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**CANADA/MANITOBA  
ECONOMIC AND REGIONAL  
DEVELOPMENT AGREEMENT**

CANADA - MANITOBA  
ECONOMIC AND REGIONAL  
DEVELOPMENT AGREEMENT

CANADA - MANITOBA  
ECONOMIC AND REGIONAL  
DEVELOPMENT AGREEMENT

THIS AGREEMENT made this                    day of                    , 1983.

BETWEEN:                    THE GOVERNMENT OF CANADA  
(herein referred to as  
"Canada"), represented herein  
by the Minister of State for  
Economic and Regional  
Development,

OF THE FIRST PART,

AND:                    THE GOVERNMENT OF THE PROVINCE  
OF MANITOBA (herein referred  
to as "Manitoba"), represented  
herein by the Minister of  
Industry, Trade and  
Technology,

OF THE SECOND PART.

WHEREAS, pursuant to Section 36 of the  
Constitution Act, 1982, Canada and Manitoba are  
committed to furthering economic development to reduce  
disparity in opportunities;

AND WHEREAS general economic conditions and  
opportunities in Manitoba have been marked by  
disparities, both within the province and relative to  
other regions;

AND WHEREAS Canada and Manitoba intend to  
cooperate in the implementation of appropriate federal  
and provincial measures for the economic and regional  
development of the Province and by this Agreement to  
provide a general framework for the coordinated planning  
and implementation thereof;

AND WHEREAS Canada and Manitoba agree that it  
is in the public interest to undertake and implement  
coordinated measures by their respective departments and  
agencies to improve the economic and regional  
development of the Province;

AND WHEREAS small business, human resources  
and technology are increasingly relevant to the  
development process and are of concern to all Federal  
and Provincial economic departments and require a  
coordinated approach;

AND WHEREAS the Governor-in-Council by Order-  
in-Council No.                    of the                    day of                    ,  
1983, has authorized the Minister of State for Economic  
and Regional Development to enter into this Agreement on  
behalf of Canada;

AND WHEREAS the Lieutenant Governor-in-Council by Order-in-Council of the day of , 1983, has authorized the Minister of Industry, Trade and Technology to enter into this Agreement on behalf of Manitoba.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, covenants and agreements herein contained, the parties covenant and agree as follows:

DEFINITIONS

1. In this Agreement:

- (a) "Federal Minister" means the Minister of State for Economic and Regional Development and includes anyone authorized to act on his behalf;
- (b) "Provincial Minister" means the Minister of Industry, Trade and Technology and includes anyone authorized to act on his behalf;
- (c) "Implementing Ministers" means the Ministers for Canada and the Ministers for Manitoba having the responsibility and authority for the implementation of any Course of Action measure;
- (d) "Ministers" means the Federal Minister, the Provincial Minister and the appropriate Implementing Ministers of Canada and Manitoba;
- (e) "Memorandum of Understanding" means an agreement for implementing a measure contemplated by subsection 6.1 made under the authority of the appropriate Implementing Ministers;
- (f) "Subsidiary Agreement" means an agreement for implementing a measure contemplated by subsection 6.2 made under the authority of the appropriate Implementing Ministers;
- (g) "measures" includes any policies, programs, activities, initiatives or projects of Canada or Manitoba falling within the ambit of the economic and regional development framework described in Schedule "A" and relating to the strategic priorities contained therein;
- (h) "Course of Action" means the Agenda of measures identified pursuant to paragraph 5.1(d); and
- (i) "Province" means the Province of Manitoba.

PURPOSE

2. The purpose of this Agreement is to facilitate cooperation between Canada and Manitoba in implementing measures for the economic and regional development of

the Province by establishing procedures for consultation and coordination, to identify development opportunities and to provide a framework within which such measures may be taken and to determine the means for implementing measures identified for coordinated action. Within this framework, it is understood that human resource development is an integral element of economic and regional development.

#### OBJECTIVES

3. The objectives of this Agreement are:
- (a) to enhance the economic and regional development of the Province;
  - (b) to improve opportunities for the people of the Province to contribute to and benefit from the economic and regional development of the Province; and
  - (c) to contribute to the expansion of the national economy through the development of productive enterprise and employment in the Province in a manner that will encourage the realization of the economic potential of every region and, in particular, those regions in which opportunities for productive enterprise and employment are exceptionally inadequate.

#### IMPLEMENTATION OF MEASURES

4.1 To achieve the objectives contemplated herein, Canada and Manitoba, subject to approval by their appropriate authorities, will, during the currency hereof, undertake and pursue those measures comprising the Course of Action.

4.2 Canada and Manitoba in implementing measures for the economic and regional development of the Province will, wherever possible, utilize existing programs of their respective departments and agencies.

#### CONSULTATION AND COORDINATION

- 5.1 Ministers shall meet at least annually to:
- (a) review the economic and regional development environment of the Province including major economic and regional development opportunities and constraints thereto;
  - (b) report on and review the progress made in pursuing the strategic priorities described in Schedule "A" and in implementing and pursuing the Agenda of measures for the previous year;
  - (c) review and recommend revisions of the strategic priorities described in Schedule "A", where appropriate; and

- (d) identify the Agenda of measures to be undertaken and pursued in the ensuing year, (the "Course of Action") which, inter alia, may include:
- i) steps which Ministers intend to undertake to facilitate joint economic studies or joint planning in support of the economic and regional development of the Province;
  - ii) steps which Ministers intend to undertake in the application, amendment or redirection of existing programs and policies in the economic and regional development of the Province; or
  - iii) steps which Ministers intend to undertake in developing new policy or program initiatives where none presently exist.

5.2 The Federal Minister and the Provincial Minister shall each designate a senior officer who, acting jointly, shall be responsible for the general coordination of measures to be implemented under this Agreement.

#### INSTRUMENTS

##### Memoranda of Understanding

6.1 Where Ministers have identified a measure for the Course of Action which involves only procedures or expressions of intent to undertake particular action with respect to a policy, program or activity, the appropriate Implementing Ministers may enter into a Memorandum of Understanding describing the procedures or the action they intend to take with respect to the measure.

##### Subsidiary Agreements

6.2 Where Ministers have identified measures for the Course of Action involving the undertaking of any programs on the part of both governments, the appropriate Implementing Ministers, subject to subsection 4.1, shall negotiate and enter into a Subsidiary Agreement specifying the measures to be performed by each government, providing for the establishment of a Management Committee consisting of at least one senior officer designated by each of the Implementing Ministers to administer and manage the Subsidiary Agreement, defining an appropriate division of responsibility and providing, where appropriate, for the following:

- (i) coordination of existing federal and provincial policies, programs or activities which support the measures to be implemented, including measures for human resource development;

- (ii) support, including financial assistance not available under other existing government programs;
- (iii) outlines of the activities and responsibilities of each government with respect to the measure;
- (iv) the division of costs between each government and the maximum amount thereof to be incurred; and
- (v) where the costs of any measure are to be shared between Canada and the Province, a Subsidiary Agreement shall specify the cost-sharing arrangements and the procedure for submission and reimbursement of claims between the parties, and may provide for advance payments and reimbursement by way of progress claims.

6.3 The Federal Minister and the Provincial Minister shall each designate a senior officer as an ex officio member of each Management Committee established pursuant to subsection 6.2.

6.4 Each Management Committee established pursuant to subsection 6.2 shall develop, each year on a quarterly basis, an estimate of actual and anticipated cash flows by year and by program.

#### PUBLIC INFORMATION PROGRAM

7. Canada and Manitoba will develop a public information program that will provide, wherever possible and in a manner satisfactory to both the Federal Minister and the Provincial Minister, for the permanent and continuing recognition of the respective contributions of Canada and Manitoba under this Agreement and under any Subsidiary Agreement.

#### GENERAL

8.1 This Agreement is effective on the date of execution and expires on the 31<sup>st</sup> day of March 1994.

8.2 Notwithstanding subsection 8.1, this Agreement may be terminated at the end of any fiscal year following the expiration of at least three years from the date of execution hereof, by either party giving to the other at least two clear fiscal years' notice in writing thereof.

9. Any Subsidiary Agreement under which a measure has not been completed on expiration or termination of this Agreement shall continue in force and effect until completion of that measure or the expiration of the Subsidiary Agreement, whichever is later.

10. No member of the House of Commons or the Legislative Assembly of the Province shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of State for Economic and Regional Development and on behalf of Manitoba, by the Minister of Industry, Trade and Technology.

IN THE PRESENCE OF:

GOVERNMENT OF CANADA

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of State for  
Economic and Regional  
Development

GOVERNMENT OF THE PROVINCE  
OF MANITOBA

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of Industry,  
Trade and Technology



## SCHEDULE "A"

### ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENT

#### INTRODUCTION

This schedule describes an economic development framework to guide and support targetted activities involving Canada and Manitoba. The strategic priorities contained in the framework reflect a common understanding between both governments concerning the province's economic strengths, weaknesses and medium-term prospects.

#### THE ECONOMIC DEVELOPMENT FRAMEWORK

The economic development framework consists of several elements; an historical perspective, an assessment of economic performance and future prospects, a summary of major issues and, finally, the strategic priorities for Manitoba.

##### Historical Perspective

Manitoba's economic history began with the fur trade and later diversified around the agricultural resource and the service/supply function afforded by its central location between central Canada and the developing west. Winnipeg became a major transportation, wholesale, financial and manufacturing centre, as well as a headquarters location for parts of the international grain-trade. The city became a focal point for economic development and migration within the province. At the same time a vibrant and diversified agricultural economy developed in rural Manitoba where a number of small and medium-size communities emerged. In the north, mining, forestry, fishing and trapping activities led to the establishment of an economy characterized by several modern industrial towns, and a larger number of small, remote communities. The latter are typically lacking in resource wealth and are populated, for the most part, by Manitobans of native descent. Over the last few decades, the pace of development of Manitoba's hydroelectrical resource has had a major impact on the north, and on the province as a whole.

Manitoba's economic history resulted in a structurally balanced economy, a diversity of output and income sources that tends to moderate cyclical trends. The economy has shown some vulnerability, however, to significant downturns in sectors such as agriculture which have strong forward and background linkages to manufacturing and assorted services.

The province reflects many social and economic realities that typify Canada as a whole; an open economy, a large land mass with relatively few people, a diversified and often difficult topography, an industrialized economy with important primary resource elements. This pattern of

development has not led Manitoba to economic prosperity - the prominence that the region once had in the early days of settlement in western Canada has gone. New roles and opportunities must be identified and exploited to enhance Manitoba's economic future. Fortunately, the foundations for sound development exist in many areas and their exploitation can also serve to strengthen the national economy.

#### Economic Performance and Future Prospects

Although recent statistics have indicated improvement, Manitoba's economic development generally has not kept pace with Canada's, or other provinces, since the late 1960's. Manitoba ranked ninth or tenth in interprovincial comparisons of all major economic performance indicators during the period 1970-80: these indicators include the average annual growth rates in population, employment, personal income, real output and new capital investment.

To a certain extent this below average statistical performance can be attributed to the cessation of hydroelectric development on the Nelson River during the late-seventies, however a full explanation must go further than this. No sector of the economy has exhibited the dynamism required to lead the development process; the province does not enjoy massive comparative advantage in any area, nor does it possess the resource-wealth characteristic of the other western provinces. In addition, Winnipeg's pre-eminence among western cities has been overshadowed by the emergence of others, and by technological and sociological changes in areas such as transportation, communications, migration and trade. Finally, a relatively large segment of Manitoba's human resource base remains apart from the mainstream economy and levels of disparity in some areas of the province are striking.

Manitoba's economic performance has affected the province's ability to stimulate or initiate economic activity. The Manitoba government has relatively low fiscal capacity and as a result federal government transfers and economic development support are extremely important to the Province. A major recent example of co-operation between the two governments on economic development matters was the General Development Agreement signed in 1974 and the subsidiary agreements that followed.

Joint analysis by the Governments of Canada and Manitoba indicates that Manitoba's economic prospects over the medium term can be improved significantly through the co-ordination of economic development measures to be implemented under this agreement.

### Summaries of Development Issues

The fundamental issues to be addressed over the medium to long-term are the productivity and competitiveness of Manitoba's industrial base, growth in output and earned income based upon selective expansion of the economic base, and to the extent possible, a reduction of basic social and economic disparities within the province's various regions.

Manitoba does not require severe structural change to achieve greater economic prosperity, although adjustments may be required in specific areas. Rather, a development process is anticipated that reflects incremental gains throughout the economy based upon existing strengths. This process will require a greater degree of concerted effort between governments and between the public and private sectors.

A more comprehensive and integrated view of the economic development process in Manitoba must be achieved to fully take into account the rapid changes that are sweeping the international economic environment. Issues relating to science and technology and small business, for example, must be addressed in a sensitive and positive manner. These issues often reduce themselves to human capital considerations, and governments must harness their full range of instruments in these policy fields to support development priorities in the province. Governments also influence production factors such as transportation, land, and the availability and price of material inputs; as well, market development is often shaped by a host of regulatory, trade and procurement policies.

Growth and adjustment can also be viewed within a community-specific context. This framework recognizes the special role that the City of Winnipeg plays in the provincial economy, and the requirement to support the continued evolution of the city from its past to its future economic identity. Public leadership will be a major determinant in this process as environmental factors, many of which are influenced by public policies, will become increasingly important in sustaining and attracting capital investment. With respect to adjustment, it is anticipated that during the term of this agreement some communities and/or industries and firms may face a loss of economic viability; in such cases governments and the private sector must work together towards the pursuit of reasonable and viable solutions and adjustments.

### Strategic Priorities

It is recognized that Canada's economy is strengthened and enhanced through the development of regional economies in accordance with the dictates of comparative advantage. At the same time it is clearly recognized that locational

imperatives are undergoing rapid transformation as technology changes the very natures of production and consumption. Environmental factors for example may be as important in determining the pace and quality of development in the future as resource endowments and distance factors were in the past. The definition of regional roles within the national economic fabric will become, to an increasing extent, a matter of public policy choice. Canada and Manitoba have agreed to pursue a balanced growth model for the province that will continue to provide a visible link between the industrial /commercial economies of central Canada and the resource-based economies to the west. This commitment, and an assessment of the major development issues facing the province, has led to the following strategic priorities:

(i) Productivity and Adjustment

The individual components or sectors of Manitoba's diversified economy face both unique and, in some cases, shared challenges. The productivity and adjustment measures that this strategic framework contemplates will serve to strengthen the existing provincial economy, to make it more competitive domestically and internationally. This priority thrust can address disparities within the province by stabilizing communities where opportunities exist and by facilitating adjustment where required.

(ii) Economic Expansion

New investment in both goods and service-producing sectors is required to strengthen income and employment growth. Manitoba's sectoral strengths are in agriculture, manufacturing and various services. Development efforts will focus primarily on these strengths but will also recognize the important, if quantitatively smaller contributions that can derive from other resource developments as well.

