

MINISTER'S REFERENCE BOOK

DEPARTMENTAL PROFILE



Government
of Canada

Gouvernement
du Canada

Regional
Economic
Expansion

Expansion
Économique
Régionale

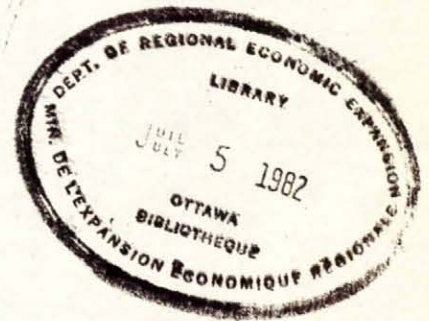
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DEPARTMENT OF
REGIONAL ECONOMIC EXPANSION
MINISTER'S REFERENCE BOOK
DEPARTMENTAL PROFILE
March 1980



MINISTERS'S REFERENCE BOOK
DEPARTMENTAL PROFILE

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NATIONAL ECONOMIC OVERVIEW

NATIONAL ECONOMIC CIRCUMSTANCES AND TRENDS

This section is divided into two parts. The first part is a broad review of economic trends, while the second part is an overview of regional economic circumstances and trends presented in a series of charts.

OVERVIEW OF ECONOMIC TRENDS

The policy review conducted by the Department of Regional Economic Expansion in 1973 was associated with a considerable degree of optimism over the long-term development opportunities apparent in all provinces and regions of the country. These opportunities were largely a reflection of the perceived distribution of economic potential among the regions, and among nations, that prevailed prior to the mid-1970's. Since the middle of the past decade development opportunities and issues have indicated that major changes are occurring in provincial and regional economic circumstances and further, that a new balance of economic power and potential is emerging among the regions of Canada.

The national economy, since the mid-1970's has been characterized by modest growth, high levels of unemployment and high inflation. Closer examination reveals, however, that this statement of national economic trends does not apply equally to all areas of the country. For example during the past decade primary resource development associated with energy production and distribution has significantly altered both the relative growth rates and the shares of economic activity among the major regions.

As chart 1 illustrates, the three westernmost provinces, and Alberta and Saskatchewan in particular, have generally performed better than the national average. As measured by indicators such as fiscal capacity, their performance has so far exceeded the rest of the country that a downward relative bias is exerted on provinces with a modestly good performance. In contrast, the three central provinces of Manitoba, Ontario and Quebec, each with a significant secondary manufacturing base, have not performed well. Manitoba's prospects are anticipated to improve somewhat as a result of its proximity to the more dynamic economies of Saskatchewan and Alberta. It is expected that Quebec's relative economic performance will continue to be lower than that of the west largely as a result of the vulnerability of the province's industrial structure to increasing competition from foreign manufacturers.

CHART 1: PROVINCIAL CHANGES IN ECONOMIC INDICATORS
RELATIVE TO NATIONAL AVERAGES SINCE 1973

	BC	Alta	Sask	Man	Ont	Que	NB	NS	PEI	Nfld
Population Growth	+	+	-	-	=	-	-	-	=	=
Unemployment Rate*	+	+	+	+	-	-	-	-	+	-
Employment Rate	=	+	+	=	=	-	-	+	+	-
GDP	=	+	+	-	-	=	-	-	-	-
Income Per Capita	-	+	+	-	-	+	+	=	-	+
Fiscal Capacity	-	+	+	-	-	-	-	-	-	-

+ Better than average

- Lower than average

= Approximately equivalent to National Trend

* A plus sign means a lower unemployment trend relative to the national average.

Although recognition of the need for industrial adjustment in Quebec was anticipated, the apparent softness of the Ontario economy was generally unexpected. Concern is currently being expressed over the ability of the Ontario economy to compete in international markets, particularly in the labour intensive manufacturing sectors. At the same time, it can be expected that industries such as steel will become the major input manufacturers linking central Canada to western expansion.

The Atlantic region, despite the relative fiscal weakness of the respective provincial governments, has performed at levels comparable to, or better than, central Canada since 1973. The recent economic performance and the present prospects of Atlantic Canada suggest that its historic decline has been arrested.

In summary recent economic trends and prospects for the medium term indicate a continued buoyancy in the three westernmost provinces based upon energy and associated resource development, some uncertainty about the competitive position of central Canada, and growing optimism for Atlantic Canada based upon both energy and ocean related resources.

From an historical perspective the Canadian economy has been, and remains to a very great extent, dependent upon merchandise trade based upon internationally priced resources and resource-related industries. The country faces a new period of economic transition. The existence of established energy reserves, primarily in the west, places Canada in the enviable position of being able to exploit the growth and development opportunities associated with these resources. At the same time, the possibility of another period of buoyant national growth based upon energy and other related resources underlines the continuity of Canadian economic history: the stimulus for internal growth and development is once again a function of changes in international commodity markets.

Certainly, the emergence of western Canada as a stronger economic and political force in the federation is a reflection of the crucial role of energy and other non-renewable resources in the world economy. In a similar manner, the relative softening of the central Canadian economies can be traced to more competitive international markets in manufactured goods. To a very great extent these changes in the international economic environment have been responsible for a realignment of both economic circumstances and prospects among Canada's regions in this decade.

The dependence of Canada on the international market environment is strongly reflected in Canada's regional industrial structures. The economy of western Canada is heavily dependent on primary resource extraction: comparatively little resource processing is carried out in the west. The economies of both Quebec and Ontario are dependent on secondary manufacturing and the processing of resources. Quebec, more than Ontario, relies on the production of semi-manufactured goods, primarily pulp, paper and other forestry products. Atlantic Canada's industrial orientation is toward both primary industry and, to a significant degree preliminary resource processing. Although this description of the major industrial orientations of the regional economies is only roughly illustrative, it provides a broad historical outline of the nation's development; further it is indicative of the comparative advantages and bases on which medium-term economic opportunities have been developed. The regional patterns of industrial activity reflect indigenous resource endowments as well as the resource orientation of Canadian public policy. Thus present indications suggest that Canada's medium-term comparative advantage will rest largely in the continued development of both renewable and non-renewable resources.

The domestic economic environment has evolved significantly since the present approach to regional development was implemented. There has been a realignment in the relative strengths and potential of Canada's major regions; in the foreseeable future, a spatial imbalance between needs and opportunities for development is likely to continue. At the same time, Canadians can benefit from the emergence of a greatly expanding energy resource sector. Maximization of energy and other resource benefits will be founded on the manufacturers' ability to supply inputs to growing resource industries. Success will also depend on the maintenance of an economic union that facilitates rather than impedes adjustment through reduced international and interprovincial barriers to trade, migration and the flow of capital. In a country where provincial resource revenues are large enough to lead to the accumulation of substantial heritage funds, maintaining and encouraging capital mobility will require a coordinated national development effort in which all of the provinces have vested interests and in which the advantages of trade among provinces and regions can be identified and realized.

REGIONAL CIRCUMSTANCES AND TRENDS

Introduction

Purpose: To provide a brief overview of past trends and current economic circumstances in the main regions of the country.

: To serve as a starting point for discussions.

Outline: Presentation looks at two common indicators of disparity and underlying factors.

1) unemployment rates

factors - employment growth
- labour force growth

2) income per capita

factors - absolute growth vs relative growth
- income per capita vs earnings per employee

Qualifications: Performance of national economy

: Other indicators of well-being do exist

: Aggregates mask sub-regional circumstances and differences and, in some charts, this is reflected in the different ways the West is broken up.

The Regions: Population Share

Features: The provinces are usually grouped into four regions: Atlantic, Quebec, Ontario, Western region.

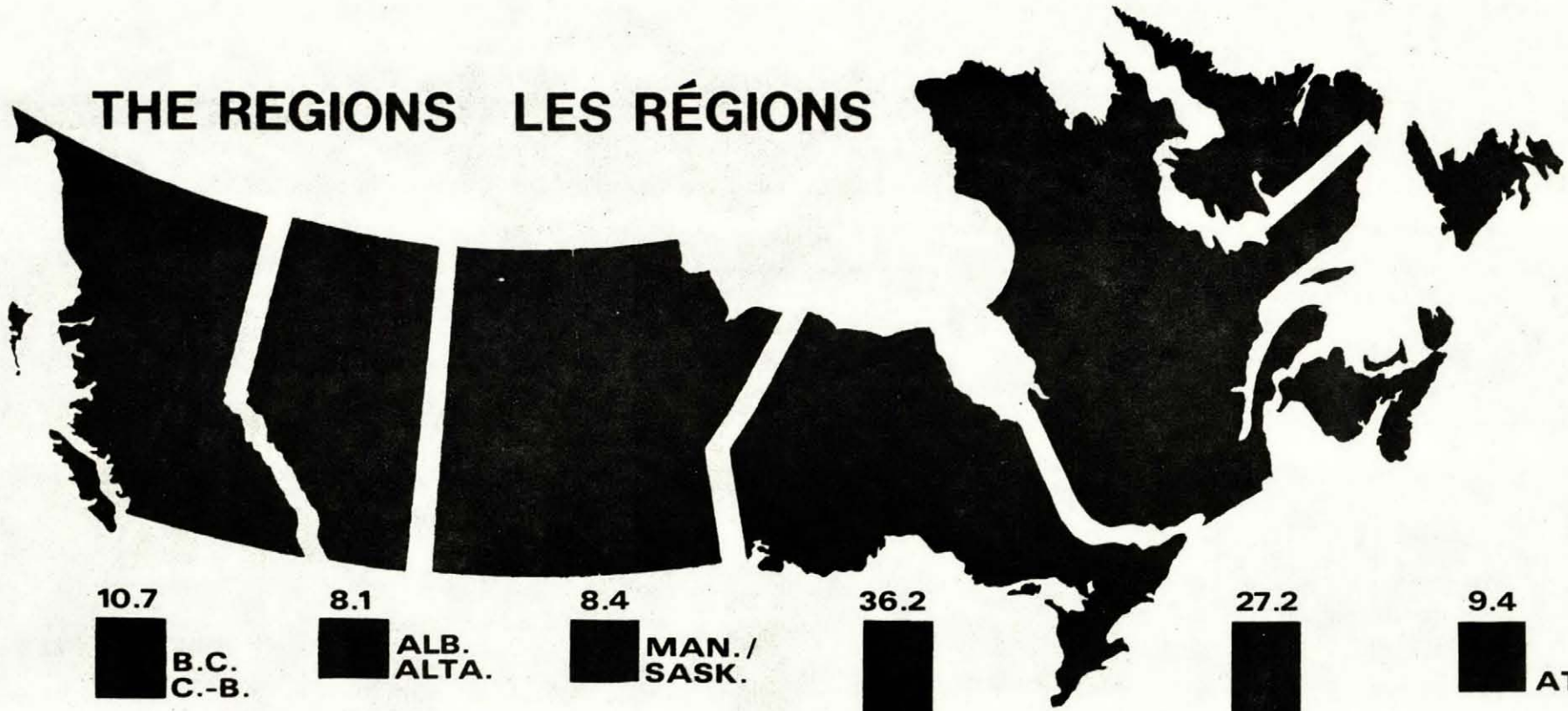
The population share between these 4 regions is:

	<u>%</u>
Atlantic provinces	9.4
Quebec	27.2
Ontario	36.2
Western provinces	<u>27.2</u>

For the purpose of this overview, the provinces are grouped into 6 economic regions to more accurately reflect current regional economic circumstances.

