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## CANADA/NEWFOUNDLAND

### INSHORE FISHERIES



JUNE 22, 1976

# subsidiary agreement



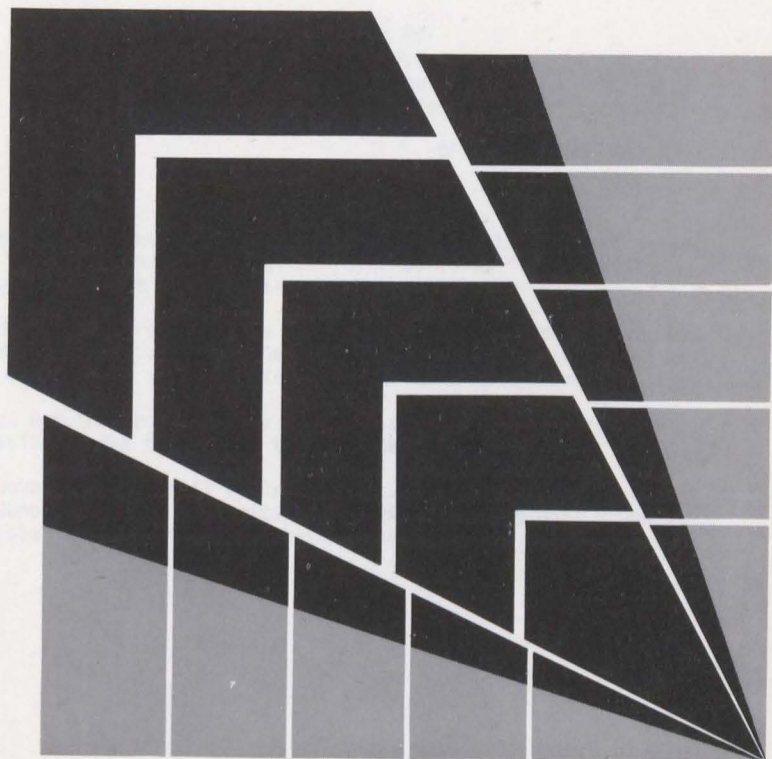
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CANADA/NEWFOUNDLAND

INSHORE FISHERIES



JUNE 22, 1976

CANADA-NEWFOUNDLAND  
SUBSIDIARY AGREEMENT  
ON INSHORE FISHERIES DEVELOPMENT

THIS AGREEMENT made this 22nd day of June, 1976

BETWEEN:

THE GOVERNMENT OF CANADA (hereinafter  
referred to as "Canada"), represented  
herein by the Minister of Regional  
Economic Expansion,

OF THE FIRST PART,

AND:

THE GOVERNMENT OF THE PROVINCE OF  
NEWFOUNDLAND (hereinafter referred  
to as "the Province"), represented  
herein by the Minister of Fisheries,

OF THE SECOND PART.

WHEREAS Canada and the Province signed a General Development Agreement dated the first day of February, 1974 (hereinafter referred to as "the GDA"), to achieve the objectives set forth in section 3 thereof;

AND WHEREAS Canada and the Province have agreed that, in the interest of the economic development of Newfoundland, the programs listed in Schedule "A" attached will be carried out on the basis set forth in this Agreement;

AND WHEREAS Canada and the Province have agreed that public investments will be required to assist in the pursuit of this strategy;

AND WHEREAS the Governor in Council by Order in Council P.C. 1976-1553 of the 22nd day of June, 1976, has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council No. 366-76 of the 26th day of March 1976, has authorized the Minister of Fisheries to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

#### DEFINITIONS

1. In this Agreement:
  - (a) "eligible costs" means those costs referred to in section 5 of this Agreement;
  - (b) "Federal Minister" means the Minister of Regional Economic Expansion and includes anyone authorized to act on his behalf;
  - (c) "fiscal year" means the period commencing on April 1st of any year and terminating on March 31st of the immediately following year;
  - (d) "Management Committee" means the Committee referred to in section 6 of this Agreement;
  - (e) "Ministers" means the Federal Minister and the Provincial Minister;
  - (f) "program" means the subject matter as specified in Schedule "A";
  - (g) "project" means a specific activity forming a self-contained unit within a program; and
  - (h) "Provincial Minister" means the Minister of Fisheries for Newfoundland and includes anyone authorized to act on his behalf.