(iii) Winnipeg's Economic Base

The city of Winnipeg must continue to provide a focal point for economic development given its concentration of manufacturing and service industries, its cosmopolitan amenities and mature infrastructure and the importance of all of these to the development process. The city is undergoing a fundamental shift in its economic base and in its pattern of settlement. Public policies must proactively support the evolution of a vibrant and dynamic city that can continue to provide economic leadership within the province.

These three strategic priorities give rise to several tactical considerations. First, levels of public and private capital investment in the province must be enhanced in order to make progress in any of the above-described areas.

Second, greater attention must be paid to factors of production and market development

considerations in developing policies and programs affecting the province: in the former case, strategies must be put in place to achieve greater utilization of the province's human resources, to improve the transportation system, to develop the water resource and to address the problems and opportunities associated with technological change: in the latter case, understandings must be reached on trade policies, barriers and opportunities and on issues such as the impact of crown corporations activities and policies on the economy in general. Small business, technology and human resources are horizontal concerns that cut across sectoral lines, and their increasing importance in the development process underscores the desirability of coordinating economic development activities as broadly as possible.

Third, greater recognition of the role of the service sector in the development process is required. Traditionally, economists have focussed on goods production and the provision of physical infrastructure to lead economic development. While recognizing the importance of these facets, it is expected that the service sector will continue to increase its share of employment and output and will impact the productivity of goods production itself.

Finally, measures should be taken to strengthen the dialogue between various elements of Manitoba society on economic development matters. The roles of government, industry, labour, individuals and institutions of all sorts are inter-woven in a modern economy, and consensus should be sought on priorities wherever possible.

REGIONAL  
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**CANADA/MANITOBA  
MINERAL DEVELOPMENT  
AGREEMENT**

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Canada

MANITBA 

CANADA - MANITOBA  
AGREEMENT ON MINERAL DEVELOPMENT

THIS AGREEMENT made this      <sup>th</sup> day of                      , 1983.

BETWEEN      HER MAJESTY IN RIGHT OF CANADA represented by the Minister of Energy, Mines and Resources ("Canada"),

AND           HER MAJESTY IN RIGHT OF MANITOBA represented by the Minister of Energy and Mines ("Manitoba").

WHEREAS Canada and Manitoba entered into an Economic and Regional Development Agreement on                      , 1983, which provides, in part, for the entering into of subsidiary agreements for

- (i) coordination of existing federal and provincial policies, programs or activities which support the measures to be implemented, including measures for human resource development;
- (ii) support, including financial assistance not available under other existing government programs;
- (iii) outlines of the activities and responsibilities of each government with respect to the measure; and
- (iv) the division of cost between each government and the maximum amount thereof to be incurred;

WHEREAS the mineral industry has been identified by Canada and Manitoba as an important element of the economy of Manitoba;

WHEREAS increased mineral exploration and development of mines and mineral resources are consistent with the joint planning now being undertaken by Canada and Manitoba relating to broader social and economic development;

WHEREAS Manitoba has been carrying out a plan of mineral development in Manitoba to enable the more effective assessment and utilization of its mineral resources;

WHEREAS the Governor in Council by Order in Council, P.C. 1983- of                      , 1983, authorized the Minister of Energy, Mines and Resources to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council                      of                      , 1983, authorized the Minister of Energy and Mines to execute this Agreement on behalf of Manitoba.

WITNESSES

1. DEFINITIONS

1.1 In this Agreement:

- (a) "ERDA" means the Canada - Manitoba Economic and Regional Development Agreement made on                      , 1983;
- (b) "Federal Minister" means the Minister of Energy, Mines and Resources of Canada and includes any person authorized to act on his behalf;

- (c) "Provincial Minister" means the Minister of Energy and Mines of Manitoba and includes any person authorized to act on his behalf;
- (d) "Management Committee" means the committee established pursuant to section 3;
- (e) "Ministers" means the Federal and Provincial Ministers; and
- (f) "Work" means the activities referred to in Schedule A.

## 2. PURPOSES, OBJECTIVES, AND SUBJECT MATTER

2.1 The principal purpose of this Agreement is to establish a framework for implementation of the Work in order to strengthen and diversify the mineral resource base of the provincial economy.

2.2 Canada shall undertake, either directly or through agents or contractors, in accordance with its guidelines and procedures, the Programs and Projects, as set out as its share in Schedule B.

2.3 Manitoba shall undertake, either directly or through agents or contractors, in accordance with its guidelines and procedures, the Programs and Projects as set out as its share in Schedule B.

## 3. MANAGEMENT AND COORDINATION

3.1 A Management Committee shall include four members, two of whom are to be appointed by the Federal Minister, one being designated by him as co-chairman, and two of whom are to be appointed by the provincial Minister, one being designated by him as co-chairman, and shall be responsible for the general administration and management of the program.

3.2 Two non-voting members may be appointed to the Management Committee pursuant to section 6.3 of ERDA.

3.3 The powers, duties, and functions of the Management Committee are:

- (a) to approve all procedures in respect of its own meetings, including rules for the conduct of meetings and the making of decisions where the members are not physically present in one place;
- (b) to approve guidelines for the application of funding under this Agreement;
- (c) before each year starting with the year commencing on April 1 1984 during which this Agreement is in effect, to prepare a Work plan identifying which of the Projects referred to in Schedule A will be carried out in the year and by whom, the date by which the Management Committee anticipates that those Projects will be completed, and the budgeted Eligible Costs to be attributed to each Project in the year;
- (d) to approve the establishment of technical, public information, and other sub-committees, as required;
- (e) to submit progress reports to Ministers annually prior to the annual meeting of ERDA Ministers referred to in section 5.1 of ERDA, or as requested;
- (f) to prepare financial statements for the purposes of section 6.4 of ERDA;
- (g) to ensure a full and free flow of information between the Parties;



- (h) to make available to government departments the results obtained under this Agreement to allow them to identify human, social, and economic development opportunities;
- (i) where it identifies significant human resources implications in respect of any Project, to develop a human resources plan for that Project;
- (j) to ensure the preparation of and to approve a communications strategy and program to serve the information requirements of the public and to encourage public awareness of the activities of both governments under this Agreement;
- (k) to approve promotional material released under this Agreement;
- (l) to transfer Programs and Projects in Schedule B between the Parties and to authorize the transfer of funds from one Program or Project to another Program or Project in the same Sector of Schedule B;
- (m) to ensure that all contracts incorporate all relevant provisions of this Agreement;
- (n) to meet at least twice a year for the purposes of this Agreement;
- (o) to adopt such procedures, forms, reports, and guidelines that are not inconsistent with this Agreement as it deems expedient and appropriate to achieve its purposes;
- (p) to appoint co-secretaries to assist the Management Committee;
- (q) to meet with representatives of federal and provincial departments or agencies or other persons as seems appropriate to facilitate cooperation and public good will in the management of the Agreement;
- (r) to add, amend, or delete any Project in the Schedules where it considers that the purposes and objectives of this Agreement would be furthered by that addition, amendment, or deletion; and
- (s) to carry out any other duties, powers, or functions specified elsewhere in this Agreement or such as may be assigned to the Management Committee by the Ministers by agreement in writing.

3.4 A quorum for all meetings of the Management Committee shall be two members of whom one shall be a member appointed by the Federal Minister and one shall be a member appointed by the Provincial Minister.

3.5 Decisions of the Committee shall be acted upon only if taken unanimously either by its members present and voting at a meeting or in accordance with paragraph 3.3(a).

3.6 Any matter with respect to which the Management Committee is not unanimous shall be referred to the Ministers, whose decision will be final.

3.7 The Ministers may, in writing, transfer funds from one Sector to another Sector of Schedule B.

#### 4. ADMINISTRATION

4.1 This Agreement shall commence on and take effect from April 1, 1984, and shall terminate on March 31, 1989, or such earlier date as may be agreed to in writing by the Ministers. No Project may be approved after the termination date of this Agreement and no costs incurred more than one year after termination may be Eligible Costs. No claims made more than two years after termination shall be paid under this Agreement.

4.2 Each Project outlined in Schedule A shall be described in an appropriate Project authorization form which, inter alia, will provide for the Project name and description, its purpose and objectives, an outline of the way the Project is to be carried out and progress reported, the total cost of the Project, and the share of the cost to be borne by each Party.

5. CONTRACT PROCEDURES

5.1 The Parties will afford Manitoba and Canadian suppliers of labour, goods, and services a full and fair opportunity to compete for any contract which is let pursuant to this Agreement.

5.2 Any contract awarded pursuant to this Agreement shall provide

(a) that any member of the Management Committee, or a duly authorized representative, shall be permitted to inspect the subject matter of the contract at all reasonable times,

(b) that recruiting of labour shall be conducted through the offices of the Canada Employment and Immigration Commission ("CEIC") unless the Management Committee considers, after consultation with CEIC, that this service cannot reasonably be provided,

(c) that all activities shall be conducted in accordance with human rights legislation of the implementing jurisdiction, and where the implementing jurisdiction is Manitoba it shall, where necessary, apply to the Manitoba Human Rights Commission for approval of any proposed program to promote the socioeconomic welfare and equality of a disadvantaged group; and where the implementing jurisdiction is Canada, any special program designed to prevent or eliminate or reduce disadvantages suffered by any group of individuals by improving opportunities for goods, services, facilities, or employment shall be submitted to the Canadian Human Rights Commission for advice and assistance,

(d) that the Contractor will respect applicable labour standards, and

(e) for a suitable indemnity clause or insurance policy for the benefit of both Parties.

6. FINANCIAL

6.1 Canada's expenditures in respect of this Agreement shall not exceed fourteen million and eight hundred thousand dollars (\$14,800,000).

6.2 Manitoba's expenditures in respect of this Agreement shall not exceed nine million and nine hundred thousand dollars (\$9,900,000).

6.3 The provision of financing by Canada and Manitoba for the implementation of this Agreement is subject to the existence of legislative authority for such financing for the fiscal year in which such financing is required.

6.4 "Eligible Costs" includes reasonable costs incurred by a Party for the purposes of this Agreement that are

(a) invoiced to a Party under a contract made under this Agreement for goods or services;

- (b) reasonable travel expenses of members of the Management Committee and of any sub-committees established pursuant to 3.3(d); or
- (c) any other cost which is expressly described as an Eligible Cost in this Agreement,

but shall not include costs which are

- (d) any salary or benefits paid by either Party to any of its permanent employees of a government department,
- (e) any amount for the use by a Party of any fixed assets which are the property or are in the control of that Party,
- (f) any cost overrun in excess of the Eligible Costs budgeted pursuant to paragraph 3.3(c) unless
  - (i) the Party implementing the Project giving rise to the overrun informed the Management Committee immediately it became aware that a cost overrun was probable and
  - (ii) the Management Committee approved the treatment of the amount as an Eligible cost, or
- (g) any other exception expressly described in this Agreement.

6.6 The Parties will make best efforts to acquire lands and interests in lands that may be required for any Project.

## 7. PAYMENT

7.1 Each Party will apply its payment procedures in respect of the Projects assigned to it.

7.2 Each of the Parties shall ensure that proper and accurate accounts and records are maintained, for three years following the termination date, with respect to each Project it is implementing and shall make those accounts and records available to the other Party for inspection.

7.3 Each Party will provide to any member of the Management Committee on request all information that will indicate the work that has been undertaken or completed and the costs incurred with respect to any Project.

## 8. PUBLIC INFORMATION

8.1 The Management Committee shall develop a system to disseminate technical information to the Parties and to the public within a reasonable period of time.

8.2 Any public announcement of the measures covered and of the products generated by this Agreement, as well as any official ceremony in respect of a Project, shall be arranged jointly by the Ministers.

8.3 The Parties will cooperate in public information activities relating to this Agreement. The planning of public information activities will be the responsibility of the Management Committee.

8.4 In all public information activities, the Parties will be guided by the principles that all interested persons should be kept informed, that the contributions of both Parties should be fairly acknowledged, and that both Parties should have a fair opportunity to participate.

9. EVALUATION

9.1 During this Agreement, the Parties shall carry out an assessment of the Work in light of the purposes and objectives of this Agreement, and each shall provide the other with such information as may reasonably be required to carry out this assessment.

10. GENERAL

10.1 The Ministers may, in writing, amend any of the provisions of the Agreement except for sections 2.1, 2.2, 2.3, 4.1, 4.2, 6.1, 6.2, and 6.3.

10.2 The laws in effect in Manitoba shall apply to this Agreement.

10.3 In carrying out its responsibilities under this Agreement the Management Committee will take account of the Federal Environmental Assessment Review Process and the Provincial Environmental Impact Assessment Policy.

10.4 Nothing in this Agreement is to be construed as authorizing one Party to contract for or to incur any obligation on behalf of the other or to act as agent for the other.

10.5 All property, including patents, copyrights, and other intellectual property and any revenue, acquired as a result of the Work shall be disposed of, licensed, or otherwise dealt with as the Ministers may from time to time determine.

10.6 This document and Schedules A and B form the entire Agreement.

10.7 No member of the House of Commons of Canada or the Legislative Assembly of Manitoba shall be admitted to any share or part of this Agreement or to any benefit arising herefrom.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Her Majesty in right of Canada by the Minister of Energy, Mines and Resources and on behalf of Her Majesty in right of Manitoba by the Minister of Energy and Mines this <sup>th</sup> day of \_\_\_\_\_, 1983.

FOR HER MAJESTY IN RIGHT OF CANADA:

\_\_\_\_\_  
Minister of Energy, Mines and Resources

FOR HER MAJESTY IN RIGHT OF MANITOBA:

\_\_\_\_\_  
Minister of Energy and Mines

CANADA-MANITOBA  
SUBSIDIARY AGREEMENT ON MINERAL DEVELOPMENT  
IN MANITOBA

SCHEDULE 'A'

The work to be undertaken in this Agreement falls into four sectors. The federal and provincial programs will be jointly planned and co-ordinated by the Management Committee but will be delivered entirely in parallel.

SECTORS

A. GEOSCIENCE

1. Precambrian Geological Investigations
2. Minerals Investigations
3. Geophysical Surveys
4. Regional Geochemical Surveys and Glacial Prospecting
5. Geological Compilation and Information

B. MINING AND MINERALS TECHNOLOGY RESEARCH AND DEVELOPMENT

C. DEVELOPMENT STUDIES

D. PUBLIC INFORMATION, EVALUATION AND ADMINISTRATION

DESCRIPTION OF PROGRAMS:

SECTOR A - GEOSCIENTIFIC ACTIVITIES

1. Precambrian Geological Investigations

Precambrian geological mapping (MAN) (GSC)

These investigations will document the geological setting of known mineral deposits and the factors controlling their occurrence, and will delineate the geological formations in areas of potential mineral deposits, through the systematic mapping of Precambrian bedrock, supplemented by petrological, structural, and geochronological studies. The main systematic mapping by the Manitoba Geological Services Branch will have a community-centered focus and will be principally directed to 1:20,000 and 1:50,000 scale mapping of the Flin Flon-Snow Lake region and of potentially economic targets in the Thompson-Cross Lake and northwest Superior Province region. Equal emphasis will be given to 1:50,000 scale mapping of poorly documented promising mineral areas in the Island-Bigstone-Ponask Lakes district, as well as to the region north of Bissett, currently scheduled for Provincial Park Development.