Regional population share is also presented on the basis of these 6 economic regions.

THE REGIONS LES RÉGIONS



**POPULATION SHARE
RÉPARTITION DE LA POPULATION
1977**

Settlement Pattern

Features: The grey area is the settlement pattern in Canada, this of course does not reflect the population density pattern.

CANADA

SETTLEMENT

PEUPLEMENT



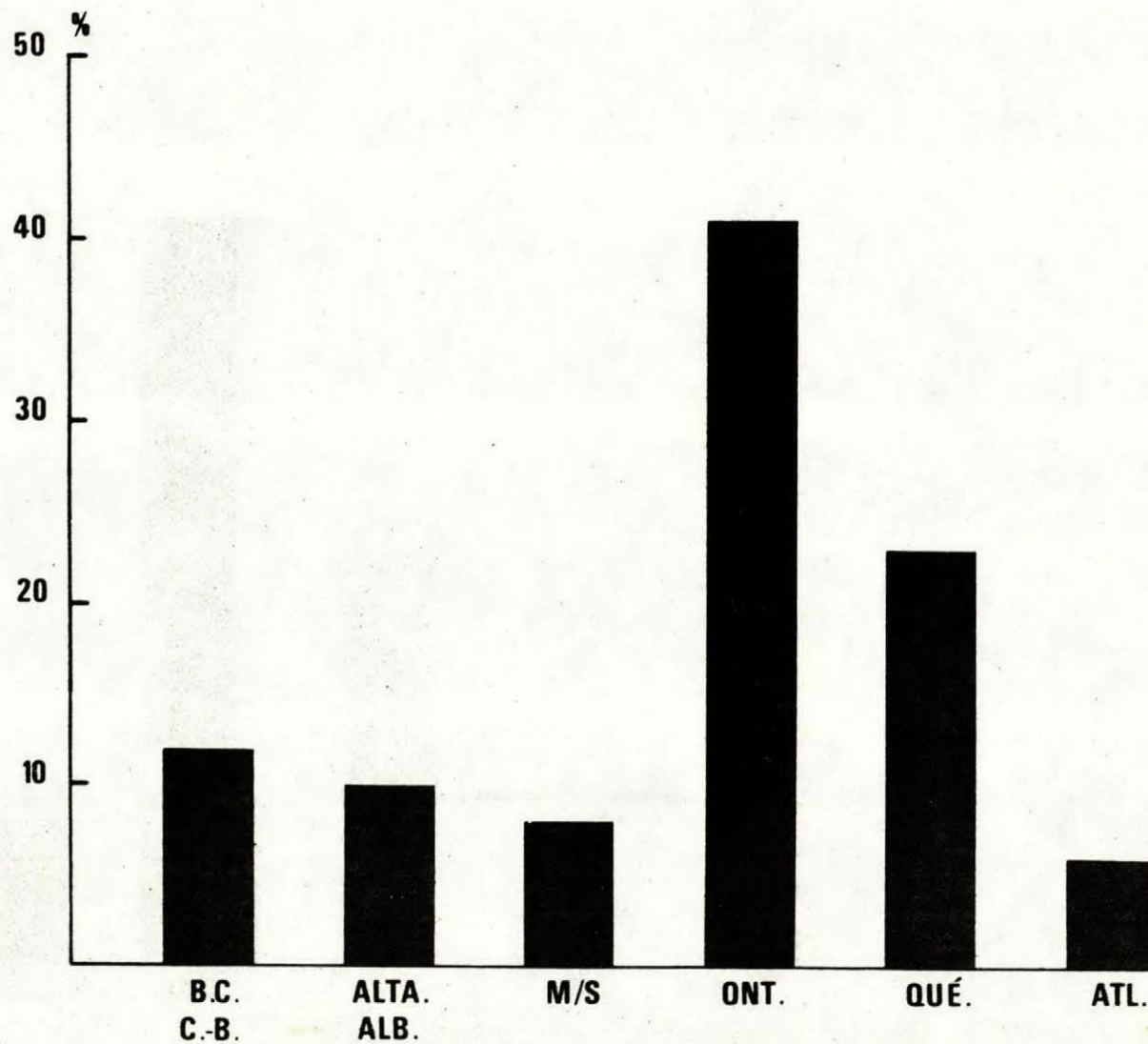
Regional Shares of National Output

Features: In 1978 the Ontario and Quebec shares of national output are respectively 40% and 23%, the Atlantic is approximately 7%. The whole western share is slightly over that of Quebec and Atlantic.

The last decade has seen a continuous increase of the B.C. and Alberta share, an erosion of the central Canada share (the decrease in the Quebec share being much more pronounced than in Ontario).

REGIONAL SHARES, OF NATIONAL OUTPUT

PART RÉGIONALE DE LA PRODUCTION



Unemployment Rates

Features: cyclical similarities becoming masked in recent years due to structural rise in unemployment.

- reasons - rapid rise in labour force due to:
 baby boom
 increasing female participation

- (Canada, and even eastern Canada, has had a higher rate of employment creation than most industrial countries)

: apparent divergence in unemployment rates during past few years related to slow growth in the national economy.

: Western boom conditions reflected in the chart

Other Points: underlying factors to be reviewed next

: break in 1965 due to new Labour Force Survey revisions back to 1966 only
 details - see next page

: 1978 is average of January to September

LABOUR FORCE SURVEY REVISIONS

The revisions to the monthly labour force survey which took effect in 1976 tended to lower male unemployment rates, raise those for females, and have negligible effect on the overall rate.

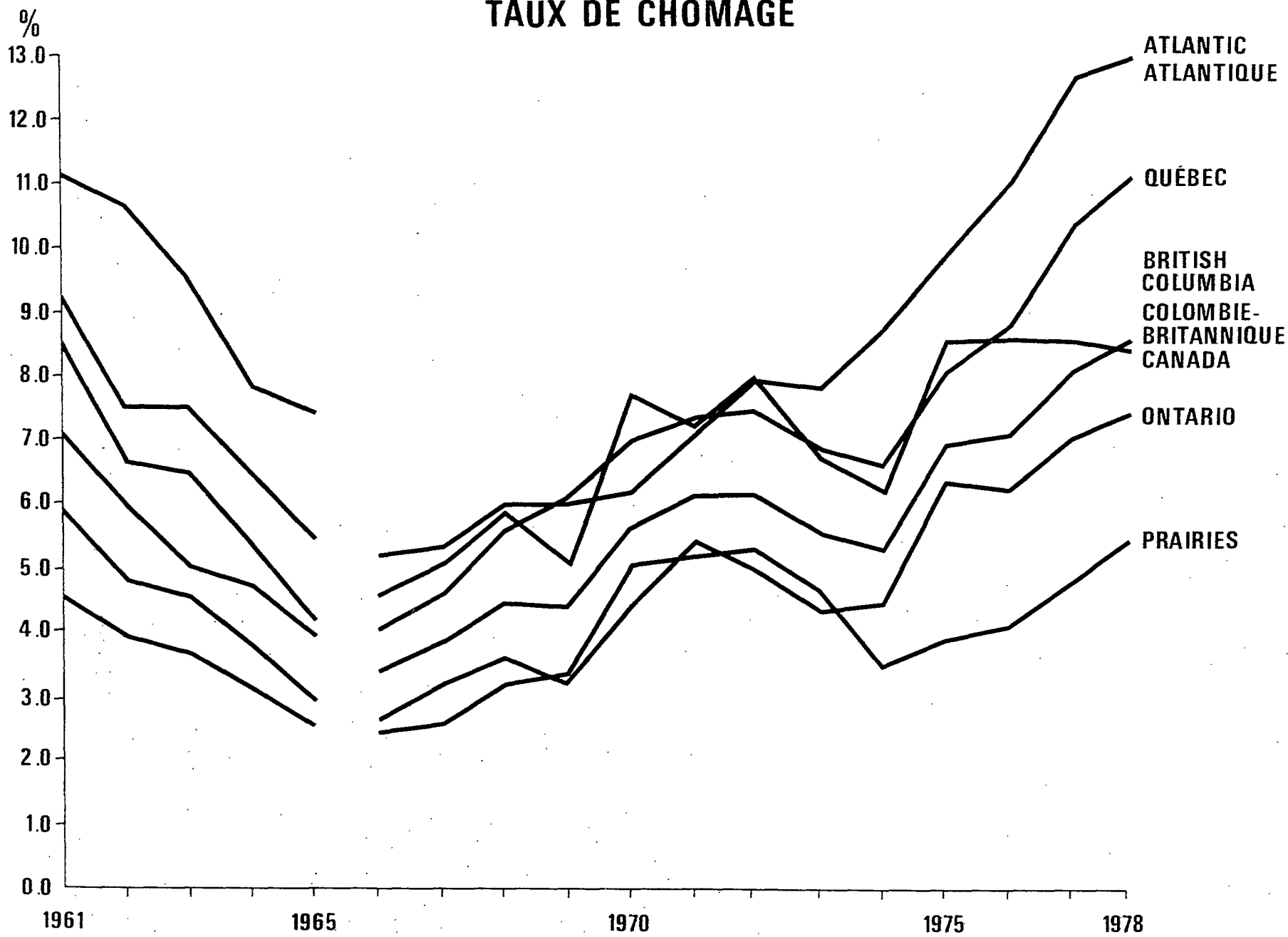
The main reason for downward revision of male unemployment rate was the "discouraged workers", those who did not look for work because they felt no suitable jobs were available in their community, are no longer classed as being unemployed - they are now considered out of the labour force. The five eastern provinces, those in which employment opportunities are relatively few, have a significant number of such people and thus the revised survey gives them a lower unemployment rate.

The main reason for the upward revision in female unemployment is that the married woman who has a marginal attachment to the labour force, and who only looks for work on an occasional, part-time basis is usually counted as "unemployed" by the revised survey, while she was often considered to be not in the labour force in the old survey.

This type of person is apparently more prevalent in the relatively prosperous five western provinces, as their overall unemployment rates are slightly higher under the new system.

On balance, the revised survey leans toward more active job search as its criterion for unemployment. This would tend to raise measured unemployment (relative to old survey) in areas where job search is a more fruitful activity.