#### OBJECTIVES

2. The objectives of this Agreement are to increase per capita income of inshore fishermen in Newfoundland, and to increase employment and productivity in the processing sector of the fishing industry.

#### STRATEGY

3. (1) The strategy to be followed in this Agreement is to raise total income in the primary sector by efficiency improvements and product diversification. Per capita income should increase as the number of inshore fishermen is expected to continue to decline. In the processing sector, it has been determined by joint federal-provincial investigation that there are a number of

opportunities for immediate efficiency improvements in water supplies, vessel servicing, fish handling, storage, processing, and transportation. Pursuit of these opportunities represents a strategy of increasing the number of jobs and the duration of employment by increasing and diversifying production, raising the value added, and improving product quality.

- (2) This Agreement will provide a comprehensive enabling framework for the continuing pursuit of such activities as may be identified as appropriate to the above objectives. Several activities have been selected for immediate action, as outlined in section 4. The Agreement will also provide for the funding of program development and evaluation studies.

#### SUBJECT MATTER

4. (1) This Agreement provides a comprehensive framework within which Canada and the Province may undertake future initiatives in support of inshore fisheries in Newfoundland. It is agreed that it is desirable to proceed immediately with certain specified projects for which the need is evident. These programs are listed in Schedule "A" attached to and forming part of this Agreement. They are:
  - (a) St. Barbe North Facilities Improvement Program
    - upgrading of six community stages;
    - construction of two new stages; and
    - construction of a central cool storage facility;
  - (b) Water Supply Systems for Fish Plants; and
  - (c) Program Evaluation and Development Planning Studies.
- (2) Upon completion of each project listed in Schedule "A", the Province shall accept ownership and full responsibility for the continuing operation, maintenance, and repair of the projects, except where other federal-provincial arrangements apply. Any studies and reports that may result will be the joint property of the financing parties.

#### FINANCIAL PROVISIONS

5. (1) The eligible costs to be financed or shared under this Agreement by Canada and the Province in respect of the programs or portions thereof listed in Schedule "A" shall consist of:

all direct costs, including those relating to public information but excluding administration, survey, engineering and architectural costs, that in the opinion of the Management Committee have been reasonably and properly incurred for the implementation of the projects by the Province; plus ten per cent (10%) of the

direct costs of all projects in Schedule "A" other than planning and evaluation studies as an allowance towards the exclusions specified.

- (2) The eligible costs to be financed by Canada shall not include any costs relating to the acquisition of lands or interests in lands, or any costs arising from conditions of acquisition.
- (3) If, at any stage of a project, it appears to the Province that the costs thereof will exceed the estimated costs specified for any project in Schedule "A", the Province shall promptly so inform the Management Committee and state the reasons for such increase.
- (4) Upon being informed, the Management Committee shall consider the circumstances which have contributed to the increase in the estimated costs and may transfer surplus funds from one project to another within any program in Schedule "A". Funds may not be transferred from one program to another without the written agreement of the Ministers.
- (5) Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement with respect to the program items listed in Schedule "A" shall not exceed ninety per cent (90%), up to the amount of \$3 501 900, of the total eligible costs.
- (6) Notwithstanding the provisions of subsection 5(5), other programs of federal departments that may become part of this Agreement may have cost-sharing terms different from those specified in subsection 5(5).

#### ADMINISTRATION AND MANAGEMENT

6. (1) Each of the Ministers shall designate one or more senior officials to be responsible for the administration of this Agreement. These officials shall constitute the Management Committee whose function it shall be to oversee the implementation of the programs specified in section 4, and to fulfill responsibilities identified for the Management Committee elsewhere in this Agreement. The Federal Minister and the Provincial Minister shall respectively appoint one federal and one provincial official from the members of the Management Committee to act as Co-chairmen.
- (2) Canada and the Province agree to provide the Management Committee with all information necessary for the performance of its function.