The GSC will complement the provincial mapping by petrological and geochronological studies in the Lynn/Thompson/Flin Flon region to determine the chronologic sequence of crustal development as well as the key factors delimiting

the occurrence of known mineral deposits. Areas in the proximity of the Manitoba/Ontario border will also be investigated on a regional scale by the GSC prior to more detailed follow-up by the Province.

All investigations will be integrated with concurrent mineral deposit appraisals and/or lake sediment geochemical surveys.

Geological "scout" drilling (MAN) (GSC)

In many areas, bedrock of potential economic/geoscientific significance is buried beneath surficial deposits, water or younger cover rocks. Test drilling will enable the development of bedrock maps, evaluation of mineral deposits and the potential discovery of new mineral concentrations suitable for development, and will be done by Manitoba and by GSC as a complement to their separate Precambrian investigations described above.

2. Mineral Investigations

Mineral Deposit Investigations (MAN) (GSC)

The known base and precious metal deposits will be investigated to determine key geological, geochemical and other factors that resulted in these mineral concentrations. Concepts stemming from these appraisals will be used to generate guidelines to increase the effectiveness of mineral exploration thereby improving the discovery rate of new deposits.

The investigations will have a community centered focus principally in the Lynn Lake/Flin Flon/Snow Lake/Thompson and S.E. Manitoba regions by Manitoba and GSC separately. The GSC will also undertake investigations in other promising mineral areas in the Precambrian Shield, and in the areas of Palaeozoic rocks (lead/zinc, industrial minerals).

X Industrial Minerals (MAN)

Investigations will be undertaken to explore for industrial minerals in the Lynn Lake/Flin Flon/Thompson regions as a means to identifying new deposits and potential industries that would diversify the mineral base of the northern mining communities. Discoveries stemming from the field investigations could result in a broad spectrum of developments ranging from local cottage industries (soapstone carving) to operations of more regional significance (abrasives, refractories, building stone, etc.). The project will examine, sample and evaluate reported occurrences of sillimanite minerals, garnet, building stone, graphite, chromite, vanadium/titanium and other industrial minerals to determine the suitability of these materials for industrial mineral uses. Those deposits with potential will be examined and sampled in greater detail.

The current evaluation of chromite in S.E. Manitoba will be continued during the initial years of the Agreement (1985-86).

### Rare Element Evaluation (MAN)

The rare element enriched pegmatite evaluation will entail detailed mapping, sampling and analysis of known and indicated tantalum, lithium, cesium, beryllium, niobium, tin, rare earth and phosphate-bearing pegmatites and their associated granitoid and greenstone country rocks in order to determine the nature and extent of rare element resources in north-central Manitoba. The project will attempt to establish key geological and geochemical parameters that can be used to direct mineral exploration for these elements. The Provincial Geological Services Branch will undertake the field mapping and sampling programs in concert with research and analytical support provided under contract by the University of Manitoba.

### Applied Geoscience Research (MAN)

A broad range of technical and scientific investigations will be contracted to University research teams in order to develop new techniques and concepts that will improve the effectiveness of mineral exploration and delineate with greater clarity the factors controlling the occurrence of mineral concentrations.

## 3. Geophysical Surveys

### Aeromagnetic Gradiometer, INPUT, Pulse EM Surveys (GSC)

Airborne and ground geophysical surveys will be conducted in those parts of the Precambrian Shield where bedrock is concealed beneath water, surficial deposits, or younger cover rocks so that conventional methods cannot be used to determine the rock types, geological structures and mineral potential. Data stemming from the surveys will be vital to targetting buried mineralized zones and to the effective siting of costly drilling projects seeking massive sulphide base metal and/or gold mineralization.

Aeromagnetic gradiometer surveys will comprise the greater part of this Program. These surveys will emphasize the Lynn Lake and Flin Flon regions, but the surveyed areas will also include poorly known greenstone terrains in southeast Manitoba and other parts of the Precambrian Shield. In addition, mineral deposits at greater depths will be located and investigated through the use of pulse electromagnetic ground surveys over targets selected in concert with the mineral industry. All surveys will be undertaken under contract to the Geological Survey of Canada.

## 4. Geochemical Surveys and Glacial Prospecting

### Regional Lake Sediment Geochemical Surveys (GSC contracts)

The purpose of this project is to locate anomalously high concentrations of metals in lake bottom sediments, that will provide a focus for subsequent mineral exploration. Similar surveys elsewhere in Canada, have provided significant new impetus to mineral exploration and have resulted in the discovery of new orebodies.

Within the 5 year time frame of the Agreement complete regional coverage (1 sample per 13 km<sup>2</sup>) would be obtained from most of the Precambrian Shield ( 200 000 km<sup>2</sup>) in Manitoba; projects related to the community centered concerns in northern Manitoba and to land use classification on the east side of Lake Winnipeg will be scheduled for early completion.

#### Environmental Investigations (MAN)

The regional geochemical surveys will generate data critical to environmental concerns relating to acid rain and other hazards. To take advantage of this information the Manitoba Geological Services Branch will generate additional technical geochemical information and geological concepts essential to documenting and understanding naturally higher levels of element concentrations. Joint programming with Water Resources and Environmental Management Services will focus on ground water chemistry both from an environmental viewpoint and as a guide to mineral exploration for base metals and uranium.

#### Quaternary Deposit Mapping and Basal Till Investigations (GSC)

This GSC project will provide geological maps depicting the nature, composition, and extent of surficial deposits principally in selected areas adjacent to existing mining communities and will also provide information critical to the interpretation of the lake sediment geochemical maps and glacial dispersion patterns.

#### Glacial Prospecting (MAN)

Detailed case histories of individual mineral deposits will be undertaken to identify patterns of glacial dispersion of heavy minerals originating from the mineralized zones.

### 5. Geological Compilation and Information

This program involves the production of general syntheses, compilations and indexes to the current geoscience data base of the Province for the purpose of increasing and promoting public and industry awareness of the mineral potential of Manitoba, and to furnish better access to the large existing banks of data available within the Mineral Resources Division that will aid in the discovery and development of new mineral resources.

Individual projects will include the following, to be conducted and funded by Manitoba except for (b) and part of (h) which will be carried out and funded by GSC.

- (a) Precambrian geological atlas 1:250,000;
- (b) Quaternary deposit atlas 1:250,000;
- (c) general geological compilations of prospective gold belts;



- (d) mineral deposit data compilations;
- (e) regional metallogenic interpretations;
- (f) map indexes to assessment reports, publications and mineral dispositions;
- (g) updating the mineral deposit inventory file of Manitoba;
- (h) bibliographies to the geology of the Province with input to GEOSCAN;
- (i) mineral capability maps to assist in resolving land use conflicts;
- (j) public information brochures, promotion, advertisements and displays; and
- (k) ongoing and new liaison mechanisms between both levels of government and the mining industry.

#### Drill Core Libraries (MAN)

This part of program 5 will entail the collection of Precambrian drill core for permanent systematic storage, to encourage exploration, permit future re-evaluations and to alleviate the high costs of re-drilling previously explored targets. The province will construct three new core storage buildings and collect, store and catalogue 84 000 m of new core, further catalogue old core, repair existing sheds and construct core racks and boxes. A full time janitor will be hired to maintain and service the Winnipeg-based storage facilities.

### SECTOR B - MINING AND MINERALS TECHNOLOGY RESEARCH AND DEVELOPMENT

#### Description of Activities

##### 1. Mining Technology

#### Underground Computer-Assisted Design (CAD) System (MAN)

This project will use modern computer methodology to develop an interactive computer graphics system for underground mines, equivalent to that already developed for open pits. It will increase the efficiency, accuracy and safety of mine design by allowing the designer to make corrections and changes in detail that are automatically incorporated into all other aspects of the design. The computer graphics system will remove the need for repeated redrafting of plans following changes, thus improving mine development schedules and lowering costs.

##### 2. Mine Safety and Productivity

#### Ground Control (CANMET)

Major hazards to safety, with corresponding impact on production in the cut and fill mining methods used in northern Manitoba are loose rock in roofs after blasting and hung-ups of rock in ore passes and chutes.

R&D will identify major causes of such hazards and develop new scaling techniques for bringing down loose rock and safer methods of blasting down hang-ups.

#### Safety Communications for Isolated Areas in Mines (CANMET)

A current method of warning of emergencies underground is to introduce small amounts of highly odorous materials into the ventilation areas - known as "stench warning". However some workings under development receive limited ventilation and hence no warning. Communications systems will be developed that are suited to the extremely rugged and dusty conditions in development areas.

#### Miners Cumulative Exposure Index (MAN)

Exposure to some of the environmental factors in mines, especially dust and radiation have a cumulative effect on the health of miners over their working life. Currently there is a maximum total (lifetime dose) of radiation that miners may receive after which they must be reassigned to work not involving radiation.

This project will be a preliminary investigation of the possibilities of extending this concept to include dust exposure and other hazards with a view to eventually establishing a Canada-wide system.

### 3. Mineral Processing Technology

#### Methods of Reducing or Eliminating Sulphur Dioxide (SO<sub>2</sub>) in the Extraction of Metals from Manitoba Ores (CANMET)

The objective of this R&D project is to evaluate the relative merits of various options for reducing or eliminating SO<sub>2</sub> which constitutes a major environmental contaminant from the smelting of Manitoba sulphide ores. As Manitoba has considerable potential for hydro-electric power, the use of electricity in these processes will also be investigated.

The five year project will be mainly by contract and will include a study of areas appropriate for new technology, followed by research in specific areas and then pilot studies based on the research results.

#### Milling Research (CANMET)

This project will be mainly the transfer, for use with Manitoba ores, of beneficiation technology developed for New Brunswick sulphide ores. Laboratory and field plant testing will be included.

In addition mineralogical studies of zinc ores and tailings (process wastes) will be made with a view to increasing the recovery and thus reducing the amount of sulphides in the tailings, which currently pose an environmental problem.

#### Tailings Research (MAN)

Manitoba mines have processed sulphide ores for many years. Research will be conducted on the deposits of wastes (known as tailings) from these operations, some of which have been abandoned on closure of mines. The objective will be to determine the criteria and techniques required to ensure long term stability of these tailings after mining ceases, so that they will not become environmental hazards due to leaching of undesirable substances from the tailings into the groundwater.

#### Industrial Minerals Research (MAN, CANMET)

Industrial minerals are widely used in the Manitoba economy and the Province possesses a number of operations and deposits for which processing methods could be improved or energy saved so that operations could become more productive or deposits made potentially more attractive for development.

The principal mineral operations that will be investigated are; energy and material conservation in the production of cement and gypsum, the evaluation of selected limestones, granites, etc. as building materials and the uses of Manitoba limestone, dolomite and silica in a variety of industrial processes. CANMET will conduct and fund the work on cement and gypsum, and Manitoba will be responsible for the remainder of this program.

#### SECTOR C - DEVELOPMENT STUDIES

This sector will involve government-initiated projects (a) to identify and analyze opportunities for development through selective commodity-oriented market and feasibility studies and to promote opportunities by appropriate means, including seminars and conferences, and (b) to identify problems affecting productivity and develop recommendations for solving the problems. Assistance will also be available for specific firms that request assistance with activities relating to the mining of minerals or the processing of ores to form mineral concentrates. In many cases, there will be a close linkage with projects in the Technology R&D Sector whereby a market or preliminary feasibility study done under this Sector would result in the definition of a technological project under the R&D Sector. Other federal funding programs (such as those of DRIE and NRC) will be used to whatever extent they are applicable.

Examples of projects are a study of the potential for recovering lithium minerals from the Bernic Lake deposit of Tantalum Mining Corporation of Canada Ltd. and an evaluation of the processing requirement, provide for research into technical and economic studies of the copper-zinc industry of the province, a study of the feasibility for developing agricultural gypsum, and an examination of the potential for developing Manitoba building stone, including Tyndall stone.

Plans for individual projects under this sector will be formulated by the Management Committee as the work program progresses, but individual projects will be separately delivered by one party or the other.

SECTOR D - PUBLIC INFORMATION, EVALUATION AND ADMINISTRATION

Public information activities, over the life of the agreement, will be planned by the Management Committee, with advice and recommendations from a federal-provincial public information sub-committee. The guiding principles will be that all interested publics should be kept informed and that fair acknowledgement should be provided of the contribution of both governments.

The projects will be evaluated in terms of their shorter-term objectives. The Management Committee will establish a data base for the projects, possibly through an evaluation sub-committee, as a basis for reporting periodically to Ministers and for the evaluation.

The Management Committee will be responsible for the administration of the Agreement, which will entail the development and maintenance of a suitable record and information system, including the evaluation data base, the management of the contract work load and the necessary financial management.