UNEMPLOYMENT RATES TAUX DE CHÔMAGE



Employment Growth

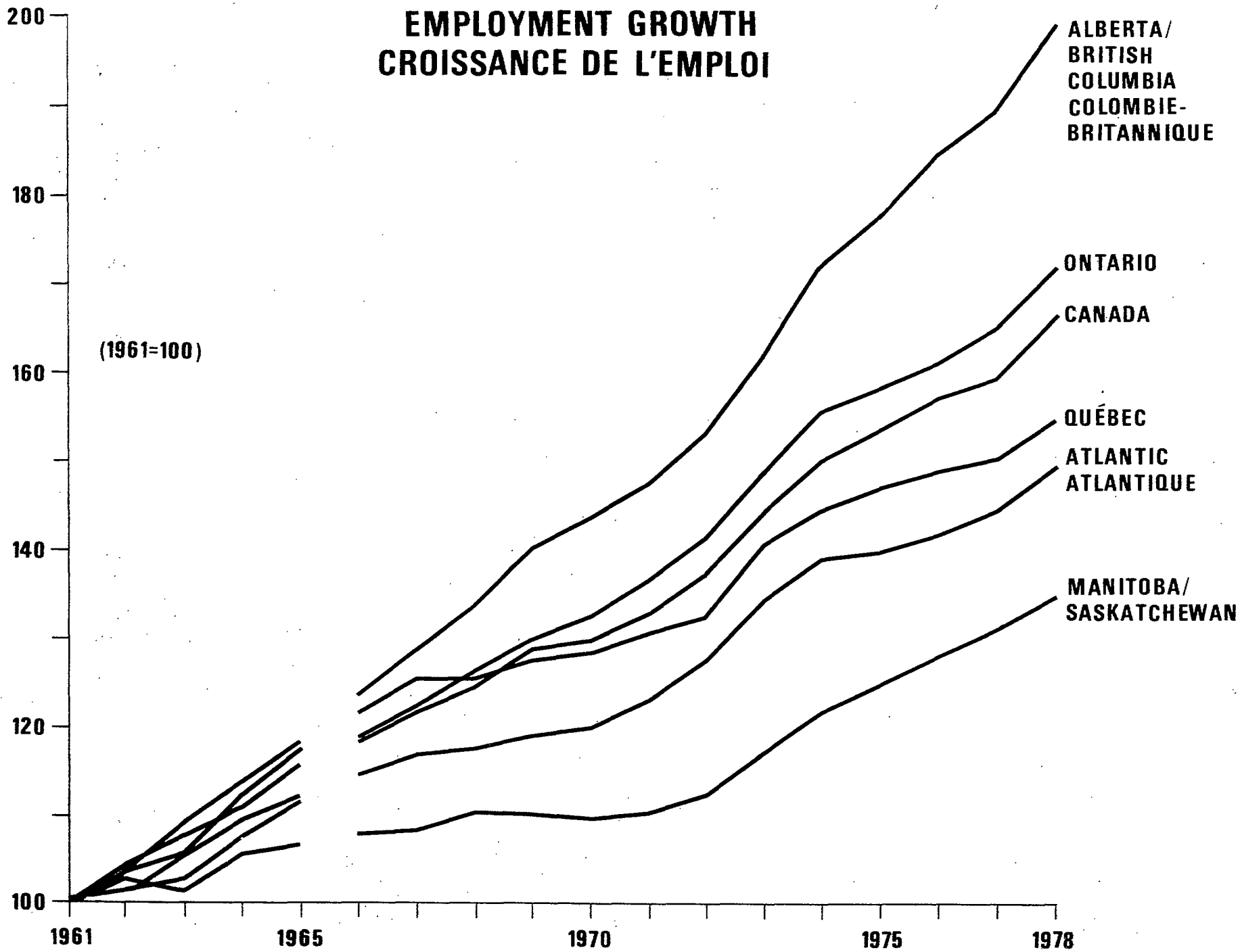
Features: Note Manitoba/Saskatchewan (almost "have" provinces) vs Atlantic (definite "have nots") and vs British Columbia/Alberta (definite "haves")

: All are more rapid in 1970's despite high unemployment

: Note post-Expo change in Quebec

Other Points: Employment side of unemployment rates seem to be performing well in all regions.

EMPLOYMENT GROWTH CROISSANCE DE L'EMPLOI



Participation Rates

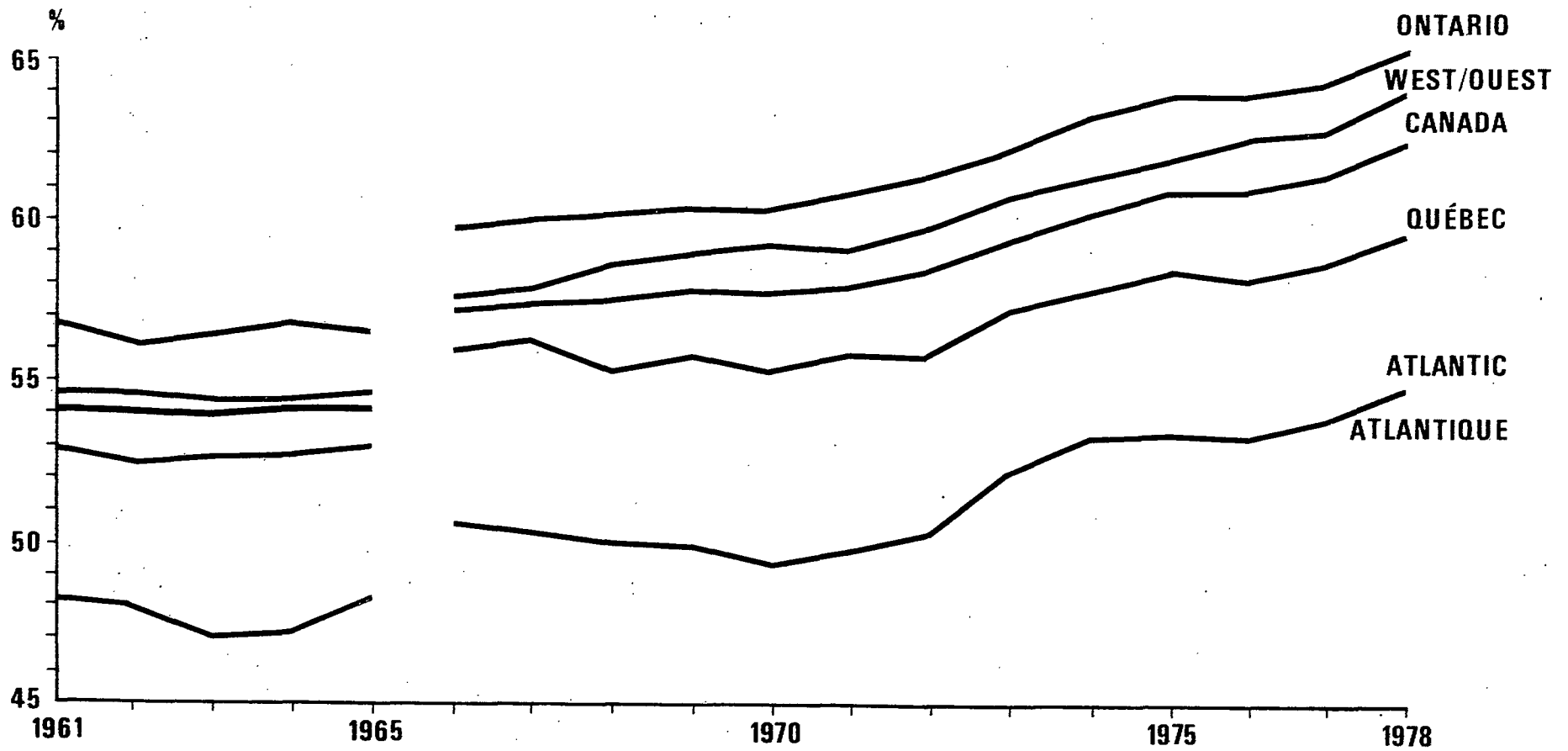
Features: general rise in all regions, especially during 1970's.

- : But differences remain - note clear east-west split (which until 1974-75, was not as clear-cut in the case of unemployment rates, and certainly wasn't for employment growth).
- : rising female participation and changing age structure has contributed to rise in participation rates.

Other Points: note large shift in 1965-66 due to:

- 1) 14 year olds no longer part of labour force definition and
- 2) in Quebec and the Atlantic a smaller proportion of breadwinners support the population (no wonder income per capita is lower) and therefore, "potential" unemployment is even higher.

PARTICIPATION RATES TAUX D'ACTIVITÉ



Net Migration Rates

Features: includes immigrants and emigrants as well as inter-provincial migrants.

: defined as "number of net migrants per thousand population."

: Alberta/B.C. distinguished from Manitoba/Saskatchewan for obvious reasons.

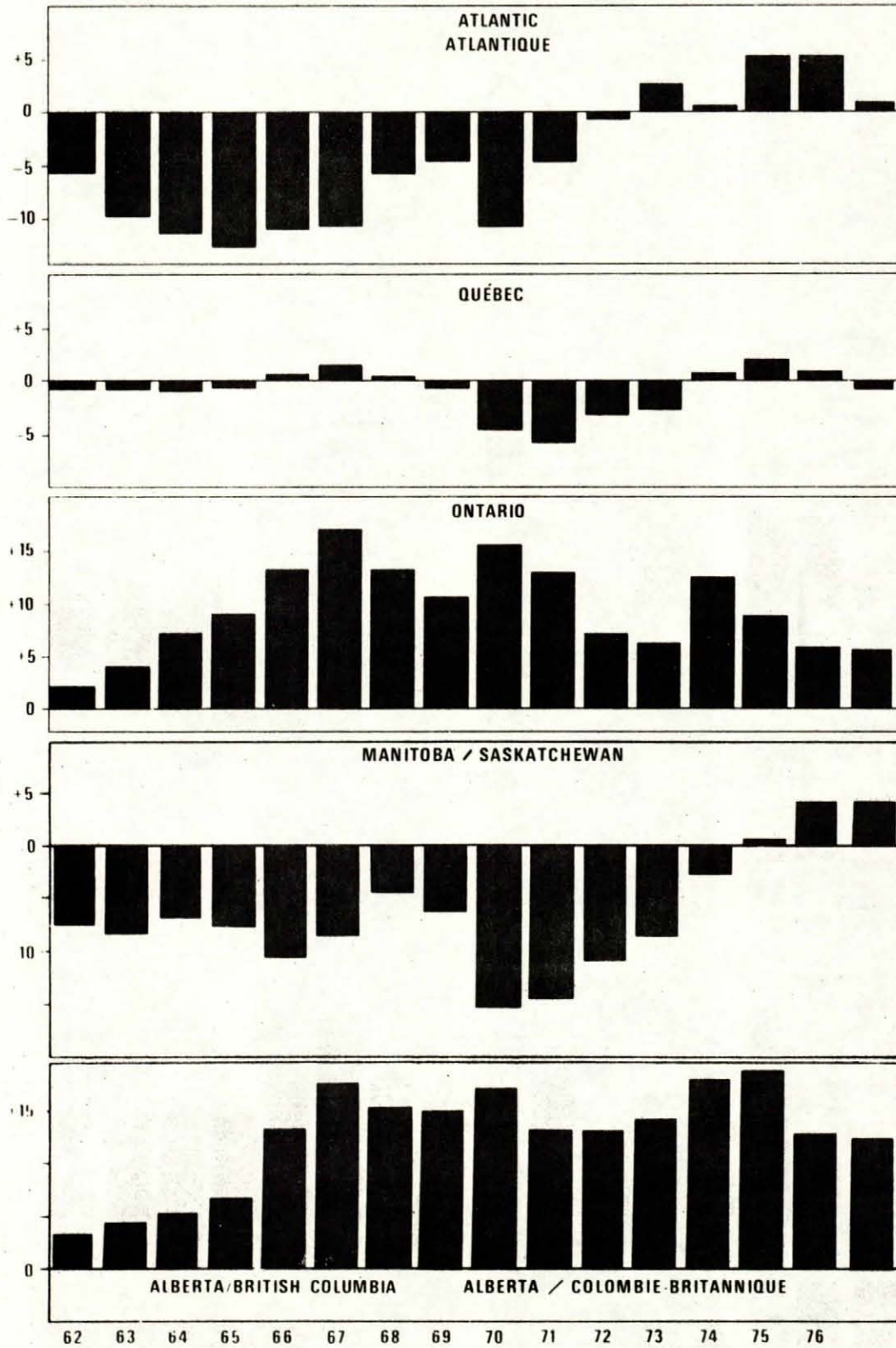
: With exception of the Atlantic, note clear westward drift i.e. - B.C./Alta just as high
- Man/Sask trend upwards
- Ontario trend downwards

: positive rates in the Atlantic mean higher labour force growth and, therefore, higher unemployment. Reason is conventional wisdom of return (unemployed) migrants.

