4.1.3 - PROGRAMMING AND EVALUATION

Research and planning functions undertaken under this Agreement have two principle objectives:

- to support the implementation of the Plan programs;
- to evaluate the impact of each program or group of programs and repercussions of implementation of the total Plan.

Implementation Studies

The Management Committee will define and coordinate those studies necessary for the achievement of Plan objectives.

As a result, the Management Committee may create permanent task forces whose role will be to conceive, define, carry out or supervise research work.

Evaluation

The objective of this program is to ensure adequate control of the physical, financial, qualitative and quantitative progress of the projects and programs of the Agreement and more specifically:

- a) to evaluate the impact of the Plan;
- b) to evaluate the effectiveness of programs in the light of Plan objectives;
- c) to measure the degree of program implementation;
- d) to propose such changes to projects and programs as a result of the conclusions of a), b), c) above.

PROGRAM 4.1.4 - IMPROVEMENT OF ADMINISTRATIVE SERVICES

The development programs of the different sectors of the Agreement imply important changes to the socio-economic structure of the region and require the introduction of new methods and production techniques. A special training program for those representatives of departments and agencies involved on a full time basis in the region will be undertaken so that they may become familiar with the specific objectives of the Agreement and with the new techniques and approaches contained in the Plan.

Mr. P.W. Carmichael, Management Services

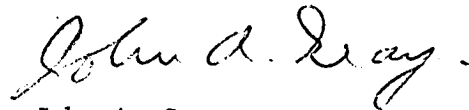
Mr. C.D. Rannard, Forest Operations

Mr. R.D.C. Ruhr, Project Development and Economics Branch

After having reviewed the report, there may be some questions which you and your staff would like to explore with me. I should like to suggest that it might be useful for me to meet with those receiving the report. I should be pleased to do so and to participate in any following discussion you may wish.

I should like to reconfirm the understanding on which I undertook the project, that the results of the study were to form part of my dissertation and that I could, therefore, use them in my dissertation or other published form.

Yours truly,



John A. Gray
Assistant Professor

c.c. W.K. Webster
Lloyd Brooks,
A. Kotowycz
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INDUSTRY CANADA/INDUSTRIE CANADA



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**Text accompanying the Federal-Provincial
Eastern Quebec Development Agreement. [1970]**

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