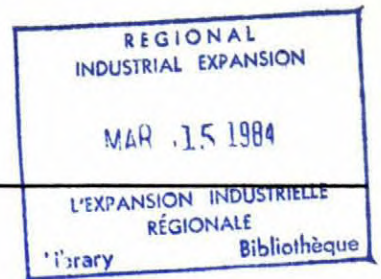
CANADA-MANITOBA MINERAL DEVELOPMENT AGREEMENT  
 SCHEDULE "B"  
 SUMMARY OF COSTS 1984-89  
 (\$000,000's)

| Sector/Program/Project  | Federal Share | Provincial Share | Total Costs 5-Years |
|---|---------------|------------------|---------------------|
| <b>SECTOR A</b>   |               |                  |                     |
| <b>GEOSCIENTIFIC ACTIVITIES</b>                                       |               |                  |                     |
| Program 1. Precambrian Geological Investigations                      |               |                  |                     |
| - Detailed geological mapping; drilling                               |               | 1.1              | 1.1                 |
| - Regional geological models; drilling                                | 0.9           |                  | 0.9                 |
| Program 2. Minerals Investigations                                    |               |                  |                     |
| - Detailed metallic and industrial minerals studies; applied research |               | 2.05             | 2.05                |
| - Mineral deposit models  | 1.25          |                  | 1.25                |
| Program 3. Geophysical Surveys  | 2.45          |                  | 2.45                |
| Program 4. Geochemical Surveys and Glacial Prospecting                |               |                  |                     |
| - Regional geochemical surveys  | 2.05          |                  | 2.05                |
| - Quaternary geology surveys  | 0.85          |                  | 0.85                |
| - Detailed environmental geochemistry and glacial prospecting         |               | 0.25             | 0.25                |
| Program 5. Geological Compilation                                     |               |                  |                     |
| - Various compilation and information outputs                         |               | 1.6              | 1.6                 |
| - Quaternary geology atlas; data systems                              | 0.5           |                  | 0.5                 |
| Subtotal Sector A   | 8.0           | 5.0              | 13.0                |
| <b>SECTOR B</b>   |               |                  |                     |
| <b>RESEARCH AND TECHNOLOGY</b>  |               |                  |                     |
| Program 1. Mining Technology  |               |                  |                     |
| 2. Mine Safety and Productivity                                       |               | .75              | .75                 |
| Project 2.1 Ground Control  | 1.32          |                  | 1.32                |
| 2.2 Warning Systems   | .295          |                  | .295                |
| 2.3 Exposure Index  |               | .295             | .295                |
| Program 3. Processing Technology                                      |               |                  |                     |
| Project 3.1 SO <sub>2</sub> Reduction                                 | 2.180         |                  | 2.180               |
| 3.2 Milling Research  | .470          |                  | .470                |
| 3.3 Tailings Research   |               | 1.10             | 1.10                |
| 3.4 Industrial Minerals   | .4            | .62              | 1.02                |
| Subtotal Sector B   | 4.665         | 2.765            | 7.43                |
| <b>SECTOR C</b>   |               |                  |                     |
| <b>DEVELOPMENT STUDIES</b>  |               |                  |                     |
|   | .885          | .885             | 1.77                |
| <b>SECTOR D</b>   |               |                  |                     |
| <b>PUBLIC INFORMATION, etc.</b>                                       |               |                  |                     |
|   | 1.25          | 1.25             | 2.5                 |
| <b>TOTAL</b>  | <b>14.80</b>  | <b>9.9</b>       | <b>24.70</b>        |



Government  
of Canada

Gouvernement  
du Canada



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# news release

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Date November 25, 1983

For release Immediate

## CANADA-MANITOBA

### ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENT

WINNIPEG - Today, the first in a series of federal-provincial Economic and Regional Development Agreements (ERDAs) was agreed to by the Honourable Donald J. Johnston, Minister of State for Economic Development accompanied by the Honourable Lloyd Axworthy, Regional Minister and Minister of Transport, on behalf of Canada and the Honourable Eugene Kostyra, Minister of Industry, Trade and Technology, on behalf of the Province of Manitoba.

The new generation of ERDAs, which replace expiring General Development Agreements, provide a framework within which measures for economic development may be taken in the provinces through consultation and cooperation. Ministers will meet each year for an annual review of priorities.

Mr. Johnston also concluded for the Honourable Jean Chrétien, Minister of Energy, Mines & Resources, a Canada-Manitoba Mineral Development Agreement. This ERDA sub-agreement is intended to strengthen and diversify the mineral resource base of Manitoba and thus enhance the industry's contribution to the provincial economy. The federal contribution is estimated at \$14,800,000 over five years.

Federal-provincial Ministers have also agreed to sign a Canada-Manitoba Planning Agreement to provide resources and a structure to support the consultation and coordination process under the ERDA. Both the federal and provincial governments will contribute \$1.5 million over five years to deal with broad policy issues and planning initiatives, and to support and focus the research activities of federal and provincial sectoral departments.

Mr. Johnston said "the ERDA provides for the long-term planning of a comprehensive federal-provincial approach to the development of the Manitoba economy. The longstanding commitment of the Government of Canada to regional economic development is no longer the

responsibility of a single department (DREE) but of all federal economic departments. Within the framework provided by this Agreement, Federal Ministers are working directly with their provincial counterparts to develop concrete initiatives in transportation, agriculture, communications and forestry."

Mr. Axworthy noted "all federal departments are increasingly targetting their spending programs to regional development purposes. The development of ERDAs and sub-agreements is only one way in which the Federal Government is promoting regional economic development. We will continue our commitment to existing programs delivered by the Federal Government".

Mr. Johnston added "the Federal Government will ensure that the levels of DREE funding under the GDAs will be maintained."

The Canada-Manitoba Agreement is the first of the new Economic and Regional Development Agreements which the Government of Canada is seeking with the Provinces. The Agreements will support the growth and development of the Canadian economy, building on the



strengths of regions, and help sustain economic recovery in Canada and the creation of more jobs for Canadians.

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## ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENTS

### BACKGROUND

In 1974 the Federal Government entered into General Development Agreements with all ten provinces. Under these GDAs the Department of Regional Economic Expansion entered into numerous Subsidiary Agreements with the Provinces which provided for the co-operative undertaking of projects or programmes to enhance the development of each region. A number of these programmes continue in effect. The GDAs themselves however, having a term of ten years, are due to expire on March 31, 1984.

On January 12, 1982, the Prime Minister announced a re-organization of the Government of Canada which, among other things, was designed to make regional economic development the responsibility of all economic departments, not just of a single department such as DREE. Overall coordination of the federal economic and regional development effort is now provided by the Cabinet Committee on Economic and Regional Development. Lead responsibility for this coordination rests with the Minister of State for Economic Development the Honourable Donald J. Johnston, as set out in the Government Organization Act 1983. Existing GDA Subsidiary Agreements have been transferred from DREE to the appropriate line Ministers, while the Minister of State for Economic Development is responsible for developing and negotiating with the provinces new umbrella agreements to succeed the GDAs.

Over the summer and fall, Donald Johnston has met with nine of the ten provinces to discuss general economic and regional development matters and the new umbrella agreements. Final agreement has today been reached with Manitoba, and discussions are underway with other provinces.

The purpose of the new Economic and Regional Development Agreements (ERDAs) is to provide a framework for cooperation and consultation on matters relating to economic development in each province and region. The agreements have a ten year term and:

- provide a framework within which measures for economic development may be taken in the provinces;
- identify development opportunities for implementation under subsidiary agreements and provide for the general coordination of all such agreements;
- provide that measures for economic development will, wherever possible, be taken by the federal or provincial governments through their respective programs and departments;
- ensure effective consultation and coordination between the federal and provincial governments in carrying out programs for economic development; and

- the ERDA instruments will, where appropriate, provide for joint undertakings with the provincial governments, but will clearly specify the measures to be taken by each government.

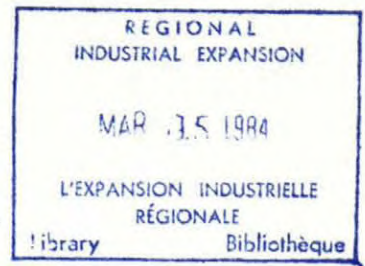
Obviously the new ERDAs will not all be alike but will reflect the particular economic development opportunities and constraints of each region.

Each document will consist of a general statement of objectives, an outline of the requirements and process of consultation and coordination, and a section covering other details such as duration, evaluation and any administrative arrangements for subsidiary agreements. In addition, each Agreement will be accompanied by a statement of medium term development priorities for each province.

Provisions for consultation and coordination would be key items. Each agreement will contain provisions for:

- annual ministerial consultation on priorities, identification of opportunities and possible subsidiary agreements;
- continuing consultation and coordination by designated officials; and
- initiatives to be undertaken by sectoral departments within the framework of priorities.

**CANADA-MANITOBA ECONOMIC DEVELOPMENT**  
**PLANNING AGREEMENT ANNOUNCED**



WINNIPEG, November 25, 1983. Seven sectors of the Manitoba economy have been listed as priorities for joint studies under an agreement concluded today by the provincial and federal governments.

Negotiations were completed at a meeting between the Honourable Donald J. Johnston, federal Minister of State for Economic Development, and Eugene Kostyra, provincial Minister of Industry, Trade and Technology.

The Canada-Manitoba Subsidiary Agreement for Economic Development Planning calls for an equal contribution of \$1.5 million from each of the two governments. The pact is part of a new strategy for economic development that will coordinate many federal and provincial initiatives under the Economic and Regional Development Agreement (ERDA).

The "priority planning areas" listed in the sub-agreement are:

- the service sector
- a regional trade strategy
- the role of Crown corporations
- a science and technology strategy

- water issues
- cultural enterprises
- transportation

"We need to build a solid base of shared information and that's what this planning agreement can provide. For governments to work together, they must first share a common understanding of the work to be done," Mr. Johnston said.

Mr. Kostyra said: "The rapid and fundamental changes taking place throughout our economy makes studies like those listed in the agreement essential to sound financial planning. It is my understanding," Mr. Kostyra said, "that these studies will lead to more joint investment in Manitoba."

The \$3-million planning agreement has been put into place to ensure continued development in the relatively strong sectors of Manitoba's economy and to lay the groundwork for possible federal-provincial initiatives in the seven "priority planning areas".

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FEDERAL-PROVINCIAL PACT TO STRENGTHEN  
MANITOBA'S MINERAL INDUSTRY

WINNIPEG, November 25, 1983 - The governments of Canada and Manitoba are combining their scientific, technological and market development resources to bolster Manitoba's mineral industry. The covering agreement was announced jointly today by the Honourable Donald J. Johnston, Minister of State for Economic Development - on behalf of Energy, Mines and Resources Minister Jean Chrétien - and by Wilson Parasiuk, Manitoba's Minister of Energy and Mines.

The pact is the first mineral development agreement to be negotiated under the federal government's economic and regional development program. Discussions on similar agreements with several other Provinces are underway.

Under the Canada-Manitoba Agreement, the two governments will invest up to \$24.7-million over a five-year period in a series of complementary programs to stimulate exploration, mining and mineral processing activity in the province. The mineral industry is a

major segment of Manitoba's economy, but has been severely affected by the recent world recession and changes in international mineral markets.

The federal/provincial programs will concentrate on the northern Manitoba mining districts of Lynn Lake, Flin Flon, Thompson, Snow Lake and Leaf Rapids - areas with a combined population of 31,000. The long-term survival of these communities depends on the continuing discovery of new ore reserves, improvements in mining productivity and product upgrading, and new market development.

In addition, geoscientific studies will be conducted in other areas of the province in an effort to identify promising new sites for exploration.

These undertakings by the Manitoba Department of Energy and Mines and by Energy, Mines and Resources Canada will provide improved geoscientific data to reduce industry's risk in the search for and development of new mineral reserves; they will also result in technological research and development to help the industry improve productivity and safety. Economic and market studies will also be undertaken, leading to new and strengthened markets for Manitoba's mineral products. Where possible, projects will be contracted

- 3 -

to private sector consultants and R&D organizations in  
Manitoba.

- 30 -

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MAR 25 1984

**FEDERAL, PROVINCIAL MINISTERS MEET ON TOURISM STRATEGY**

WINNIPEG, November 25, 1983 - The Governments of Canada and Manitoba have agreed to work towards the development of a new long-term tourism development accord for Manitoba.

The announcement was made today in Winnipeg by David Smith, federal Minister of State for Small Business and Tourism and Samuel Uskiw, Manitoba Minister of Business Development and Tourism.

The development of this new accord recognizes the importance both governments place on the tourism industry in Manitoba and the far reaching effect of economic stimulus to this sector of the economy.

The Ministers noted that this initiative will fall under the framework of the new Economic and Regional Development Agreement, discussed here today between Canada and Manitoba.

Mr. Smith and Mr. Uskiw have instructed their respective departments to use the phase-out period of the Canada-Manitoba Tourism Development Agreement (Destination Manitoba) to conduct planning and preparation for a new initiative proposed for implementation by April 1, 1985.

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FOR FURTHER INFORMATION, CONTACT:

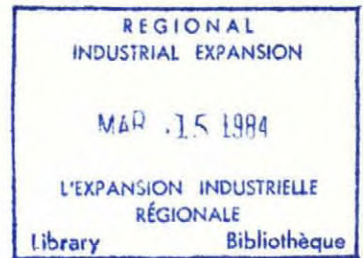
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**CANADA AND MANITOBA**  
**NEGOTIATE NEW ECONOMIC AND REGIONAL**  
**DEVELOPMENT AGREEMENT**

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WINNIPEG, November 25, 1983 - A landmark Economic and Regional Development Agreement was agreed to today by the federal Minister of State for Economic Development, Donald J. Johnston, and the provincial Minister of Industry, Trade and Technology, Eugene Kostyra.

The Canada-Manitoba Economic and Regional Development Agreement (ERDA) is designed to allow both governments to increase their effectiveness by coordinating their economic development activities.

"This ERDA represents a new kind of federal-provincial cooperation, based on a shared understanding of Manitoba's economy," said Mr. Johnston. "It can be used to harness the economic development activities of both governments to achieve our common vision and goals."

"This encourages a much wider coordination of federal-provincial activities in the economic development field than ever before," said Mr. Kostyra.

"The ERDA will not replace existing federal and provincial programs; it is our hope that it will complement them, and make them more effective."

The Honourable Lloyd Axworthy, speaking as Regional Minister for Manitoba in the Federal Cabinet said, following the meeting, "this launches the major co-operative commitment discussed by Prime Minister Trudeau and Premier Pawley when they met in September. I look forward to participating in this exciting new process."

Under the ERDA, Canada and Manitoba plan to sign subsidiary agreements to achieve common goals in different sectors of economic development such as transportation, agriculture, mining, etc.

The first two ERDA sub-agreements were also announced today. They are:

- a Canada-Manitoba Economic Planning Agreement for cost-shared studies on the provincial economy and its future. Each government will contribute \$1.5 million over the next 5 years.
- a \$24.7 million Canada-Manitoba Mineral Development Agreement. The federal government has committed \$14.8 million to the agreement over the next five years; the

provincial government has committed  
\$9.9 million.

The sub-agreements were confirmed during meetings on the economy attended by federal and provincial ministers including:

- Honourable Howard Pawley, Premier of Manitoba
- Honourable Lloyd Axworthy, federal Minister of Transport and Regional Minister for Manitoba
- Honourable David Smith, federal Minister of State for Small Business and Tourism
- Honourable Wilson Parasiuk, provincial Minister of Energy and Mines
- Honourable John Plohman, provincial Minister of Highways and Transportation
- Honourable Bill Uruski, provincial Minister of Agriculture.
- Honourable Samuel Uskiw, provincial Minister of Business Development and Tourism

At the end of the ERDA meeting, the Ministers signed a "Course of Action" that committed both governments to the ERDA, as well as the Planning and the Mineral sub-agreements. It also promised that federal

and provincial ministers would soon announce the understandings they have reached on economic development in the transportation, agriculture, forestry, tourism, and communications and cultural enterprises sectors.

Under the terms of the ERDA and the Course of Action, the ministers will meet at least once a year to review the Manitoba economy. to renew their joint economic priorities and to identify any new initiatives that should be undertaken.