Other Points: international migrants important determinant of net migration rate

: data gathered from family allowance

NET MIGRATION RATES
 PER THOUSAND POPULATION
TAUX DE MIGRATION NETTE
 POPULATION PAR MILLIERS



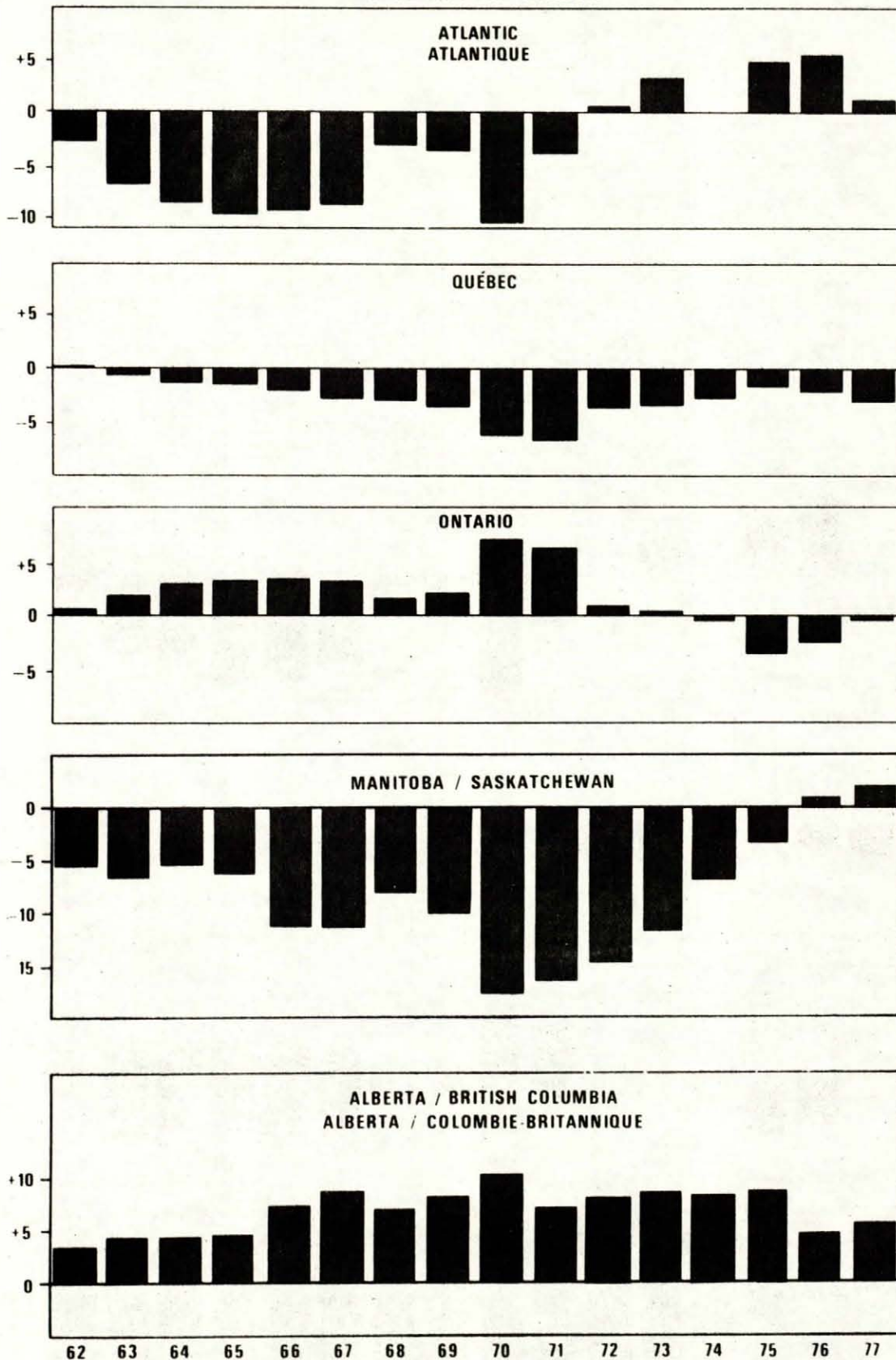
Net Inter-provincial Migration Rates

Features: Note turnaround in the Atlantic. Question: will this change when national economy operates at potential?

- : Note Quebec and now Ontario are negative while Man/Sask demonstrates clear trend upward.
- : Alberta is taking larger share of Alta/B.C. and, in last year, more people left B.C. (for Alberta) than went to B.C.

Other Points: this chart excludes foreign migration.

NET INTERPROVINCIAL MIGRATION RATES
 PER THOUSAND POPULATION
TAUX DE MIGRATION INTERPROVINCIALE NETTE
 POPULATION PAR MILLIERS



Employment and Labour Force Growth Since 1971

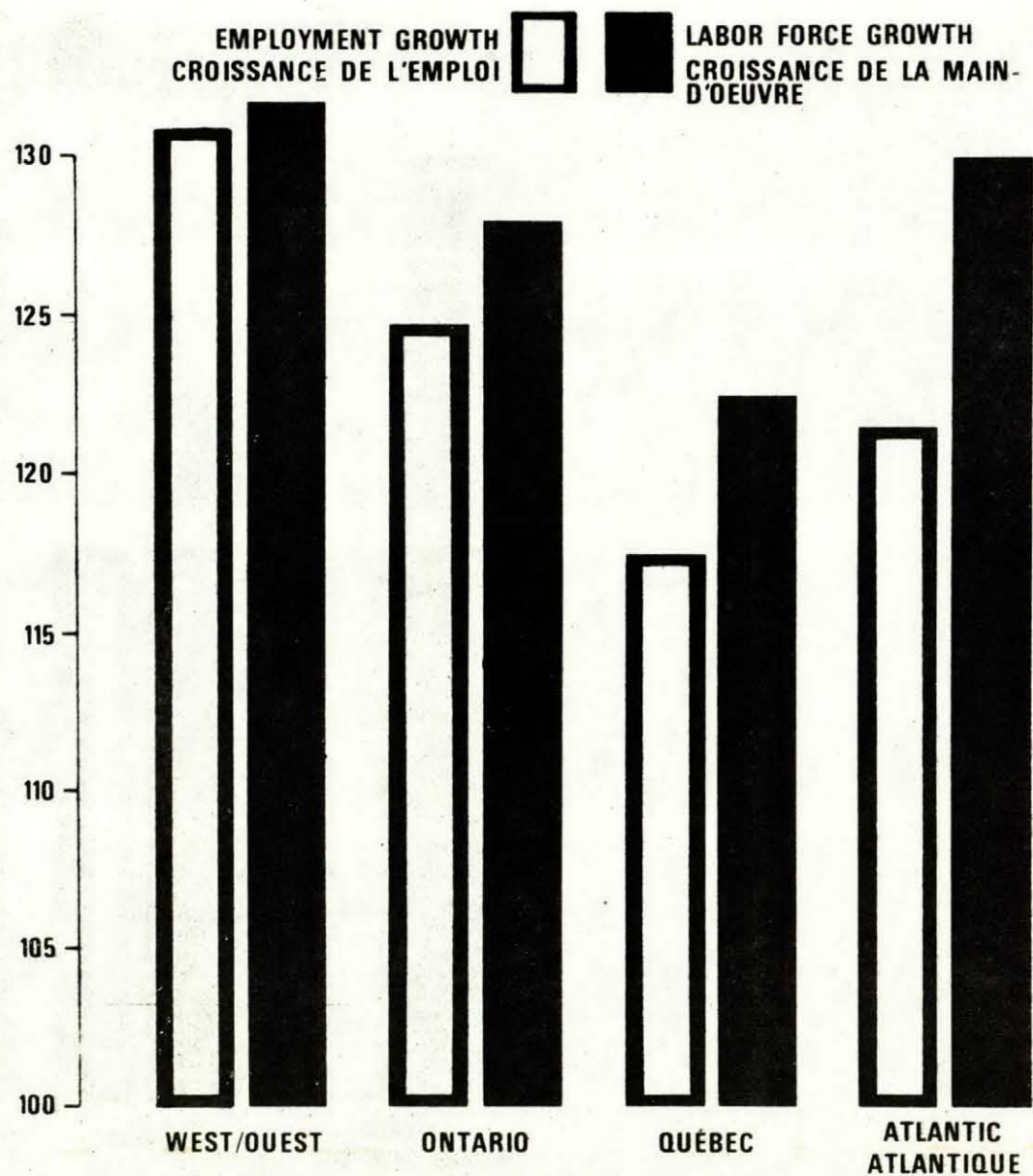
Features: this chart brings together the two determinants of unemployment rates.

: Note rapid growth in employment and, especially labour force growth, everywhere.

: But clear difference between the two factors as one moves from West to East.

Other Points: Note Quebec is lowest on both accounts.

EMPLOYMENT AND LABOUR FORCE GROWTH SINCE 1971 CROISSANCE DE L'EMPLOI ET DE LA MAIN-D'OEUVRE DEPUIS 1971



Growth in Income Per Capita

Features: rapid rise everywhere (even in constant dollars).