#### PAYMENT PROCEDURES

7. (1) Subject to subsection 7(2), payments by Canada shall be promptly made to the Province on the basis of audited progress claims setting out the costs actually incurred and paid for the project submitted in a form and verified in a manner satisfactory to the Federal Minister.
- (2) In order to assist with the interim financing of projects, Canada may, if the Province so requests, make interim payments to the Province of one hundred per cent (100%) of Canada's share of claims submitted, based on estimates of costs actually incurred as certified by a senior officer of the Province.
- (3) The Province shall account for each interim payment by submitting to Canada, within 120 days after such payment by Canada, a detailed statement of the actual costs incurred and paid, verified in a manner satisfactory to the Federal Minister. Any discrepancy between the amounts paid by Canada by way of interim payments and the amounts actually paid by the Province shall be promptly adjusted between Canada and the Province.
- (4) Payment of claims under subsections 7(1) and 7(2) shall be augmented by ten per cent (10%) for the projects as provided for in subsection 5(1).

#### TENDERS AND CONTRACT AWARDS

8. (1) Unless the Management Committee otherwise agrees, all construction, purchase and other contracts shall be let pursuant to tenders invited by public advertisement.
- (2) Opening of all tenders shall be public and the Management Committee shall be supplied with copies of each advertisement for tender, together with notice of the time and place for tender opening, in sufficient time to enable any member of the Management Committee or his representative to be present at all tender openings and to participate in the evaluation of tenders.
- (3) All contracts shall be awarded to the responsible and responsive tenderer who submitted the lowest evaluated bid, unless otherwise agreed by the Management Committee.
- (4) All contracts for professional services shall be supervised in accordance with procedures to be approved by the Management Committee, and reports produced by consultants or resulting from such contracts shall become the property of both parties.
- (5) All announcements of contract awards shall be made jointly by Canada and the Province.

#### IMPLEMENTATION

9. (1) All substantive amendments to contracts shall require the prior approval of the Management Committee.
- (2) Any member of the Management Committee or his representative shall be permitted to inspect the project at all reasonable times for the purpose of verifying progress claims and obtaining any other information concerning the project which may be required by the Federal Minister or the Provincial Minister.
- (3) The Province shall forward to the Management Committee a report as to the progress of the work, in such detail and at such time as may be required by the Management Committee.
- (4) Subject to the approval of the Management Committee, costs incurred in respect of programs or portions thereof listed in Schedule "A" are also eligible if incurred after June 1, 1975, and prior to the effective date of this Agreement.

#### PUBLIC INFORMATION

10. (1) Canada and the Province agree to cooperate in the development and implementation of a program of public information respecting implementation of projects under this Agreement, and further agree to supply, erect and maintain on the direction of the Management Committee:
  - (a) during the course of construction of capital projects, a project sign or signs consistent with Federal-Provincial Identity graphics guidelines, and in both official languages, specifying that the relevant project is a Canada/Newfoundland Regional Development Project, financed by contributions from the Department of Regional Economic Expansion of the Government of Canada (and any other Federal agency, where relevant), and the Government of the Province of Newfoundland, or such other wording to the like effect as may be agreed upon by the Ministers; and
  - (b) where relevant upon completion of each project, a permanent sign or plaque to the effect set forth in (a).
- (2) Any public announcement of the measures covered and of the products generated by this Agreement, as well as any official opening ceremony for any project under this Agreement, where such ceremony is indicated and appropriate, shall be arranged jointly by the Ministers.