Mr. Kostyra summed up the meeting, saying: "We know the people of Manitoba want to see their governments working together for the common good, and that's what we're doing".

Mr. Johnston added: "As a Minister, I am gratified by the cooperation we have established; as a taxpayer, I am delighted at the prospect of the efficiency this will promote."

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FEDERAL AND PROVINCIAL GOVERNMENTS  
SHARE ECONOMIC DEVELOPMENT  
OUTLOOK FOR MANITOBA

WINNIPEG, November 25, 1983. An outline of Manitoba's economy and its future prospects has been provided as part of the Canada-Manitoba Economic and Regional Development Agreement (ERDA).

The outline, called the Economic Development Framework, sets out several objectives:

- increased public and private investment
- human resource development
- an improved transportation system
- strengthening and stabilizing of small business
- work on the problems and opportunities of technological change
- new markets for the goods-producing and service sectors
- strengthening of communication and cooperation on economic development matters among government, industry, labour and institutions.

The ERDA framework paper said Manitoba has a diverse economy that weathers the highs and lows of fluctuating economic cycles well. However, the province lacks the dynamic sectors that stimulate growth. As a result, Manitoba has ranked ninth or tenth in interprovincial comparisons of all major economic performance indicators during the 1970-80 decade.

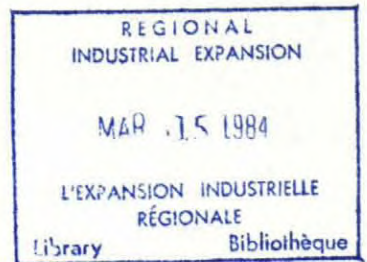
The ERDA was agreed to by the federal Minister of State for Economic Development, Donald J. Johnston, and the provincial Minister of Industry, Trade and Technology, Eugene Kostyra. Also participating in the economic meetings were the federal Minister of Transport and Manitoba's Regional Minister, Lloyd Axworthy, and the provincial Minister of Energy and Mines, Wilson Parasiuk.

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Background Release - November 25, 1983



CANADA-MANITOBA SUB-AGREEMENT ON  
ECONOMIC DEVELOPMENT PLANNING

- The new planning subsidiary agreement has a five-year life and will be reviewed annually.
- It is to be equally cost-shared with each government contributing \$1.5-million.
- The agreement provides a framework within which the two governments can undertake joint research, analysis, and planning in sectors of the Manitoba economy mutually accepted as priority areas.
- "To give effect to this new approach, and to ensure that development efforts are effective and economical in a period of scarce financial resources, it is imperative that coordinated planning efforts are undertaken, and that programs, circumstances, and opportunities are continuously assessed to support the annual consultations between ministers." (Schedule "A" of the Agreement)



PRIORITY PLANNING AREAS

1. The Service Sector:

Manitoba's service sector is proportionately the largest in Canada and, while it has major potential for continued growth, it currently faces a period of readjustment as the result of technological change. Opportunities exist for further development of services like specialized engineering, design and software.

2. Regional Trade Strategy:

Medium and long-term strategies to correct Manitoba's international and domestic trade imbalance will be sought within the context of regional and national trade policy development. The development of a regional trade strategy will allow for more effective targetting of a wide range of sectoral policies and programs in support of long-term economic development.

3. The Role of Crown Corporations:

Both governments have Crown corporations active in Manitoba and recognize the need to enhance coordinating and planning activities like capital investment, research and development, procurement from local private sector sources, and improving international marketing capacity.

4. Science and Technology Strategy:

Both governments recognize that Manitoba has a "presence" in important areas of advanced technology but that it requires more depth in many of them. In light of the speed with which changes currently take place, a strategy will be sought that addresses the needs of both "users" and "makers" of technology, and which permits targeting of resources and expertise, including appropriate job training policies.

5. Water Issues:

Priorities will be sought to ensure a comprehensive and integrated approach to the management and development of water resources within a regional, national, and international context.

6. Cultural Enterprises Initiatives:

This will include cultural industries, the arts, broadcasting, and related information systems and technologies. The sector is recognized as dynamic and growing with considerable job potential but without adequate development strategies. Joint planning could include areas such as resource assessment, increased productivity, improved marketing, skill development, stimulating private

sector investment, and increased use of Canadian technology to support cultural objectives.

7. The Transportation Sector:

A careful assessment of Manitoba's transportation needs is seen as appropriate and this provincial planning focus should be within the context of national transportation policies.

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BACKGROUND - NOVEMBER 25, 1983

THE NEW CHALLENGE FOR MINING

Canada is the world's largest non-fuel mineral exporter. Eighty percent of Canadian production is sold abroad, providing almost twenty percent of our export earnings. Even in the recession of 1982, the worst to hit the industry in half a century, mineral exports contributed more than \$13-billion to Canadian exports. More than 100,000 Canadians are directly employed in mining, of whom 4,500 are Manitobans. Many thousands more are employed in support industries.

If the mining industry is to continue to provide its share of employment and exports, it must remain cost-competitive. It must adopt new and more efficient methods of mining and mineral processing. It must find new high-grade deposits. It must pursue opportunities for new markets and new exports. One of the keys to future development is investment.

The investment challenge for Manitoba's mining industry is formidable. The exploration costs for a

Canada

MANITBA 

single mine have increased from \$4- or \$5-million in the late 1950s to approximately \$27-million today. From a statistical point of view, it takes an average of 3500 claims, 700 test holes, and a time frame of 10 years to bring on one mine.

The Canada-Manitoba Agreement on Mineral Development is aimed squarely at this challenge. By improving our knowledge of the province's potential mineral resources; by pioneering more efficient methods of mining and mineral processing; by identifying new opportunities for mineral production, the agreement will lay the groundwork for new investment in Manitoba mining.

The Agreement has three main sections - geoscience, mining and minerals technology research and development, and development studies.

#### CANADA-MANITOBA GEOSCIENTIFIC PROGRAMS

A major geoscientific activity will be coordinated by the Manitoba Geological Services Branch and Geological Survey of Canada (GSC) to produce geological maps and interpretations for areas of interest for mineral exploration. Related investigations will document the geological occurrence

of known mineral deposits and the factors that have created them. Much of this work will take place in the areas surrounding the existing mining districts at Lynn Lake, Flin Flon, and Thompson, but other promising mineral areas throughout the Province will also be investigated, including the Island-Bigstone-Ponask Lakes district and the Bissett region east of Lake Winnipeg.

In areas where bedrock of economic and scientific significance lies beneath barren rock or lake water, "scout" drilling will be carried out by both agencies to obtain additional information about the geology in relation to mineral deposits.

An important part of the work by GSC under the agreement will be geophysical surveys. Most of the surveys will involve the aeromagnetic gradiometer: experience has shown that these surveys are of direct interest to industry in planning exploration programs. Canadian scientists, both in government and in private industry, have become world leaders in geophysical surveying. The investigation, (largely carried out under contract), will be directed mainly to the Lynn Lake, Flin Flon, and Snow Lake districts. It will also include southeast Manitoba and other promising areas.

GSC will issue contracts to conduct geochemical studies of lake-bottom sediments. Metal anomalies in such sediments may provide guides for subsequent mineral exploration. Similar sediment examination in other parts of Canada has resulted in the discovery of new orebodies.

The information resulting from geochemical surveys will include data critical to the study of acid rain and other environmental hazards. The Manitoba Geological Services Branch will use these data to develop a greater understanding of naturally occurring high concentrations of elements and, with Manitoba's Water Resources and Environmental Management Services, will study groundwater chemistry both from environmental viewpoints and as a guide to exploration for base metals and uranium.

GSC will map the composition and extent of overburden in areas of existing mining communities and in other areas. This work will identify patterns of minerals dispersed by glaciers during ice ages, and will assist in identifying mineralized zones. The Manitoba Geological Services Branch will undertake detailed follow-up work.

An important segment of the geoscientific program, largely conducted by the Province, will be to

increase public and industry awareness of Manitoba's mineral potential by updating the current geoscience data base and providing better access to the large existing banks of data available within the Province's Mineral Resources Division. This part of the program will result in several new geological atlases and other information of importance to the mineral industry.

Approximately 84,000 m of new drill core will be added to the existing Manitoba core library, and three new buildings will be provided for permanent systematic storage. The core storage and cataloguing program will permit future reassessments and examination by exploration companies without the cost of redrilling explored areas.

CANADA/MANITOBA RESEARCH AND DEVELOPMENT PROGRAMS

The second sector of the total program, mining and minerals technology research and development, is aimed at improved mine design, safety, productivity, recovery of ores and metals, and limiting the emissions and wastes from the processing of minerals.

Manitoba will support the development of a computer assisted design (CAD) system incorporating computer graphics for improving the methods for



designing underground mines.

The Canada Centre for Mineral and Energy Technology (CANMET) will be responsible for investigating problems of underground ground control and of handling broken ore and rock. CANMET will also investigate ways to develop improved communications and warning systems for isolated sections of mines.

Manitoba will engage in a study aimed at developing a portable record keeping system for the long-term exposure of miners to the various chemical substances and physical agents found in the work environment.

In the area of processing of minerals and metal extraction, CANMET will bring to bear its existing expertise in mineral processing technology and the reduction of sulphur dioxide in the extraction of metals from Manitoba ores.

Manitoba mines have processed sulphide ores for many years and Provincial scientists will lead research to ensure better control of process wastes over the long term.

Federal and Provincial scientists will also conduct R&D to improve the processing and production of industrial minerals in Manitoba, with special attention

to cement and gypsum, and also to assess limestones and building stones with a view to extending their industrial applications.

#### CANADA-MANITOBA DEVELOPMENT STUDIES

The final sector of the federal-provincial program concerns development studies to bring all the information resulting from the scientific examination to the assistance of industry. This program will identify and analyze new opportunities for development; it will identify problems affecting productivity and recommend methods for their solution.

#### BENEFITS TO THE MINING INDUSTRY

For many years government-sponsored geoscientific surveys have provided basic geological information which the mining industry has used to improve the effectiveness and accuracy of exploration work.

Geoscientific surveys conducted under previous federal-provincial agreements have spurred successful private sector exploration.

Following an airborne electromagnetic survey of the Lynn Lake area in 1976-77 and the release of the report in June 1977, ten companies acquired more than

42,000 hectares (103,000 acres) of mineral leases. This was an increase of 150 percent over the previous year.

An airborne infra-red survey that was part of a previous Canada-Manitoba mineral development agreement found new deposits of peat. One of these discoveries, the Julius North bog, came into production in 1979. Another discovery, the Giroux bog 50 kilometres southeast of Winnipeg, came into production in 1983. The production of horticultural peat from the Giroux bog provides 25 permanent jobs.

In the mid-70s a uranium reconnaissance program conducted over the entire Manitoba precambrian shield was directly responsible for eleven companies staking claims covering 90,000 hectares (223,000 acres) from Reindeer Lake to Churchill. However, the small amounts of uranium in Manitoba are economically uncompetitive with the much larger deposits in Saskatchewan.

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Background Release - December 8, 1983CANADA-MANITOBA MEMORANDUM OF UNDERSTANDING ON TRANSPORTATION  
AND URBAN BUS INDUSTRIAL DEVELOPMENT

- This Memorandum of Understanding is scheduled to lead, by 15 March, 1984, to the signing of three Sub-Agreements on Transportation as part of the recently signed Economic and Regional Development Agreement between the government of Canada and the government of Manitoba.
- The two Governments will cooperate in preparing a sub-agreement on further development of Churchill transportation needs, a sub-agreement on transportation development, and a sub-agreement on urban bus industrial development.
- The three sub-agreements are intended to maintain and strengthen Manitoba's role as a transportation service and supply centre.
- The federal financial contribution will be approximately \$170 million over five years while the provincial financial contribution will be about \$105 million over the same period.
- The two governments "acknowledge the long term strategic importance of Churchill" and will work together on the sub-agreement which could include the following components:
  - i) an effort to increase grain shipments;
  - ii) an assurance of adequate rail line and supply of rolling stock;
  - iii) modernization of elevators and port facilities;
  - iv) feasibility study on extension of Churchill's shipping season;
  - v) air infrastructure improvements at Churchill;
  - vi) measures to preserve and expand marine and air resupply operations at Churchill;
  - vii) construction of a hydro electric transmission line.

- The sub-agreement on transportation development could include the following components:
  - i) research, development and possible manufacture of a lightweight rail car in Manitoba;
  - ii) the immediate establishment of a high level advisory committee on Winnipeg's transportation future;
  - iii) an analysis of the supply and demand for transportation facilities and services in Manitoba;
  - iv) the establishment of a "world-class" transportation research and development capability at the University of Manitoba;
  - v) improvements to Winnipeg International Airport;
  - vi) improved air transportation facilities for a number of Northern Manitoba communities;
  - vii) improvement of interprovincial trade routes.
  
- The sub-agreement on urban bus industrial development could include:
  - i) a plan to establish Winnipeg as a world-class centre of expertise for the technological development and manufacturing of advanced urban buses and other related industrial products;
  - ii) the establishment of a federal-provincial task force which would begin immediately to develop this plan;
  - iii) if deemed feasible, the demonstration phase could occur along a dedicated roadway in the city's Southwest Corridor;
  - iv) further discussions on ways to develop and demonstrate better transportation systems for the handicapped and elderly.
  
- Manitoba's historical strength as a transportation centre is acknowledged.
  
- Today, Manitoba's transportation sector is proportionately the largest in Canada, accounting for almost seven per cent of the total labor force. In terms of income earned, the sector contributes six per cent of the province's total.

CANADA AND MANITOBA SIGN

A MEMORANDUM OF UNDERSTANDING ON TRANSPORTATION  
AND URBAN BUS INDUSTRIAL DEVELOPMENT

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WINNIPEG, December 8, 1983 - Close to \$300 million will be invested in transportation and urban bus industrial initiatives in the Province of Manitoba during the next five years according to an understanding reached today between the governments of Canada and Manitoba.

A Canada-Manitoba Memorandum of Understanding (MOU) on Transportation and Urban Bus Industrial Development was signed in Winnipeg by Lloyd Axworthy, federal Minister of Transport, John Plohman, provincial Minister of Highways and Transportation and Eugene Kostyra, provincial Minister of Industry, Trade and Technology.

Mr. Axworthy said: "In this memorandum we have earmarked some \$170 million in federal funding for projects that will establish the long term importance of Churchill as a transportation facility and rebuild the historic transportation gateway role of the Winnipeg area."

"A strong transportation industry in Manitoba means improved job prospects for people and new research and development opportunities for the industrial sector, particularly the urban bus industry," he added.

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The memorandum of understanding is a further step in the implementation of the Economic and Regional Development Agreement approved on November 25, 1983.

In his statement, Mr. Plohman said: "The understanding reached today calls for the creation of three transportation sub-agreements, representing a provincial commitment of \$105 million."