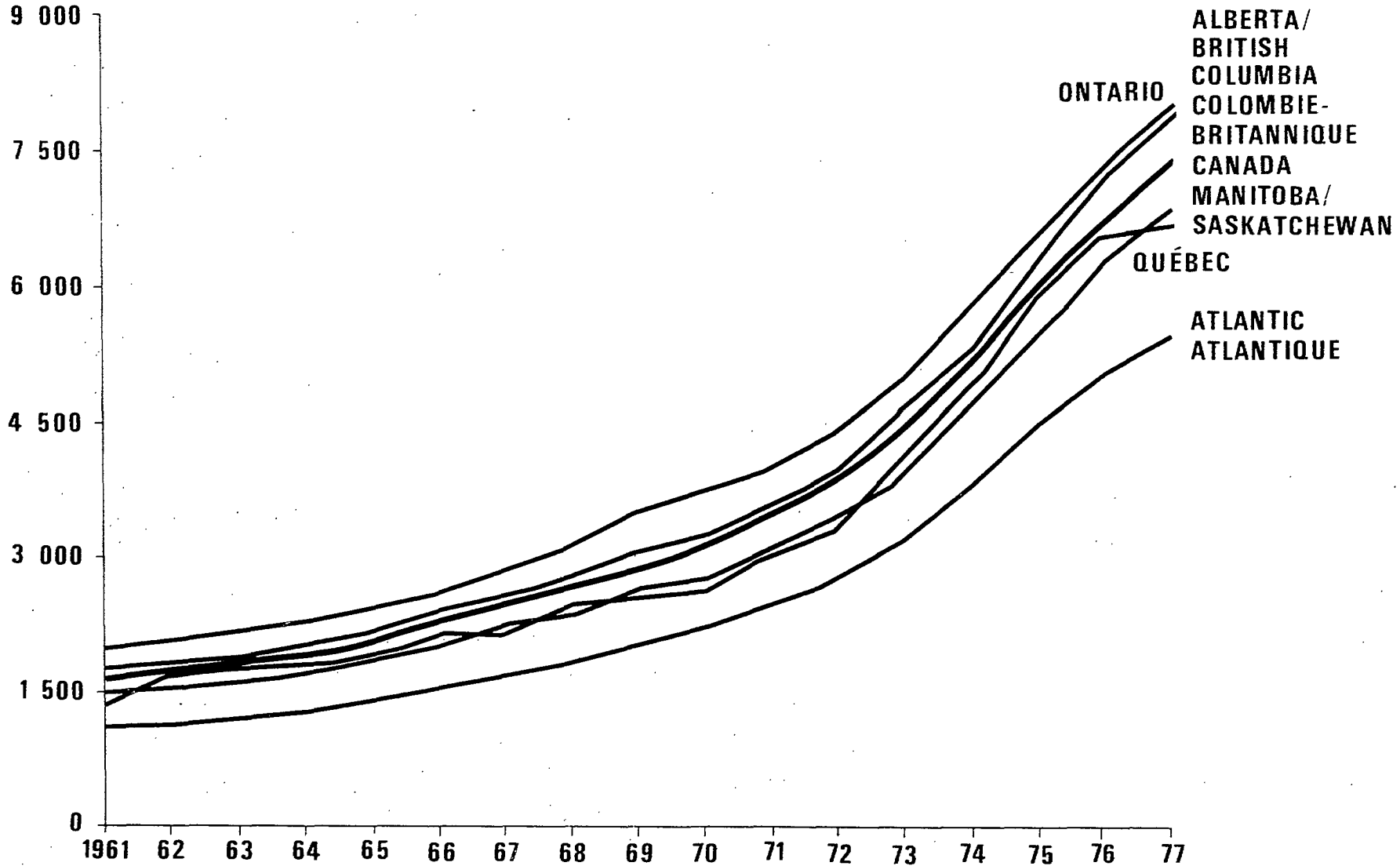
: Note Man/Sask falls below Quebec in 1977 but general east-west split.

Other Points: this other indicator of disparity also is related to some underlying factors relevant to the discussion.

: this chart masks relative changes.

GROWTH IN PERSONAL INCOME PER CAPITA CROISSANCE DU REVENU PERSONNEL PAR HABITANT

\$ PER CAPITA
PAR HABITANT



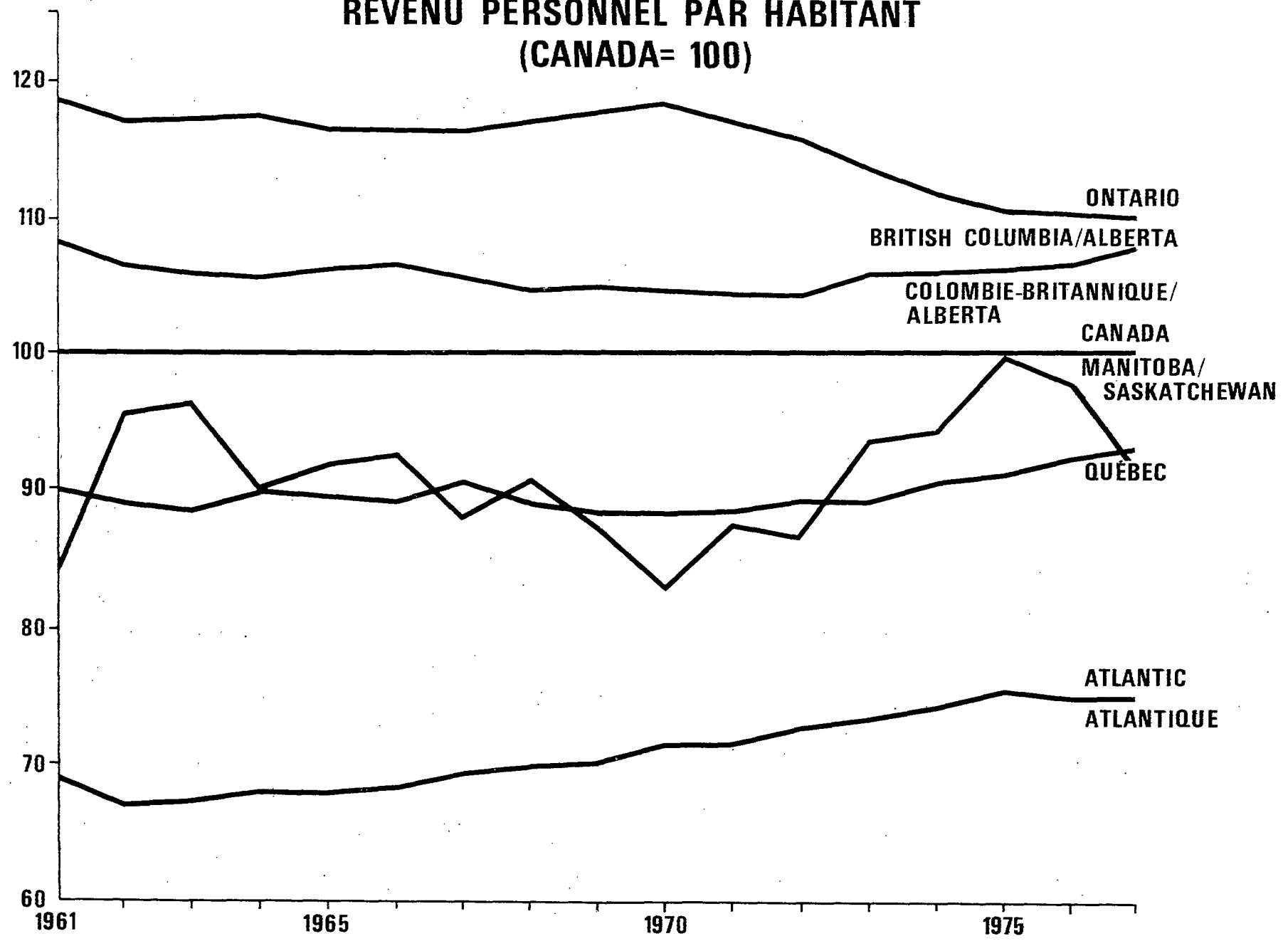
Personal Income Per Capita
(Canada = 100)

Features: each region is expressed in terms of the Canadian average expressed as 100. So B.C./Alta is 8% or 108 above national average in 1977.

- : note general east-west split but steady trend upward in the Atlantic and in Quebec (during 1970's).
- : note variability of Man/Sask. due to "wheat" economy (but expected to go above average during 1980's) and relative decline in Ontario during 1970's.

Other Points: this includes government transfers to persons (U.I.C., family allowances, welfare, etc.).

**PERSONAL INCOME PER CAPITA
REVENU PERSONNEL PAR HABITANT
(CANADA= 100)**



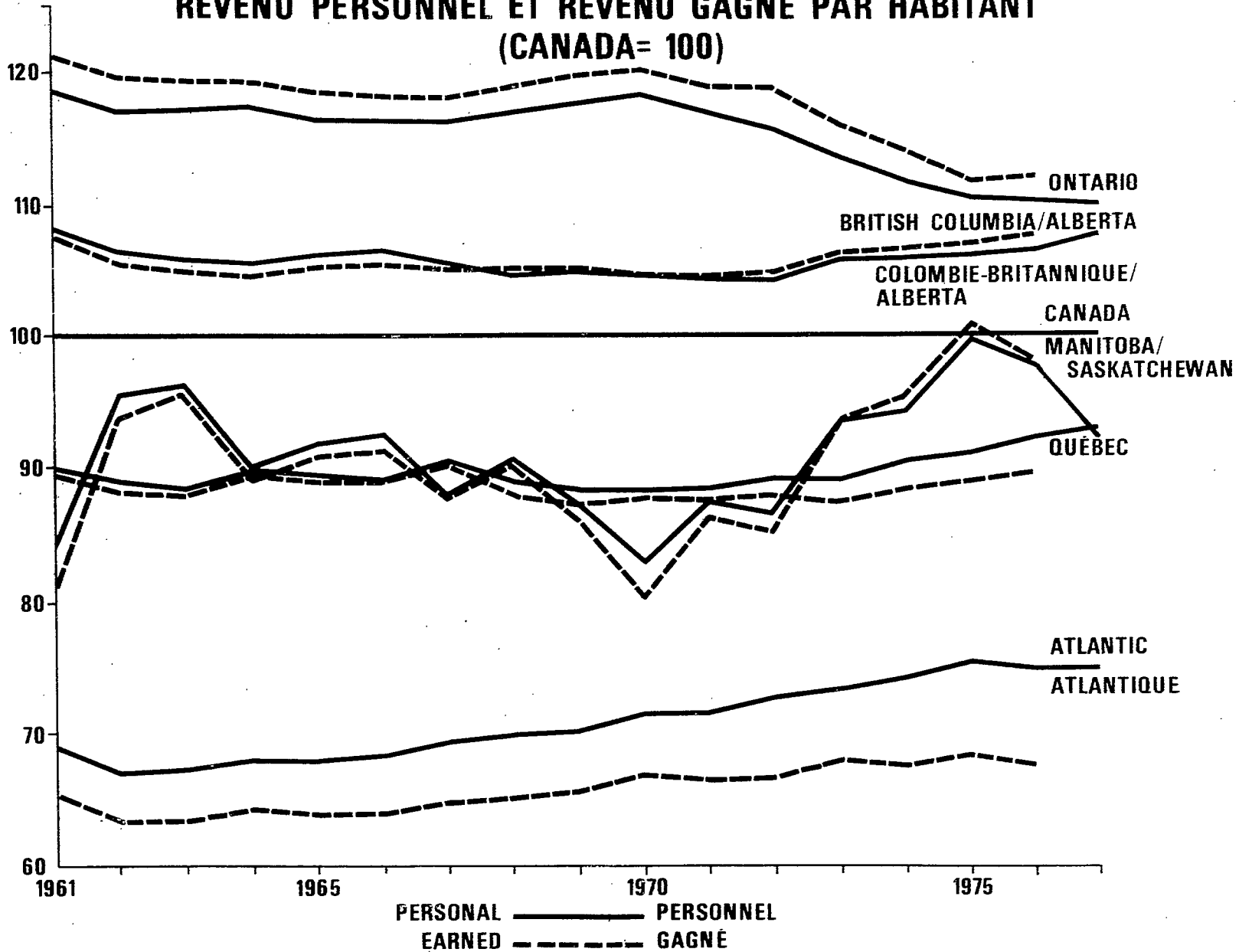
Personal and Earned Income Per Capita

Features: generally, trends in earned income (personal income minus transfer payments) similar to personal income.