#### GENERAL

11. (1) This Agreement shall terminate on March 31, 1981, except that approved projects may be completed after the termination date. Canada shall not pay any claim received after March 31, 1982.
- (2) The terms and conditions of the GDA shall apply to this Agreement.
- (3) With regard to the applicability of labour standards, the parties agree as follows:
  - (a) rates of pay shall be those prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation;
  - (b) in building construction, the rates of pay for overtime shall be time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 48 per week;
  - (c) labour conditions shall be specified in all tendering documents and shall be posted conspicuously in the work place;it being expressly understood and agreed that to the extent to which there are higher provincial standards applicable to particular occupations or regions, these higher provincial standards shall apply.
- (4) No member of the House of Commons or the Newfoundland House of Assembly shall be admitted to any share or part of any contract, agreement, or commission made pursuant to this Agreement, or to any benefit to arise therefrom.

#### EVALUATION

12. (1) During this Agreement, Canada and the Province shall jointly effect an assessment of the programs listed in Schedule "A" with regard to the stated objectives. The Management Committee will cause to be conducted studies to assemble basic socioeconomic statistics on the sub-provincial regions to be affected by the projects. Two detailed studies will be conducted; one at the beginning of the Agreement and one at termination. In addition, the Management Committee will be responsible for collecting, over the life of the Agreement, data generated in the annual operation of the facilities. This will provide a data bank of both base and annual statistics in order to measure the impact of the Agreement.

- (2) A progress report shall be submitted by the Management Committee to the Ministers on or before the annual meeting of the Ministers as prescribed under subsection 9.1 and section 10 of the GDA.

AMENDMENTS

13. This Agreement, and Schedule "A" thereof, may be amended from time to time by the Ministers by an exchange of correspondence. It is expressly understood and agreed, however, that any amendment to subsection 5(5) shall require the approval of the Governor in Council.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of Regional Economic Expansion, and on behalf of the Province by the Minister of Fisheries and the Minister for Intergovernmental Affairs.

In the Presence of:

GOVERNMENT OF CANADA

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of  
Regional Economic Expansion

GOVERNMENT OF THE PROVINCE OF  
NEWFOUNDLAND

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of Fisheries

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister for  
Intergovernmental Affairs

CANADA-NEWFOUNDLAND  
SUBSIDIARY AGREEMENT  
ON INSHORE FISHERIES DEVELOPMENT

SCHEDULE "A"

Program	Project	Description	Federal Share <sup>1</sup>	Provincial Share	Total
1. St. Barbe North Facilities Improvement	1.1 Community stage upgrading	Structural repairs, electrical installation or modification, installation of water supplies and plumbing, purchase of processing equipment, as appropriate at L'Anse-au-Clair, Forteau, Pinware, Flowers Cove, Blue Cove, and Anchor Point.	\$ 279 900	\$ 31 100	\$ 311 000
	1.2 Community stage construction	Construction of wharves, foundations, and buildings, complete with electrical and plumbing services, at Red Bay and in the Bartlett's Harbour area.	477 000	53 000	530 000
	1.3 Cool storage building construction	Erection at St. Barbe of a herring repacking and controlled temperature storage facility, complete with electrical, mechanical, plumbing, refrigeration, ventilation and heating systems. Provision is to be made for offices, access roads, parking and landscaping.	891 000	99 000	990 000
		Sub-total		\$1 647 900	\$183 100

CANADA-NEWFOUNDLAND  
SUBSIDIARY AGREEMENT  
ON INSHORE FISHERIES DEVELOPMENT

SCHEDULE "A" (continued)

Program	Project	Description	Federal Share <sup>1</sup>	Provincial Share	Total
2. Water Supplies for Fish Plants	2.1 Port-aux-Basques	Construct a new water line from the present supply at the property of Canadian National Railways to the fish plants.	\$1 350 000	\$150 000	\$1 500 000
	2.2 St. Brides	Construct a reservoir dam and connecting line to the fish plant.	324 000	36 000	360 000
3. Program Evaluation and Development Planning Studies <sup>2</sup>			180 000	20 000	200 000
Total Cost			\$3 501 900	\$389 100	\$3 891 000

<sup>1</sup>The federal share at ninety per cent (90%) includes both the direct cost and the ten per cent (10%) allowance on direct costs.

<sup>2</sup>The ten per cent (10%) allowance on direct costs does not apply to development planning and evaluation studies.