"One sub-agreement will focus on Churchill's role as a port and a northern resupply centre, while the second and third will deal with other significant improvements to our transportation system, particularly in Winnipeg," he added.

In the Memorandum of Understanding, the two governments have set a deadline of March 15, 1984, to finalize the sub-agreements.

Mr. Kostyra highlighted the fact that "Manitoba will benefit greatly from the economic activities and the improved infrastructure that will result from the investment of funds in addition to existing transportation programs."

Highlights of the Memorandum of Understanding include:

- Canada will commit funds in the order of \$170 million, plus a contribution by CN Rail.
- Manitoba has earmarked funding in the order of \$105 million.
- A deadline of March 15, 1984, for the negotiation and signing of three five-year sub-agreements on transportation and urban bus industrial development.

- Research and development opportunities, industrial benefits and other economic activities in the province will be maximized.
- The first sub-agreement will focus on Churchill and the transportation investment required to ensure its role is continued and enhanced.
- The second sub-agreement will address broader transportation initiatives and industrial development opportunities in Winnipeg and other areas of the province.
- The third will deal with urban bus industrial development.

Mr. Axworthy added that "as the federal Minister of Transport I am delighted the first of these federal-provincial transportation initiatives is on track in my home province."

Several other provinces are expected to reach Economic and Regional Development Agreements with the Government of Canada in the next few months.

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Background Release - November 25, 1983



ERDA - DELIVERY AND FUNDING

Under the ERDA approach, a wide variety of delivery and funding options are available.

1. Entirely federal funding and entirely federal direct delivery: where the federal government has the delivery capacity in place and places a high priority on the program or project to achieve regional economic development priorities.
2. Entirely provincial funding and entirely provincial direct delivery: where provincial government has the delivery capacity in place and sets a high priority on the program or project to achieve regional economic development priorities.
3. Third-party delivery: where neither party has the delivery capacity in place or where third-party delivery would ensure better results. In this case either party (federal or provincial) could "deliver" in the sense of letting a contract and paying on performance, and the funding could be 100% federal, 100% provincial, or joint.

4. Parallel Delivery: refers to the case where an entirely federally funded and delivered program and an entirely provincially funded and delivered program are implemented in a coordinated manner to reach a mutually agreed objective.
5. Joint funding: where both parties agree that the program or project should be undertaken but where one party is not prepared to proceed without a financial contribution from the other. This could involve either federal or provincial delivery, with an agreed portion of the cost charged back to the other party. Where neither party has the delivery capacity, third party delivery could be jointly funded (e.g. one party lets the contract but charges back to the other the agreed proportion of this cost).
6. Cost-sharing. This term can apply to the sharing of costs of jointly-funded programs or projects, whether federally, provincially, or third-party delivered. Alternatively it could apply to the relative expenditures of the two parties in the agreement as a whole, across all programs, whether federally, provincially or third party delivered and whether jointly or separately funded. Most agreements are likely to contain some 100% federally

funded and delivered programs, some 100% provincially funded and delivered, and some jointly funded (delivered by one or another of the parties directly or by contract with third parties). Choice of options arises out of the nature of the programs and projects proposed. These are normally set out clearly in schedules attached to the agreement.

7. Joint Management. Each sub-agreement provides explicitly for a management process to ensure orderly and coordinated implementation of the agreement while respecting the accountability of participating ministers and their officials. Normally, joint management would be provided for jointly funded programs, and coordination for separately funded programs. That is, a 100% federally funded and delivered program would be managed by the federal party to the agreement and coordinated with the other elements. A jointly-funded program would be managed jointly and delivered by one or another of the parties or a third party.

### ERDA Questions and Answers

Here are a few Q & A on the Economic and Regional Development Agreement as a handy reference.

Q. What's an ERDA?

A. An Economic and Regional Development Agreement is a 10-year agreement between the Government of Canada and a province. The agreement identifies priorities based on a perspective on the economy of the province which is shared by both the federal and provincial governments. This shared economic perspective forms the basis for coordinated economic action by the Government of Canada and the provincial government through ERDA sub-agreements. An Economic and Regional Development Agreement has no program funds attached to it; program identification and funding are the responsibility of ERDA sub-agreements.

Q. What are sub-agreements?

A. ERDA Sub-agreements are formal federal-provincial contracts which define specific programs or projects which both governments will undertake. These programs or projects are designed to accomplish stated goals in an economic development sector such as transportation, agriculture, etc. The ERDA Sub-agreements are negotiated under the legal authority of the ERDA by the respective government departments that have the federal and the provincial responsibilities in the specific sector. The projects that are specified in the ERDA Sub-agreement may be delivered jointly by both parties, separately by either party, or they may arrange for a third party to do the work under supervision. For example, in the Canada-Manitoba ERDA Planning Agreement, some of the research projects will be done by Manitoba research institutions or companies.

Q. How long have ERDAs been around?

A. The Manitoba ERDA is the first one. The Government of Canada is currently negotiating ERDAs with other provinces, and some of these should be ready for signing in the very near future.

Economic and Regional Development Agreements were first mentioned by the Prime Minister in January, 1982 when he announced a reorganization of parts of the federal government. The purpose of the reorganization is to ensure greater regional sensitivity in federal economic development initiatives as well as enhanced efficiency and effectiveness in the delivery of federal programs across the country. The Prime Minister committed the federal government to negotiate appropriate new agreements with the provincial governments to replace the General Development Agreements (GDAs) which expire March 31, 1984.

Q. What's the difference between the new ERDA and the old General Development Agreement?

A. a) The General Development Agreement (GDA) was a joint agreement between the provincial government and a single federal ministry -- the Department of Regional and Economic Expansion. When the Prime Minister announced the reorganization of federal departments in January, 1982, he asked all departments to share the responsibilities for regional economic development.

b) Most GDA agreements didn't include regular provincial and national programs as a means by achieving the development goals. The ERDA agreements include some of these programs -- regionally tailored where necessary -- and also include projects especially created for the agreement by both parties.

c) The strategic priority analysis and the responses of several federal and provincial departments, will be co-ordinated and updated at an annual ERDA meeting. At this meeting, federal and provincial ministers will review the economic situation of Manitoba, review the ERDA agreements in place and will agree upon ERDA activities for the coming year through a "Course of Action".

Q. What are the guiding principles of the Government of Canada's strategy for ERDAs ?

A. The federal government has formulated some basic economic principles for the ERDAs, namely:

- federal programs in ERDA Agreements will emphasize a strategic approach to regional initiatives that is based on coherent national policies;
- federal programs should contribute to the essential infrastructure of regional economic development. This allows for the greatest number of spin-off uses and benefits;
- assistances to the private sector will be for activities that are expected to be self-sustaining in the long term; and
- programs in an ERDA Agreement that are supported by federal dollars will be delivered by a federal agency if feasible. This encourages direct accountability of the federal support. At the same time, the federal government will adopt a pragmatic approach to delivery, and will utilize provincial delivery systems where these are already well developed and are considered the most efficient means.

To achieve these objectives, the federal government will consider these guidelines when selecting and supporting economic development projects:

- there should be minimal conflict with programs and priorities in other regions of the country;
- an investment should be supported only if it does not require future subsidies;
- federal assistance should encourage maximum leverage on investment by the private sector and other orders of government in order to achieve the greatest benefit for all; and
- there should be joint planning with provincial governments to the extent feasible and federal assistance should be delivered directly where feasible.

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**CANADA/MANITOBA  
SUBSIDIARY AGREEMENT  
FOR  
ECONOMIC DEVELOPMENT PLANNING**

CANADA - MANITOBA  
SUBSIDIARY AGREEMENT  
FOR  
ECONOMIC DEVELOPMENT PLANNING



CANADA-MANITOBA SUBSIDIARY  
AGREEMENT FOR ECONOMIC DEVELOPMENT PLANNING

THIS AGREEMENT made this                    day of                    , 1983

BETWEEN                    THE GOVERNMENT OF CANADA (herein referred to as "Canada"), represented herein by the Minister of State for Economic and Regional Development,

OF THE FIRST PART

AND:                    THE GOVERNMENT OF THE PROVINCE OF MANITOBA (herein referred to as "Manitoba"), represented herein by the Minister of Industry, Trade and Technology,

OF THE SECOND PART.

WHEREAS Canada and Manitoba have entered into an Economic and Regional Development Agreement dated ("the ERDA"), for the purpose and to achieve the objectives set forth therein;

AND WHEREAS in pursuit of the ERDA objectives, Canada and Manitoba intend to coordinate the application of appropriate federal and provincial measures through a cooperative process of reviewing and analyzing the economic circumstances of the Province and their relationship to the national economy;

AND WHEREAS Canada and Manitoba intend to involve their appropriate departments and agencies in the identification, coordination and implementation of economic and regional development measures;

AND WHEREAS additional resources are required for the processes of identifying and analyzing economic and regional development opportunities and issues in the Province and the determination of appropriate instruments and mechanisms that will apply in pursuing the achievement of the ERDA objectives;

AND WHEREAS Canada and Manitoba are prepared to make contributions to provide for such resources in accordance with the terms and conditions set forth herein;

AND WHEREAS the Governor-in-Council by Order-in-Council P.C.                    of the                    day of                    , has authorized the Minister of State for Economic and Regional Development to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant-Governor-in-Council by Order-in-Council                    of the                    day of                    , has authorized the Minister of Industry, Trade and Technology to execute this Agreement on behalf of Manitoba;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, covenants and agreements herein contained, the parties covenant and agree as follows:

DEFINITIONS:

1.1 In this Agreement:

- (a) "Federal Minister" means the Minister of State for Economic and Regional Development and includes anyone authorized to act on his behalf;
- (b) "Provincial Minister" means the Minister of Industry, Trade and Technology; and includes anyone authorized to act on his behalf;
- (c) "Management Committee" means the committee established pursuant to section 3;
- (d) "project" means a specific, clearly defined unit of work involving research and policy studies falling within the ambit of the priority planning areas described in Schedule "A";
- (e) "Province" means the Province of Manitoba.

PURPOSES

2.1 The purposes of this Agreement are:

- (a) to provide a means for Canada and Manitoba to coordinate the processes of identifying and analysing economic and regional development opportunities and issues relating to the economy of the Province and the determination of the most appropriate instruments and mechanisms which may be utilized in pursuing the achievement of the ERDA objectives; and
- (b) to provide for contributions of federal and provincial funds required for contracting studies, having significant interdepartmental relevance to Canada or Manitoba or both, for the processes referred to in paragraph (a).

2.2 Additional resources provided for under this Agreement are intended to complement and enhance the usual planning activities implemented by federal and provincial departments and agencies. Those planning activities will continue to be regarded as the main element of the over-all economic development planning effort for the Province although included within a more strategic and integrated framework.

ADMINISTRATION AND MANAGEMENT

3.1 There shall be a Management Committee of two members comprised of two senior officers, one designated by each of the Ministers.

- 3.2 The Management Committee is responsible for:
- (a) the general administration of this Agreement;
  - (b) the approval of projects contemplated by this Agreement subject to approval by the appropriate authorities of Canada and Manitoba;
  - (c) recommendations to Ministers of annual estimates of the proposed annual expenditures hereunder;
  - (d) establishing appropriate project advisory committees and arranging for the attendance of representatives from other departments and agencies at Management Committee meetings where their presence could contribute to the effectiveness of the Management Committee. It is anticipated that issues pertaining to small business and human resources will have widespread relevance to the planning activities undertaken herein, and these horizontal considerations will be taken into account wherever appropriate;
  - (e) the submission of progress reports for each annual meeting of Ministers as required by the ERDA;
  - (f) subject to section 7 of the ERDA, ensuring the preparation of and approving a communications strategy and program to serve the information requirements of the public and to encourage public awareness of the activities of both governments under this Agreement; and
  - (g) conducting an annual review and evaluation of the activities undertaken as part of the communications program under this Agreement;
  - (h) establishing other appropriate procedures required for the efficient administration and management of this Agreement; and
  - (i) developing, each year on a quarterly basis, an estimate of actual and anticipated cash flows by year and by program.

3.3 Each project submitted to the Management Committee for approval shall be described in an appropriate project authorization form which shall include the project name and description, its purpose and the name of the Implementing Minister, an outline of how the project is to be performed and progress reported, its completion date, a description of the performance data to be provided, its total cost and the share thereof to be borne by each party.

3.4 Where there is a significant disagreement between the members of the Management Committee, the issue shall be referred to the Federal Minister and the Provincial Minister whose decision is final.

3.5 Canada and Manitoba will, subject to the provisions of this Agreement, undertake the contracting of projects as determined and approved by the Management Committee.

3.6 Every project under this Agreement shall, before proceeding, be approved by the Management Committee and shall be consistent with the purposes hereof.

#### FINANCIAL PROVISIONS

4.1 Canada and Manitoba, in accordance with Schedule "B", will each contribute an amount equal to fifty percent (50%) of the costs incurred in the performance of each approved project under this Agreement.

4.2 Costs of a project shall include only those costs incurred in the performance of the project as determined and approved by the Management Committee.

4.3 Notwithstanding any other provisions of this Agreement, the total contribution of Canada and of Manitoba towards costs incurred in the performance of approved projects hereunder shall not exceed the sum of \$1,500,000 each in the aggregate.

4.4 Each year, the Management Committee shall submit for the approval of the Federal Minister and the Provincial Minister an assessment of progress made in implementing projects hereunder, the effectiveness of activities undertaken, the continuing relevance of the priority planning areas and a projected budget required for the next fiscal year.

4.5 The Federal Minister and the Provincial Minister may agree to extend the priority planning areas described in Schedule "A" to this Agreement provided that the general nature thereof remains consistent with the objectives of the ERDA.

4.6 Where Canada or Manitoba, without the prior approval of the Management Committee, undertakes an analysis and study related to the purpose and objectives contemplated herein, the costs thereof shall be borne by the undertaking party and are not eligible for sharing hereunder.

#### CONTRACT PROCEDURES

5.1 The awarding of contracts for approved projects shall be subject to procedures approved by the Management Committee and, unless in its opinion it is impractical to do so, shall be awarded to the lowest qualified tenderer.

5.2 Terms of reference for approved projects and calls for tenders shall be approved in advance by the Management Committee.

5.3 The Management Committee shall jointly select the successful tenderer.

5.4 All reports, documents and other materials arising or resulting from the performance of any contract cost-shared under this Agreement shall be deemed to be under the joint administration, management and control of Canada and Manitoba.

5.5 In awarding contracts, the services of Canadians and Canadian firms shall be retained where practical and consistent with economy and efficiency

#### PAYMENT PROCEDURES

6.1 The party implementing a project hereunder is responsible, in the first instance, to pay all eligible costs incurred in respect thereof and will promptly pay such costs and, on the submission of satisfactory evidence of each such payment to the Management Committee, the other party will promptly pay to the implementing party its share of such costs as specified herein.