Fact: only 22% of growth in personal income in Atlantic is due to transfer payments.

: Nevertheless earned income per capita shows more disparities than personal income (although the gaps are closing).

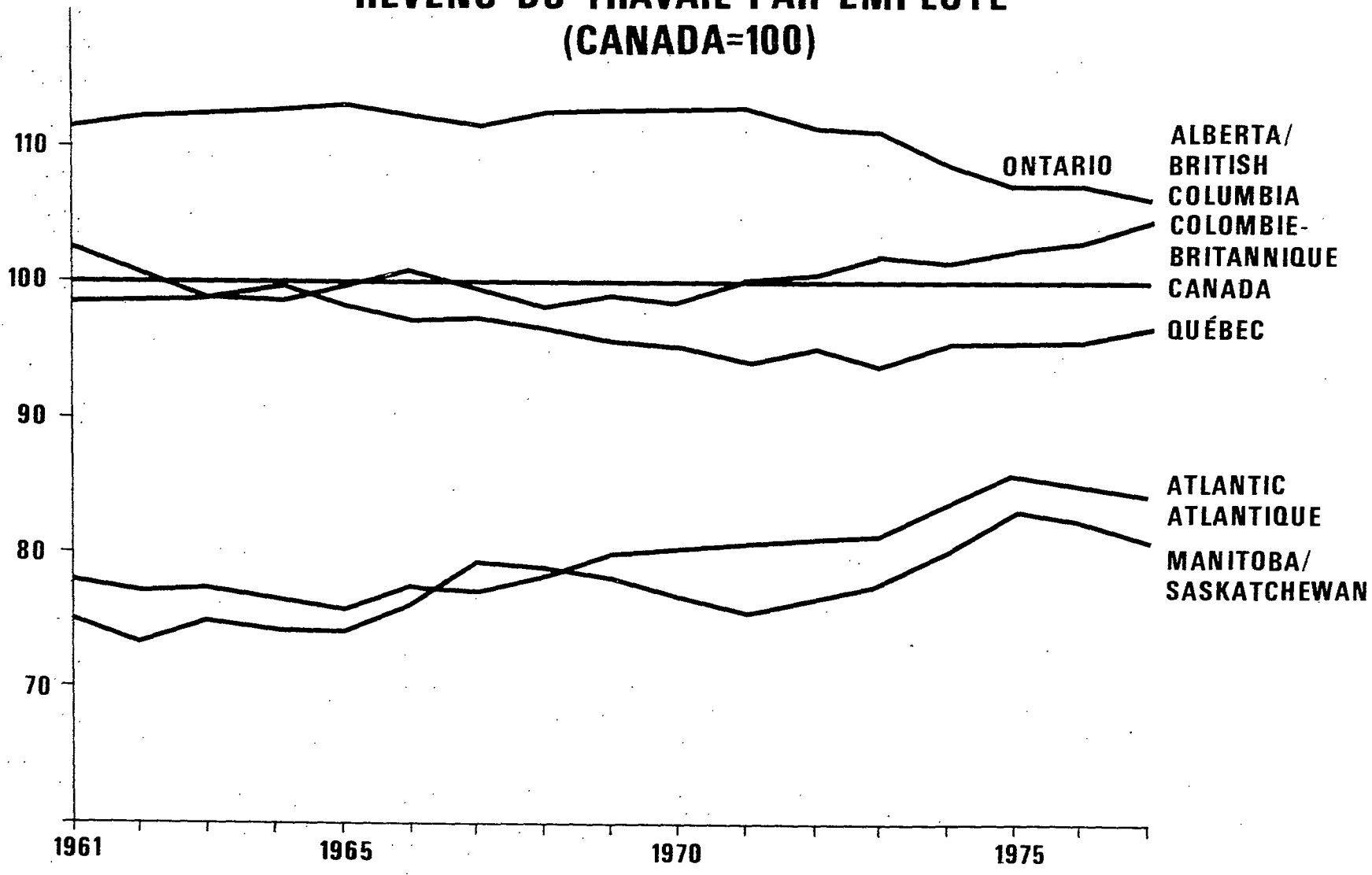
PERSONAL & EARNED INCOME PER CAPITA
REVENU PERSONNEL ET REVENU GAGNÉ PAR HABITANT
(CANADA= 100)



Labour Income Per Employee

- Features: differences are less than in previous charts
i.e. for those who work.
- : but note the Atlantic and Man/Sask are out of line.
 - : for Man/Sask, it is because of lower wages associated with agriculture. For Atlantic, it has to do with agriculture and fishing and seasonality (but note seasonality not a factor in B.C.)
- Other Points: Labour income includes: wages & salaries and supplementary benefits
- Labour income excludes: farm operators and self-employed persons
- : Industrial structure can, in part, explain some of the differences
e.g. farm worker versus auto plant worker

**LABOUR INCOME PER EMPLOYEE
REVENU DU TRAVAIL PAR EMPLOYÉ
(CANADA=100)**



Average Hourly Earnings in Manufacturing

Features: Again expressed in terms of Canadian average, note even less differences i.e. for similar sectors, similar salaries.

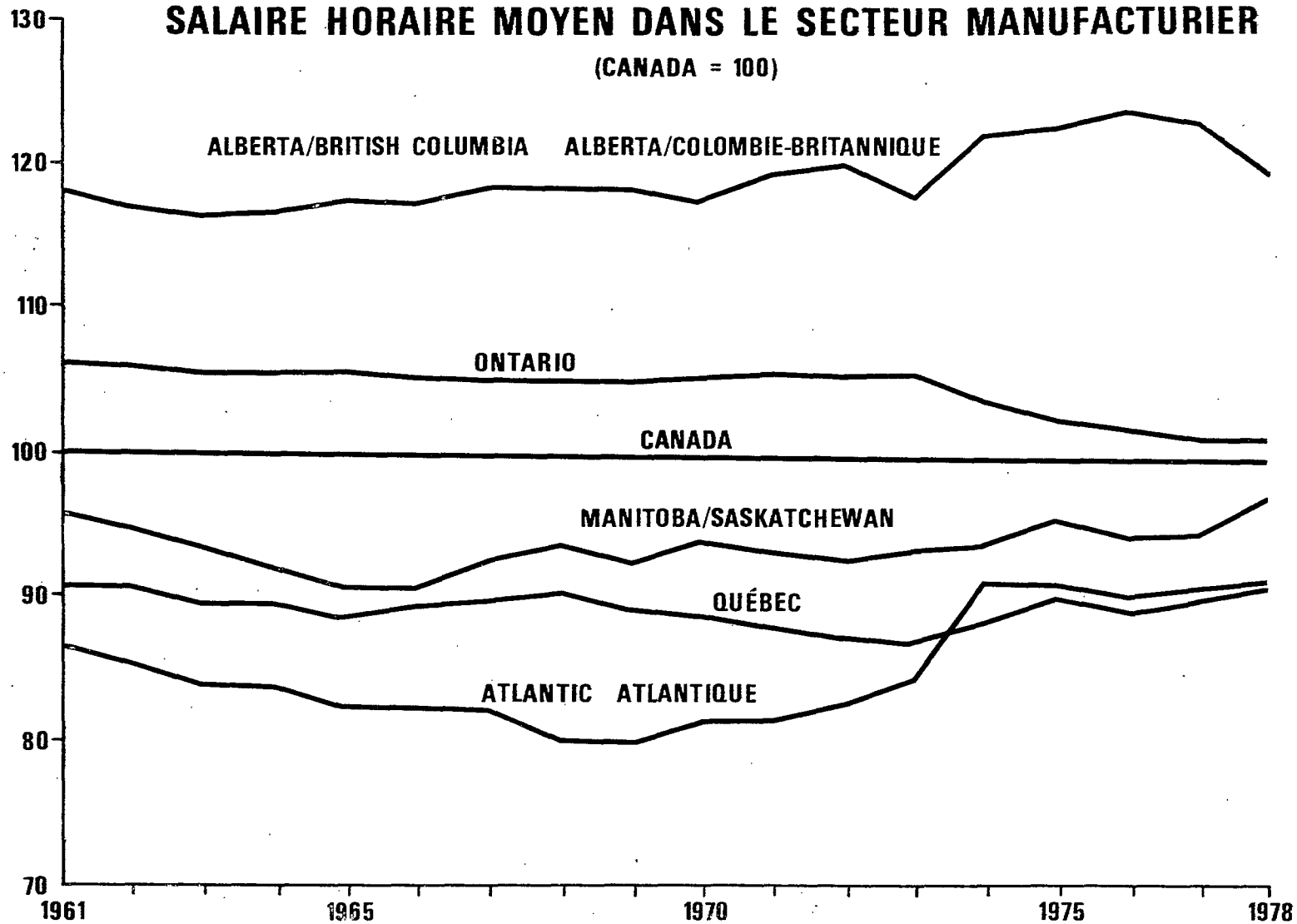
: Note change in Atlantic in 1970's.

: Alta/B.C. reflects 1) high productivity
manufacturing sector
2) unions?

Other Points: Relate Industrial Structure to wages to income differences - underutilization of labour the, but not only, major determinant of income disparities.

AVERAGE HOURLY EARNINGS IN MANUFACTURING SALAIRE HORAIRE MOYEN DANS LE SECTEUR MANUFACTURIER

(CANADA = 100)



Real Domestic Product Per Capita

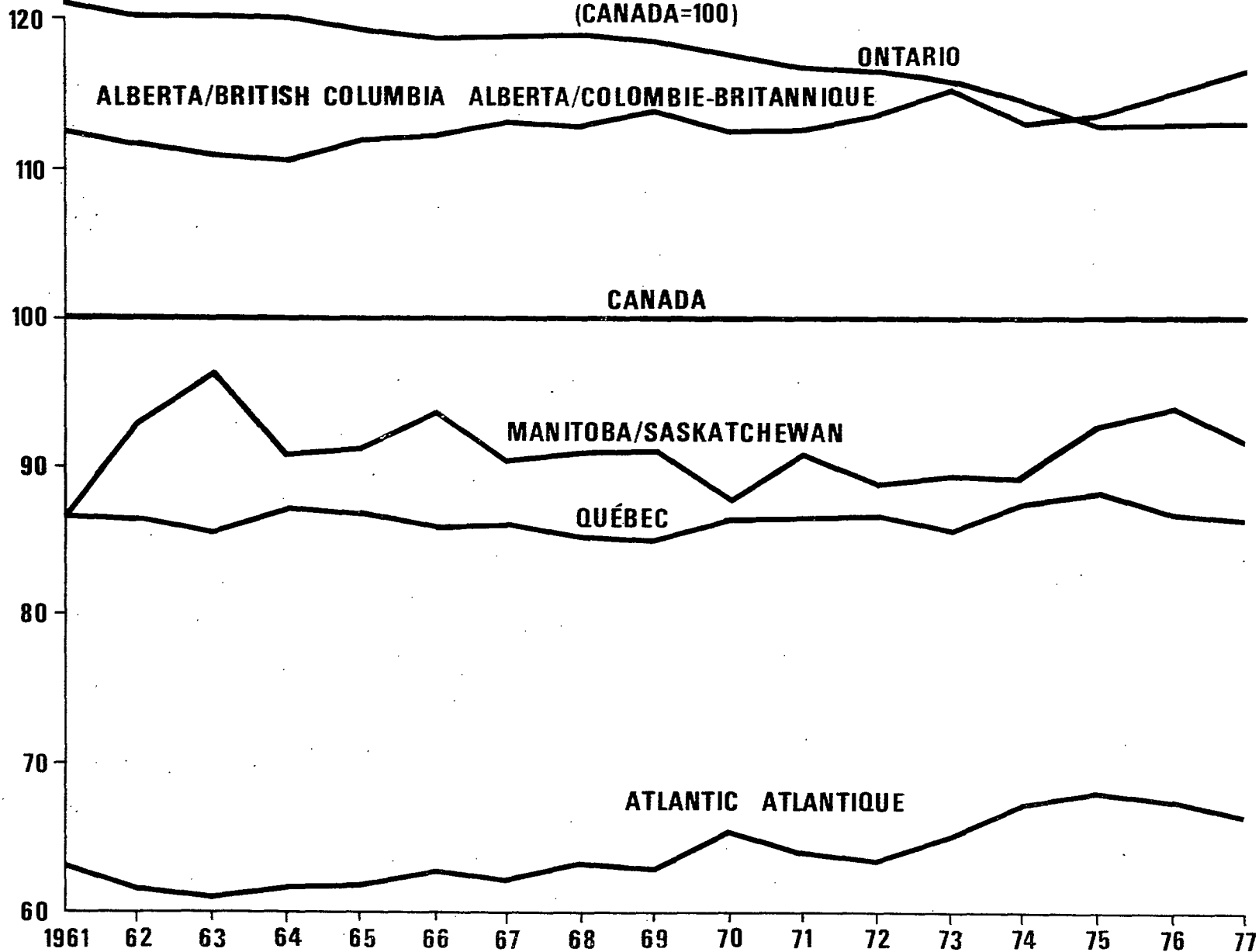
Features: Finally, this chart captures the progress of real economic activity (i.e. volume of activity and abstracts from prices and transfers).

: RDP is in 1971 dollars

: Note Alberta/B.C. now above Ontario in this indicator.

REAL DOMESTIC PRODUCT PER CAPITA PRODUIT INTÉRIEUR RÉEL PAR HABITANT

(CANADA=100)



HISTORICAL OVERVIEW OF REGIONAL DEVELOPMENT PROGRAMMING

The National Perspective

HISTORICAL OVERVIEW OF REGIONAL DEVELOPMENT PROGRAMMING

Introduction

During the period from Confederation to the mid 1950s no explicit federal regional development policy was pursued, although there were the odd specific payments and programs such as the Prairie Farm Rehabilitation Act of 1935. For the most part, federal economic policy was directed towards the development of the national economy, with the underlying assumption being that a strong national economy, held together by regional specialization and east-west trade, would result in all regions sharing in Canada's growth and prosperity virtually automatically. In the pursuit of this policy, the major strategies employed were the protective tariff, the opening up and settlement of resource frontiers and the development of a Canadian continental transportation system.

Equalization

The first phase of explicit regional policy was the equalization program established in 1957. This initiative had its roots in the fiscal weakness of Canada's poorer provinces during the Depression and the resultant concept formulated by the Rowell-Sirois Commission in 1939 that the Canadian fiscal system should enable every province to provide services of average Canadian standards to its citizens, without having to impose heavier than average tax burdens. Initially, equalization payments were based on the yield per capita of the three direct taxes in the two provinces where this yield was highest. Equalization has remained an integral part of the Canadian fiscal system, currently incorporating some twenty-three provincial revenue sources.

Equalization, then, was the first federal program consciously designed to reduce disparities between regions - specifically, disparities in public services and provincial revenues. It is not a regional development program in that payments are not conditional on developmental uses of the funds. However, by helping poorer provinces provide a comparable level of current services, fiscal equalization, at least in theory, enables provinces to direct incremental development assistance to economic investments rather than to improving current services. Moreover, in terms of simple expenditure impact, annual equalization payments, which in

1978-79 for example amounted to \$2.7 billion, have consistently been larger than those of the direct development programs developed in the 1960s and 1970s.

The 1960s

These latter programs began to be established quickly on the heels of equalization because the recession of 1957-61 underlined the persistence of regional imbalances and the inadequacy of undirected financial compensation in combating their structural causes. The first of these specific measures was contained in the December 20, 1960 Budget which introduced a new products program for surplus manpower areas. This program permitted a firm to obtain double the normal rate of capital cost allowances on most of the assets it acquired to produce products which were new to the designated areas of high unemployment and slow economic growth. This was followed by the Agriculture and Rural Development Act (ARDA), introduced in 1961 to alleviate and correct the high incidence of low incomes in agricultural areas through federal-provincial programs to increase small farmers' output and productivity. Subsequent ARDA agreements broadened the scope of action taken to attack rural poverty. (Annual expenditures under ARDA reached a maximum of \$28.8 million in 1974-75.) In 1966 a Fund for Rural Economic Development (FRED) was established to provide comprehensive rural development programs in specifically designated areas characterized by widespread low incomes and major problems of adjustment, but considered to have development potential. Under FRED, agreements were signed with four provinces, for five separate plans, dealing with the Interlake region of Manitoba, the Gaspé in Quebec, the Mactaquac and Northeast areas of New Brunswick, and all of Prince Edward Island. (The maximum annual outlay under FRED was \$60.2 million in 1973-74.)

Another area development focus, in this case regional, was provided by the Atlantic Development Board (ADB), which was set up in 1962 to advise on measures and to assist projects related to the economic development of the Atlantic region within a planning framework. The ADB did contribute large sums towards the financing of economic infrastructure, but it is generally accepted that it was not successful in establishing a development plan that would coordinate these expenditures towards specific targets. During the six years of its existence, the Board received government approval for the commitment of \$189.5 million, of which \$142.9 million had been spent by March 31, 1969, when the Atlantic Development Board Act was repealed; the Board's obligations were assumed by DREE. (Annual expenditures of the ADB reached a maximum of \$30 million in 1969-70.)

The Area Development Incentives Act (ADIA) was also established to alleviate chronic high unemployment, by attracting manufacturing and processing firms to locate or expand operations in areas reporting unemployment rates above a threshold level. Three kinds of incentives were applied sequentially, starting with accelerated capital cost allowances, which were replaced in 1963 by a three year income tax exemption and higher capital cost allowances and in turn, in 1965 by a program of cash grants and the same rate of capital cost allowances. As each of these measures was applied in a non-discretionary manner to areas chosen solely on the basis of unemployment levels, no opportunity existed to relate assistance to development planning. (Maximum annual expenditures under ADIA which occurred in 1971-72, amounted to \$63.1 million.)

In addition to some provisions in ARDA and FRED, during the 1960s the federal government focused attention on human resource development in lagging regions through a variety of manpower and mobility programs which were being developed nationally, as well as the Newfoundland Resettlement Program and the Canada NewStart Program.

The Establishment of DREE

In general, the proliferating programs of the 1960s were unrelated efforts, each designed to specific problems and needs rather than to focus in a coordinated manner on the development potential of lagging regions. One of the apparent reasons for this disorganization was the variety of agencies responsible - the Area Development Agency, the Atlantic Development Board, the departments of Agriculture and of Forestry and Rural Development just to name the principal ones. Accordingly, a major factor in deciding to embark on a third phase of regional policy, the establishment of the Department of Regional Economic Expansion (DREE), was the desire to improve coordination of the governments' efforts and programs in this field.

The other principal motivation was the perception that the existing programs tended to deal with greatest needs rather than the relative strengths of low income regions. While DREE inherited many of these programs, its primary orientation was clearly to centre on the development of those areas which had the potential for economic growth and development. In order to pursue this new emphasis, DREE embarked on two new and related programs - the "Special Areas" program and a new program of industrial incentives, the Regional Development Incentives Act (RDIA). The former was designed to act as an indirect inducement to draw industry to existing and potential regional growth centres,

by providing the infrastructure required to make these centres more attractive locations. The latter provided a direct inducement to manufacturing and processing industries to locate in designated regions, and particularly in the various "special areas".

Consultation with the province resulted in the designation of 23 special areas, each of which became the subject of a federal-provincial agreement or plan to deal in a flexible manner with the distinctive potential and problems of each. Six of the special areas were expected to realize substantially faster industrial growth as a result of the incentives programs, and were designated in order to provide the infrastructure needed to support this growth. These areas included St. John's, Halifax-Dartmouth, Saint John, Moncton, Quebec City, and Trois-Rivières. Regina and Saskatoon were designated for the purpose of receiving industrial incentives, which it was felt, were required in order for them to realize the growth potential given by their locations. In Newfoundland, the Burin Peninsula, Gander, Stephenville, Hawke's Bay, Come-By-Chance and Goose Bay/Happy Valley, were designated in order to make them more attractive as receiving centres under the Newfoundland Resettlement Program. The Pas, Meadow Lake, and Lesser Slave Lake were designated for industrial incentives to promote the development of resource industries, and to improve community facilities, particularly to the advantage of the Indian and Métis populations. Renfrew-Pembroke and Lac Saint Jean were designated for industrial incentives, for which they were not eligible under the regular incentives program (RDIA). Finally, the Ste-Scholastique area was designated, as a result of the federal government's decision to construct the New Montreal International Airport in the area, in order to help the province provide the extensive infrastructure which would be required.

Some of the inherited programs were also reoriented towards capitalizing on relative strengths. For example, under FRED programs, emphasis began to be placed on the development of local growth centres. Likewise, the long-established PFRA structure was used to provide infrastructure assistance (primarily water and sewer systems) to a number of key rural communities on the prairies which had been identified for development as agricultural service centres.

The Regional Development Incentives Act (RDIA) replaced ADIA, and introduced greater discretion in the designation of eligible areas and the determination of grants. Subsequently, a loan guarantee provision has

been introduced, designated areas have been redefined and grant maxima have been adjusted. In essence, however, the industrial grants program has retained its original intent and approach of responding to private sector proposals for establishment or improvement of manufacturing operations in economically lagging regions.