6.2 All claims payments and adjustments required in respect of any project cost-shared hereunder shall be made and coordinated through the Management Committee.

6.3 Where a forecast of the costs of an approved project has been prepared by the implementing party and submitted in satisfactory form to the Management Committee, the other party, if requested by the implementing party, may make quarterly interim payments based on the forecast on account of its share of costs to the implementing party to assist in the interim financing of the project. Where both parties request interim financing for projects in the same quarter, the amounts thereof shall be offset by the Management Committee.

6.4 The implementing party shall account for each quarterly interim payment received under the provisions of subsection 6.3, by submitting to the other party, within the first sixty (60) days of the forthcoming quarter, a claim substantiating the actual costs incurred and paid, submitted in a form and verified in a manner satisfactory to the Management Committee and certified, as the case may be, by a senior officer of the provincial Department of Finance and bearing a provincial audit certificate or by a senior officer of the Ministry of State for Economic and Regional Development. Any discrepancy between the amounts paid by either party by way of interim payments and the amounts actually payable shall be promptly adjusted.

6.5 No interim payment shall be made in a subsequent fiscal year until the interim payments made in the previous fiscal year have been actually incurred, paid and certified, as the case may be, by a senior officer of the provincial Department of Finance and bearing a provincial audit certificate or by a senior officer of the Ministry of State for Economic and Regional Development, and until any outstanding balance of such previous payments have been repaid or otherwise accounted for in a manner acceptable to the Management Committee.

6.6 The party implementing a project shall ensure that proper and accurate accounts and records are kept and maintained in respect thereof which shall be available for audit by the other party to verify claims.

6.7 Any discrepancy indicated by an audit between the amounts paid by each of the parties in respect of a project and the amounts payable by them hereunder shall be promptly adjusted.

GENERAL

7. Each year during the currency hereof, Canada and Manitoba shall evaluate the activities taken hereunder for the purposes hereof and shall provide each other with all relevant information as may reasonably be required for such evaluations.

8.1 This Agreement is effective on the date of execution hereof by Canada and Manitoba and the term of this Agreement shall be five (5) years from the date of execution hereof.

8.2 Approved projects may be completed after expiry of the term of this Agreement but no claim shall be paid by either party in respect of any project unless it is received within one year next following the expiry of the term hereof.

9. No member of the House of Commons of Canada or the Legislative Assembly of the Province of Manitoba shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of State for Economic and Regional Development, and on behalf of Manitoba by the Minister of Industry, Trade and Technology.

IN THE PRESENCE OF:

GOVERNMENT OF CANADA

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of State for  
Economic and Regional  
Development

GOVERNMENT OF THE PROVINCE  
OF MANITOBA

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of Industry,  
Trade and Technology

## SCHEDULE "A"

### CANADA-MANITOBA AGREEMENT ON ECONOMIC DEVELOPMENT PLANNING

#### INTRODUCTION

Canada and Manitoba have a lengthy and successful tradition of cooperation on economic development matters. Under the General Development Agreement signed June 5, 1974, a total of 10 subsidiary agreements have been negotiated and signed by the federal and provincial governments. Well over \$500 million have been brought to bear on Manitoba's development constraints and opportunities through this mechanism, in areas as diverse as northern development, agricultural and water projects, industrial development, downtown Winnipeg redevelopment, mineral exploration and tourism development.

A new Economic Development Agreement (ERDA) between Canada and Manitoba will be signed to replace the GDA which expires on March 31, 1984. The new agreement will allow for the continuation and enhancement of federal-provincial economic planning and programming, but will place greater emphasis on:

- joint planning and analysis to determine areas for development;
- parallel delivery on the part of each government, within a mutually agreed-upon framework;
- substantive consultations between ministers on Manitoba's development opportunities and constraints, with an annual review of progress and subsequent determination of priorities and objectives for the next year;
- full involvement of all government departments in the regional development process, and with a corresponding increase in the range of instruments that are brought to bear, both formally and informally, on this process; and
- consensus - building, with all existing and potential participants in the regional development process with respect to the assessment of needs, opportunities and strategic directions.

To give effect to this new approach and to ensure that development efforts are effective and economical in a period of scarce financial resources, it is imperative that coordinated planning efforts are undertaken, and that programs, circumstances and opportunities are continuously assessed to support the annual consultations between ministers.

The additional resources provided within this Planning Agreement provide these capabilities. The principles that will guide the expenditure of these resources are that:

- Priority Planning Areas will be determined by the Federal Minister and the Provincial Minister as a result of ERDA consultations;
- existing resources and capabilities for planning within federal and provincial departments will be drawn upon wherever possible to enhance the scale and timeliness of the overall planning effort;
- Priority Planning Areas will focus on multi-sectoral development issues and, wherever possible, the reallocation of current expenditures, the use of non-financial instruments and the effective tailoring of existing programs as much as with new, incremental expenditures; and
- a careful assessment of the appropriate role of the public and private sectors in achieving development opportunities, and the relationship of the Manitoba strategy with national objectives and priorities will be undertaken.

#### ECONOMIC CIRCUMSTANCES

The Manitoba economy has not kept pace with other Canadian provinces since the early 1970's in terms of growth and development. The province's share of national population, real output, income, capital investment and employment has been declining gradually but steadily during this period. Although Manitoba has fared relatively well during the current recession, medium and long term forecasts suggest that in the absence of policy changes, the pattern of relative decline is likely to continue.

The reasons behind this phenomena are numerous and complex; given Manitoba's extremely diversified economy and range of sub-provincial disparities, it is clear that no "simple fixes" are in order. Planning activities that support the economic development of Manitoba must recognize this complexity while maintaining a strategic approach that maximizes the net benefits of public expenditures.

In Manitoba, long term and self-sustaining economic development can occur in many areas of existing strength, such as manufacturing, agriculture, mining, forestry, energy and strategic services. Public policies and programs to effect this development will have to reflect new economic realities where productivity and international competitiveness are essential, where human capital, skills and training are dominant considerations, where environmental and "lifestyle" factors influence private investment, and where all levels of government and business and labour must work hand-in-hand to achieve their individual and collective goals.



## PROGRAMMING

### Program One: PRIORITY PLANNING AREAS

The first meeting of ERDA Ministers took place on June 10, 1983, during which the ERDA approach to regional development was discussed and a number of areas for joint planning and analysis were agreed upon. This Planning Agreement gives effect to the understanding between Ministers that such activities will commence as soon as possible. The priority planning areas are described generally as follows:

1. The Service Sector: Manitoba's service sector is proportionately the largest in Canada and will likely provide the basis for most new employment in the future. At the same time there could be a loss of jobs in many service industries as new labour-saving technologies are diffused throughout the economy. Furthermore, the growth and prosperity of goods-producing industries are becoming increasingly sensitive to the quality and quantity of technology oriented, intellectually-based services such as specialized engineering, design and software. Finally, certain service industries offer the potential for export earnings and the promotion of local industry abroad.

A coordinated approach is required to assess these dynamics within Manitoba. While it is difficult to visualize developing a set of policies and programs that encompass the entire service sector per se, a targetted focus can be achieved in strategic areas.

2. Regional Trade Strategy: Manitoba's international trade deficit for 1982 was approximately \$610 million; with a domestic trade deficit of at least equivalent proportion. The strategies and objectives that inform economic development planning for Manitoba in the medium and long term must be founded upon external trade considerations. Manitoba's market is small - firms must look to other markets to achieve economies of scale. To date, Manitoba exports have been concentrated in the western Canadian and U.S. upper midwest markets, however "global" marketing is clearly a requirement in developing the technology-intensive, growth industries of tomorrow. Trade considerations are also fundamental to the continued development of Manitoba's traditional agriculture and resource base.

Multilateral efforts to reduce trade barriers heighten the need for regional sensitivity in national trade policy development. Also, various federal and provincial departments that, through their programs and operations, influence Manitoba's trade performance should have access to a regional trade strategy or framework for the development of strategically focussed development programs and services.

Joint planning can be undertaken to develop a broad trade strategy for Manitoba that would serve these various functions; namely, inform industrial and economic development planning, provide a coherent reference for inputs to national trade policy development, and allow for the coordination and dove-tailing of various related programs in both levels of government.

3. The Role of Crown Corporations in Manitoba's Economic Development: Federal and Provincial crown corporations play a large role in Manitoba's economy.

Recognizing that the public interest is best served through the operation of crown corporations in accordance with sound commercial and business practices, opportunities may still exist to more fully exploit the regional impacts of such activities. Examples where a strategic framework for crown corporation activities might prove useful include, but are not limited to, the following:

- phasing capital investment, where an element of discretion exists, to stabilize cyclical trends in the province - for example in the construction industry;
- rationalizing certain crown corporation activities such as research and development, again where a "footloose" or discretionary element exists, in accordance with regional development priorities. Crown corporation managers should at least be aware of what the federal and provincial governments are trying to achieve in a given region so they are given the opportunity to support these strategies wherever possible;
- ensuring that small local firms are not excluded from crown corporation procurements due to lack of awareness, insensitive design specifications or other controllable variables; and
- nurturing certain types of in-house activities to the private sector (perhaps in strategic consulting services) to build up a regional service(s) industry, with international competence, that could sell these services abroad more aggressively than would the crown corporation itself.

This is not to be construed as "privatization" per se, but the investigation of the potential of a very precise development strategy in areas such as CAD/CAM manufacturing technology, within a comprehensive planning framework.

In summary, joint planning could be undertaken to investigate these and other possibilities for integrating crown corporation activities with regional development priorities.

4. Science and Technology Strategy for Manitoba: Science and technology considerations touch every aspect of the Manitoba economy and are directly or indirectly related to countless federal and provincial programs. The need to improve our understanding of the role that science and technology play in the economy and to take a strategic approach to the management of technological change is one of the most pressing issues in the regional, as well as national, economies. Factors that support this emerging pre-eminence include;
- the requirement for international competitiveness throughout the entire industrial base given the global marketplace that will define the future business environment;
  - the rapid pace of new technological development and the relatively slow rate of take-up and commercialization of these breakthroughs;
  - the ever-shortening "reaction-time" that governments have to organize their priorities and programs in the face of rapid technological change - an example could be in skills and occupational training programs; and
  - the very diversity of the Manitoba economy with its "presence" in many areas of advanced technology, but its lack of depth in any of them. Current wisdom suggests that "communities-of-interest" will emerge within high-technology industries, and that once a certain mass is achieved a self-perpetuating dynamic would be triggered. Manitoba is a relatively poor province where careful attention must be given to building upon real strengths and opportunities in the development of selected areas of technology intensive industry.

A regional technology strategy for Manitoba would provide a mechanism for making difficult allocative decisions during a period characterized by an explosion of interest and potential demand, and by an extremely high level of uncertainty about the international and national environment in future years. It is important that Canada, Manitoba and the private sector make best use of their scarce resources in managing technological change. that investments are complementary one to another, and that the development impacts from these investments are maximized.

Work can begin, under this agreement, to develop a regional science and technology strategy that will:

- determine the needs and appropriate means for improving the competitiveness of the

existing industrial base through technological diffusion;

- determine the areas and means for achieving new industrial growth in selected goods and services with an advanced technological orientation; based upon an assessment of existing activity that could be broadened and deepened, new areas that do not currently exist in the province but could make sense for Manitoba, and national priorities and strategies;
- allow for the establishment of working/institutional arrangements to continuously monitor the conditions, needs and opportunities within the Manitoba economy with respect to science and technology, and to undertake rapid adjustments or proactive measures as circumstances change;
- to facilitate the development of appropriate policies for human capital development, in order to benefit from, and contribute to technological change.

5. Water Issues in Manitoba: Manitoba's long-term economic prospects are substantially linked to the careful management and exploitation of water resources within the province and the prairie region. Water management affects people, agricultural productivity, industrial use, flood prevention and the environment, all of which are elements of an extremely complex set of public policy issues that will gain increasing prominence in the future.

Water development projects are typically discrete, large-scale and expensive undertakings that lend themselves to fairly rigorous socio-economic analysis. As such, a case-by-case assessment of these potential projects is the preferred policy development mode. At the same time, a strategic approach to such issues is required to establish an analytical framework and to provide a basis for consultation with all affected parties.

A large body of literature and analysis currently exists related to potential water development projects that could affect Manitoba. A required step in developing a framework for assessing water issues in Manitoba, these past studies would be compiled and assessed, and an attempt would be made to link the evaluation to emerging national and international water questions and policies. Ultimately, a comprehensive regional view could emerge which could be an input to required national policy development on water issues.

6. Cultural Enterprises Initiatives: The term cultural enterprises encompasses the performing, literary and visual arts; crafts and heritage; as well as film, sound and book publishing, broadcasting, information systems and technologies.

Manitoba's cultural and arts sector are a dynamic part of the province's growing service sector but have been traditionally ignored from an economic development perspective and supported primarily on the grounds of cultural expression. However, parts of the sector are highly labour intensive, spin-off both direct and indirect economic benefits to the province and have linkages to other industries. In fact, in an increasingly information oriented society, information, culture and communications will become increasingly linked and blended, creating new opportunities for cultural products and information.

Recognizing that this is an area which has the potential for providing opportunities for economic growth, and recognizing that government policy directly affects the performance of this industry, ERDA ministers have agreed to cooperate in developing a strategy which would maximize innovation, and enhance and exploit developmental opportunities within this sector.

Joint planning could be undertaken to develop a broad regional strategy that would encompass the following elements and lead to an integrated approach to cultural planning and implementation:

- review federal/provincial resources in the area;
- seek innovative ways to ensure increased productivity;
- develop new domestic and international markets;
- increase indigenous employment and improve skill development;
- stimulate private sector investment; and
- increase opportunities in the use and development of Canadian technologies in support of cultural objectives.

7. The Transportation sector in Manitoba: Despite the existence of a deep sea port at Churchill, Manitoba is basically a land-locked province with an export-oriented economy. An efficient transportation system is therefore crucial to the economic health of the province. In fact, the transportation service sector accounts for 18% of real domestic product in Manitoba, proportionately the largest in Canada. The resource industries, manufacturing and many service industries are highly "transportation-sensitive"; the price, timeliness and quality of such services are integral to their economic health.

Governments influence the transportation sector

through promotional, operational and regulatory functions. Split jurisdiction over transportation raises questions about the efficiency and effectiveness of public policies in all of these areas. Better planning and coordination of all transportation modes in Manitoba, based upon a careful assessment of the province's present and future requirements is appropriate: this provincial planning focus must of course take place within the context of national transportation policies and priorities.

Program Two: COMMUNICATIONS

The objective of this program is to develop and implement a communications plan to service each project undertaken as part of Program 1. The communications program will support seminars, presentations, public environment analysis, information transfer through such means as report publication and distribution, and other public relations and public information activities deemed necessary to achieve the objectives of the Agreement.

CANADA-MANITOBA SUBSIDIARY AGREEMENT FOR  
ECONOMIC DEVELOPMENT PLANNING

SCHEDULE "B"

SUMMARY OF COSTS 1983-1989

(\$000,000's)

|                                      | <u>TOTAL FEDERAL SHARE</u> | <u>TOTAL PROVINCIAL SHARE</u> | <u>FIVE YEAR TOTAL COSTS</u> |
|--------------------------------------|----------------------------|-------------------------------|------------------------------|
| Program One: Priority Planning Areas | 1.35                       | 1.35                          | 2.7                          |
| Program Two: Communications          | .15                        | .15                           | .3                           |
| TOTAL                                | 1.5                        | 1.5                           | 3.0                          |



**Canada - Manitoba  
Memorandum of Understanding  
on Transportation  
and Urban Bus  
Industrial Development**



CANADA-MANITOBA  
MEMORANDUM OF UNDERSTANDING  
ON TRANSPORTATION  
AND URBAN BUS INDUSTRIAL DEVELOPMENT

DECEMBER 8, 1983

CANADA-MANITOBA  
MEMORANDUM OF UNDERSTANDING  
ON TRANSPORTATION  
AND URBAN BUS INDUSTRIAL DEVELOPMENT

Between:

The GOVERNMENT OF CANADA (represented herein by the Minister of Transport and the Minister of Regional Industrial Expansion) and hereinafter referred to as Canada,

and

The GOVERNMENT OF THE PROVINCE OF MANITOBA (represented herein by the Minister of Highways and Transportation and the Minister of Industry, Trade and Technology) and hereinafter referred to as Manitoba.

Respecting:

MANITOBA TRANSPORTATION AND URBAN BUS INDUSTRIAL DEVELOPMENT: Preparation of Sub-agreements to the Economic and Regional Development Agreement

PURPOSE

- I The purpose of this MOU is to set out the understanding between Canada and Manitoba respecting the general scope of commitment by both governments to develop three, five-year sub-agreements to the Economic and Regional Development Agreement (ERDA), and to establish a framework for their negotiation.

OBJECTIVES

- II Canada and Manitoba agree on the following transport and related industrial development objectives which will guide the development of the sub-agreements:
- (a) more effective achievement of federal and provincial economic and industrial development objectives;
  - (b) increased transportation efficiency and effectiveness;
  - (c) maintain existing or enhanced levels of transportation system safety;
  - (d) maintain existing or enhanced levels of transportation services;
  - (e) advancement of industrial technological capability in the transportation field.

PRIORITIES

- III Canada and Manitoba agree on the following transport and industrial development priorities which will be incorporated in the transportation and urban bus industrial development sub-agreements:

- (a) investment in facilities and services which will promote trade and industry with a view to encouraging economic activity in Manitoba;
- (b) the further development of Churchill as a northern transportation hub;
- (c) support of transportation research and development generally but especially with respect to bus and other transportation equipment;
- (d) improved transport services for rural and urban areas.

TRANSPORTATION AND URBAN BUS INDUSTRIAL DEVELOPMENT  
SUB-AGREEMENTS

IV To achieve their transport and related industrial development objectives, Canada and Manitoba agree to co-operate in preparing three sub-agreements, the first relating to Churchill and its longer term prospects, the second revolving around broader provincial transportation matters and the third relating to urban bus industrial development opportunities.

1. Churchill

Canada and Manitoba acknowledge the long term strategic importance of Churchill. In support of this, the sub-agreement on Churchill could consist inter alia of the following items:

Port/Rail

- 1.1 an assurance that the Canadian Wheat Board will exercise its best efforts to maximize grain shipments through the Port;
- 1.2 assurance of an adequate rail line and supply of rolling stock;
- 1.3 modernization of elevators and port facilities;
- 1.4 determination of the feasibility of extending the Port's season.

Air

- 1.5 air infrastructure improvements at Churchill.

Entrepôt Services

- 1.6 measures to preserve and expand marine and air resupply operations.

Hydro-electricity

- 1.7 the construction by Manitoba Hydro of a transmission line to Churchill with consideration being given to cost offsets by federal users related to benefits to those users produced by the line over a ten year period.

## 2. Transportation Development

The Sub-Agreement on Transportation Development could consist inter alia of the following items:

- 2.1 analysis of the supply and demand for transportation facilities and services in Manitoba. This analysis could clarify the need for and lead to the development and demonstration of an integrated, multimodal, transportation monitoring analysis and planning system;
- 2.2 the creation of a High Level Advisory Committee on Winnipeg's transportation future to examine and define an action program for both private and public sectors bearing on the future of Winnipeg as a major national transportation and related industry centre as well as other related issues affecting the long term development of the transportation system.  
  
The Committee would be struck as soon as possible after the signing of the Sub-agreement. Members and terms of reference would be jointly determined by both levels of government;
- 2.3 the establishment of a world-class transportation research and development capability at the University of Manitoba, including transportation management, operations and training activities.
- 2.4 research, development and possible manufacture of a lightweight rail car in Manitoba.
- 2.5 improved facilities for the air mode, particularly at Winnipeg International Airport;
- 2.6 in addition to work at Churchill mentioned above, air infrastructure improvements are planned by Transport Canada for a number of northern communities;
- 2.7 an improved highway system, particularly routes oriented to interprovincial trade;

## 3. Urban Bus Industrial Development

The Sub-Agreement on Urban Bus Industrial Development could consist inter alia of the following:

- 3.1 a plan to establish Winnipeg as a centre of expertise for the technological development and manufacturing of advanced urban buses and other related industrial products.

A plan is to be developed by a Task Force drawing together appropriate officials of the federal and provincial governments in cooperation with key industry

representatives and would delineate the parameters of the project and associated costs. The plan would focus on three main areas: R&D, prototype development and demonstration. If deemed feasible, the demonstration phase could occur along a dedicated roadway in the city's Southwest Corridor.

It is envisaged that the Task Force would get underway as soon as the MOU is signed and that it would report to the Co-chairpersons of the Federal-Provincial Negotiating Committee by February 15, 1984. Canada will provide a budget for start up.

#### 4. Transport Services Demonstration

Canada and Manitoba agree to have further discussions regarding inter alia:

- 4.1 a comprehensive development and demonstration program related to transportation of the handicapped and elderly including development and demonstration of special use vehicles;
- 4.2 measures to demonstrate innovative transit operations and products which have a potential for manufacture in Canada;
- 4.3 the integration into the sub-agreements, as appropriate, of any further related federal transportation programs which may become available.

#### OVERALL FUNDING LEVELS AND COST-SHARING

- V Canada and Manitoba will agree on the overall funding level, and on a formula, or formulae, for cost-sharing as appropriate to implement the elements of the Sub-agreements. Subject to the negotiation of acceptable sub-agreements, Canada is prepared to commit in the order of \$170 million plus complementary CN services in kind as well as additional CN railway facilities in Winnipeg, and Manitoba is prepared to commit in the order of \$105 million in respect to the initiatives described in Section IV.

#### IMPLEMENTING MECHANISM

- VI A federal-provincial committee, comprising appropriate federal and provincial officials and co-chaired by the Assistant Deputy Minister Co-Ordination, Transport Canada and the Director, Transportation Division, Department of Highways and Transportation for the province of Manitoba, will develop the Sub-agreements for consideration by Ministers.
- VII Ministers responsible for the conclusion of the Churchill and Transportation Development Sub-agreements shall be the Minister of Transport for Canada and the Minister of Highways and

Transportation for Manitoba. Ministers responsible for the conclusion of the Urban Bus Industrial Development Sub-agreement shall be the Minister of Regional Industrial Expansion for Canada in consultation with the Minister of Transport for Canada, and the Minister of Industry, Trade and Technology for Manitoba in consultation with the Minister of Highways and Transportation for Manitoba.

VIII The target date for consideration and signature of the Sub-agreements by the Ministers shall be no later than March 15, 1984.

IX This Committee will propose a management mechanism for the implementation of the Sub-agreements.

MINISTERIAL MEETINGS

X Canada and Manitoba agree that Ministers responsible for this Memorandum of Understanding shall meet as necessary but not less frequently than once a year to review progress under the Sub-agreements.

This Memorandum of Understanding is signed on this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_  
by:

\_\_\_\_\_  
The Honourable  
John S. Plohman  
Minister of Highways and  
Transportation  
Government of Manitoba

\_\_\_\_\_  
The Honourable  
Lloyd Axworthy  
Minister of Transport  
Government of Canada

\_\_\_\_\_  
The Honourable  
Eugene Kostyra  
Minister of Industry, Trade  
and Technology and Chairman  
Economic Resource Investment  
Committee  
Government of Manitoba

\_\_\_\_\_  
The Honourable  
Edward Lumley  
Minister of Regional  
Industrial Expansion  
Government of Canada

\_\_\_\_\_  
The Honourable  
Samuel Uskiw  
Minister of Business  
Development and Tourism  
Government of Manitoba

\_\_\_\_\_  
The Honourable  
Wilson Parasiuk  
Minister of Energy and Mines  
Government of Manitoba

**COURSE OF ACTION: CANADA-MANITOBA  
NOVEMBER 25, 1983**



Canada and Manitoba agree that, during the time following the ERDA ministerial meeting of November 25, 1983, and prior to an ERDA ministerial meeting on or about the same time in 1984, they will undertake a number of measures in support of ERDA development priorities. Canada and Manitoba have agreed, today, to implement two subsidiary agreements under the ERDA, namely the Canada-Manitoba Mineral Development Agreement and the Economic Development Planning Agreement. As well, the federal Minister of State for Small Business and Tourism and the Manitoba Minister of Business Development and Tourism have agreed to amend the Canada-Manitoba Subsidiary Agreement for Tourism Development (under the General Development Agreement) to allow programs to continue until March 31, 1985, during which period both parties have agreed to work towards the development of a new long-term tourism development accord. In other priority areas, namely transportation, communications and cultural enterprises, forestry and agriculture, both governments agree to enter into development agreements within the coming year with the target of concluding negotiations by March 31, 1984. A brief synopsis of the measures that will comprise the Course of Action for the coming year is provided below.

1. Economic Development Planning Agreement

The federal Minister of State for Economic and Regional Development and the provincial Minister of Industry, Trade and Technology will implement the first year of study activities under the five-year, \$3 million Planning Agreement, which is intended to allow for the determination of development opportunities and strategies in the province.

The broad areas that have been identified for further development planning and analysis during the coming year are science and technology, trade, service industries, crown corporations, transportation, water development and cultural enterprises. These issues affect many segments of society, and many federal and provincial departments. Ministers have agreed to name members of the Management Committee, as provided for in the Agreement, who will establish federal-provincial working groups in each of the priority planning areas. The two levels of government will work towards consensus-based strategies that will focus development efforts in the future. Sectoral departments are requested to contribute financial and human resources to the overall planning effort as it affects their respective areas of jurisdiction.

2. Mineral Development Agreement

The federal Minister of Energy, Mines and Resources and the provincial Minister of Energy and

Mines will implement the first year of the five-year, \$24.7 million Mineral Development Agreement that is intended to strengthen and diversify the mineral resource base of Manitoba and strengthen the industry's contribution to the provincial economy. The Agreement will contribute to the ERDA development priorities by facilitating adjustment to structural change and contributing to economic expansion.

Programming under the Agreement will focus on geoscientific activity, mining and minerals, technology research and development, and development studies. One important aspect of the geoscientific activity will be its role in promoting the diversification of the resource base affecting single-industry communities.

### 3. Transportation Development

Transportation related issues affect the productivity of virtually every sector of the Manitoba economy and most communities. The ERDA development priority to re-establish Winnipeg's ability to lead the provincial development process, for example, is intrinsically linked to transportation and related industrial issues. The future role of the port of Churchill is also an important issue, which has broad national, as well as regional consequences.

The federal Minister of Transport and the provincial Minister of Highways and Transportation will negotiate two subsidiary agreements during the coming year: the first will address Churchill's long-term prospects, focussing on transportation and related infrastructure development. The second agreement will focus on Winnipeg and on broader transportation questions affecting the entire province: activities are likely to involve infrastructure development, technological research and development, and improved planning and analysis.

Levels of public expenditure on these agreements are subject to final negotiations and final project definitions.

### 4. Communications and Cultural Enterprises

Manitoba's communications and cultural industries represent a potentially exciting area for expansion of employment and income opportunities within the province. The increasing technological intensity of these activities, and the potential to build upon Winnipeg's established strengths in many of these areas suggest that a comprehensive development initiative is in order.

The federal Minister of Communications and the provincial Minister of Culture, Heritage and Recreation will negotiate a joint development agreement on Communications and Cultural Enterprises, that will focus on opportunities in such fields as the visual, performing and literary arts, crafts, broadcasting, publishing, film-making and recording and related information systems and technologies.

Levels of public expenditure on this initiative are subject to more detailed negotiations between the two levels of government and on final program definition.



5. Agricultural Development

The agricultural sector is a mainstay of the provincial economy with its mature linkages to the manufacturing and service sectors and major export earnings. The ERDA strategic priorities recognize the need for continued productivity gains, overall expansion and increased value-added within Manitoba's agricultural sector. Fortunately, the sector provides the opportunity for achieving these goals in an economically efficient and viable manner, as the province has a demonstrated comparative advantage in several aspects of production.

The federal and provincial Ministers of Agriculture will negotiate a joint subsidiary agreement to enhance the productivity, growth and overall contribution of the agricultural sector to the Manitoba economy. It is expected that the initiative will focus on such development issues as the competitiveness and viability of grain, oilseed, and livestock production, increased specialty and horticultural crop production, improvements to soil and water quality, and improved farm management practices.

Levels of public expenditure on this initiative are subject to final negotiations between the two levels of government and upon final program definition.

6. Forest Renewal Agreement

The total value of shipments of all primary forest products produced in Manitoba reaches \$197 million annually. The industry is comprised of some 280 firms, nearly all of which are small seasonal operations employing one or two people. There are, however, a number of large firms which contribute significantly to, or dominate local economies. It is estimated that the forest industry is responsible for generating some 2,800 direct, and 3,400 indirect jobs in the province. In eight centres, the industry represents a primary industrial activity, and another seven communities are heavily dependent on the industry.

The federal Minister of the Environment and the provincial Minister of Natural Resources will negotiate a joint development agreement that will focus on opportunities in such fields as forest renewal, forest management and applied research and technology transfer.

Levels of public expenditure on this initiative are subject to more detailed negotiations.

IN THE PRESENCE OF:

GOVERNMENT OF CANADA

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of State for  
Economic and Regional  
Development

GOVERNMENT OF THE PROVINCE  
OF MANITOBA

\_\_\_\_\_  
Witness

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Minister of Industry,  
Trade and Technology