1972 Policy Review

Although the establishment of DREE appeared to provide a greater degree of coherence in regional programming, it was accepted that a good deal of experimentation would be required, and that policies and programs might have to be modified as experience was gained. This recognition, along with mounting criticisms concerning the need for a clearer definition of objectives and related strategies, the need for improved federal-provincial coordination and the uncertain benefits flowing to the broader regions of programs being targeted on a limited number of growth centres, led to a major policy review during 1972-73 and subsequently to yet another phase of regional policy.

The policy review examined in great detail the development prospects of each region and the requirements of how to facilitate the exploitation of the opportunities. Its major conclusions were that: 1) each region has its own unique set of developmental opportunities and that special measures, devised in relation to each, are needed to realize these opportunities; 2) the process of regional development should not limit itself to rather narrow programs focused on solving problems but include the process of identifying and pursuing in a flexible and imaginative way the many existing developmental opportunities; 3) regional development requires the effective cooperation of many federal, provincial and private agencies; 4) the identification and pursuit of developmental opportunities through effective federal-provincial cooperation can be achieved more readily through broad and flexible enabling agreements with each province; and, 5) the best way for DREE to organize for such a joint development process was to decentralize its activities and operational decision-making to regional and provincial offices.

In his report following the review, the Minister stated that his department's primary objective was now clearly to encourage all slow-growth regions of Canada to realize their potential for contributing to the economic and social development of the nation. While considerable emphasis and improved efforts would still be focused on the Atlantic provinces and Quebec, the scope and intensity of

activities would also increase in Northern Ontario, Manitoba and Saskatchewan and in the northern and rural areas of Alberta and British Columbia. In short the strategy was to focus upon and pursue limited and carefully defined objectives related to major developmental opportunities.

Existing DREE programs, such as ARDA, FRED and the Special Areas, were to continue until the agreements had been effectively completed. It was the intention, however, that the thrust of these activities, along with new ones, would eventually fall under the new instruments and organizational structures emerging from the policy review. These new mechanisms and approaches include General Development Agreements (GDAs) and their subsidiary agreements, a decentralized departmental structure for DREE, and a modified RDIA industrial incentives program.

The General Development Agreements became the framework for DREE's efforts to encourage coordinated federal and provincial action aimed at the realization of each region's potential for economic development. As DREE's perspective is long term, the GDAs were established with a ten-year time horizon. Each GDA provides a statement of federal-provincial development objectives in the province, and sets out a broad strategy on the basis of an analysis of the province's criteria for the implementation of the strategy through subsidiary agreements.

Although there are variations in the objectives from one province to another, they generally seek to improve opportunities for productive employment, and access to those opportunities, in areas that require special measures to facilitate economic expansion and social adjustment. Depending on the particular economic circumstances of a province, the objectives may emphasize improvement in standards of living, especially in relation to the national average or, alternatively, a more equitable distribution of socioeconomic development among geographic, industrial or social sectors within the province. The GDAs provide for continuing analysis of provincial social and economic circumstances and for the identification of specific opportunities for development which are both sound and important relative to the established objectives and priorities. Pursuit of an agreed opportunity is then handled under a subsidiary agreement.

Subsidiary agreements generally provide detailed plans of action, worked out jointly to take advantage of specific and well defined opportunities for development. GDAs provide criteria against which to evaluate initiatives which would be consistent with the general development

strategy for the province and which could be pursued under a sub-agreement. The criteria concern the impact of the opportunity on employment, on income, on the quality of life and on other factors regarded by the federal government and the province as being important in the development process. In view of relative provincial fiscal capacities and development needs, regional development priorities described earlier, Cabinet has endorsed the following maximum federal shares of costs for subsidiary agreements:

<u>Province</u>	<u>Maximum Federal Share</u>
Newfoundland	90%
Nova Scotia, New Brunswick	80%
Quebec, Manitoba, Saskatchewan, Yukon, and Northwest Territories	60%
Ontario, Alberta, British Columbia	50%

In Prince Edward Island, the Comprehensive Development Plan continues to 1984 on a 90/10 basis for most types of cost-shared activity.

Along with the differences in volume of sub-agreement activity across the country, this graduation in shares provides a general weighting of DREE efforts towards the slower growth regions. There is provision as well for flexibility at the level of specific proposals. These cost-sharing ratios represent the most favourable arrangements, from the provinces' viewpoint, that the federal government is prepared to consider. However, if it is judged that the province concerned attaches a relatively higher priority to a particular initiative than does the federal government, the province is required to contribute more than its minimum possible share. Examples of this kind of modification of sharing ratios include subsidiary agreements for highway construction in New Brunswick and mineral exploration in Manitoba and Saskatchewan.

Subsequent Evolution

In the months following the Cabinet's approval of the GDA approach, intensive consultation with the provincial governments led to the signing of nine GDAs (subsequently two more were signed with the territories) and to the detailed formulation of the initial set of subsidiary agreements, most of which had been identified as areas of potential involvement during the policy review. From early 1974 to February 18, 1980, 108 sub-agreements had been signed. These sub-agreements involve a total financial commitment of over \$5 billion, including a federal share of \$2.7 billion. The provincial distribution of this sub-agreement activity is listed on the next page.

Subsidiary Agreements

	<u>Number</u>	<u>Maximum Financial Provisions</u>	
		<u>Total</u>	<u>Federal</u>
Newfoundland	18	456.3	394.0
Nova Scotia	12	399.2	285.7
New Brunswick	17	460.3	346.7
Quebec	13	2,058.5	908.5
Ontario	10	412.5	181.6
Manitoba	7	292.8	187.3
Saskatchewan	12	474.0	213.8
Alberta	6	146.8	73.2
British Columbia	10	332.8	149.5
Yukon	2	12.6	9.6
Northwest Territories	<u>1</u>	<u>3.8</u>	<u>2.5</u>
Total	108	5,049.6	2,752.4

This development activity has been generated by working closely with provincial governments through a highly decentralized organization. Under the decentralization plan, four new regional offices were established in Moncton (Atlantic), Montreal (Quebec), Toronto (Ontario), and Saskatoon (West), each headed by an Assistant Deputy Minister (ADM). These regional offices have the basic responsibility for most ongoing analytical work. Each has a group of "regional development officers" responsible for the process of opportunity identification and pursuit, and the related mechanisms of coordination with the provinces. In addition, the provincial offices which report to the regional ADMs have been expanded to include a number of "analysis and development" officers with similar responsibilities at the provincial level, in particular, day-to-day liaison with the provincial governments. The bulk of responsibility for program development and implementation rests with the provincial offices.

In addition to its role of making the GDA approach more effective, decentralization also plays a large part in the administration of the modified industrial incentives program which emerged from the policy review. RDIA changes included relocation of boundaries, inclusion of some previously ineligible processing and service activities, more explicit consideration of job quality in the incentive formula and, perhaps most important, standardization of the formulae for small and medium-sized projects, with authority for their approval being delegated to provincial Directors General and regional ADMs respectively.

CURRENT PROGRAMS AND ACTIVITIES

CURRENT PROGRAMS AND ACTIVITIES

The present DREE approach to regional development relies on the support of various federal and provincial departments, whose programs contribute to the better balance of economic growth across the country. Through developmental agreements with each of the provinces, DREE coordinates particular development activities aimed at assisting and encouraging each region of Canada to realize its economic potential. These development activities attempt to broaden regional and local economic bases, expand production and employment opportunities and assist particular areas in dealing with problems of economic growth and related social adjustment. As well, the Department administers the regional development incentives program, which provides incentives to business and industry, and other programs, such as the Prairie Farm Rehabilitation Administration (PFRA) and Special ARDA, which serve the needs of some of Canada's rural areas.

Descriptions of the various programs and activities for which the Department is currently responsible are contained in this section. Also included are descriptions of the various Boards and Agencies which report to parliament through the Minister of Regional Economic Expansion or which report directly to the Minister.

GENERAL DEVELOPMENT AGREEMENTS

THE GENERAL DEVELOPMENT AGREEMENT MECHANISM

The framework for pursuing regional development objectives is based significantly upon General Development Agreements (GDAs) and the subsidiary agreements signed between the federal government and each province.

The GDAs provide a formal means to encourage coordinated federal and provincial action aimed at the realization of the potential of each region and province for economic and social development. These agreements provide a statement of objectives to be pursued and describe the extent of activity to be coordinated, the types of support to be provided, and the mechanism by which joint decisions can be taken. The agreements are enabling and flexible so that specific actions by both levels of government can be tailored to the specific needs of each area and its people, and to opportunities as they are identified. The specific programs carried out under the agreements therefore vary from time to time and from place to place.

The GDAs in themselves do not provide for specific commitments of resources for the implementation of programs or projects, but set up, over a 10-year period, the formal framework within which such commitments are made under subsidiary agreements. As such, each GDA includes objectives, a broad strategy to reach them on the basis of an analysis of the province's socioeconomic circumstances, authority to enter into subsidiary agreements, and an outline of the guidelines and criteria for the implementation of the strategy through the subsidiary agreements.

Although there are significant variations in the objectives from one province to another, they all generally include objectives along the lines of improving the opportunities for productive employment, and access to those opportunities, in those areas which require special measures to facilitate economic expansion and social adjustment. Depending on the particular economic circumstances of a province, the emphasis in the objectives is on the standards of living, especially in relation to the national average; or alternatively on a more equitable distribution of socioeconomic development among geographic, industrial or social sectors within the province.

The GDA strategies are basically similar. Each notes that Canada and the province will seek to achieve a coordinated application of relevant federal and provincial policies and programs through continuing:

- analysis and review of the economic and social circumstances of the province, and the province's relationship to the regional and national economy, as these may be relevant to achieving the stated objectives;
- identification of development opportunities and assistance in their realization through coordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization.

A broad strategy to apply this general approach to varying conditions and opportunities in the province is provided in the Schedule A appended to each GDA. Schedule A contains a brief analysis of the province's socioeconomic circumstances, on which is based a more elaborate statement of development objectives for the province. It also presents a general outline of priorities for federal-provincial initiatives.

The GDAs provide for subsidiary agreements to be entered into for the implementation of development initiatives agreed upon by the federal and provincial governments. These parts of the agreements also identify the criteria that should be taken into consideration in the formulation of subsidiary agreements in respect of the impact and cost of the initiatives: direct job creation, spin-off effects, implications for quality of life and environment, effect on immediate and future expenditures, and so forth.

The GDAs also call for annual meetings of relevant federal and provincial departments and of the federal and provincial ministers.

In 1974, GDAs were signed with all provinces except Prince Edward Island, which already had a 15-year Comprehensive Development Plan covering 1969 to 1984. GDAs have now also been signed with the Northwest Territories and Yukon territorial governments.

Subsidiary Agreements

Subsidiary agreements are a blueprint for activity in clearly defined areas of concern. The substance of each agreement is arrived at jointly by the provincial government and DREE, after a process of considerable consultation and analysis as to what constitute the developmental opportunities of the province, the priority that should be attached to each and the means by which they can be most effectively pursued.

Another significant aspect of the GDA approach is the on-going process of communication, cooperation and coordination which has developed between DREE and other federal government departments. Other federal departments and agencies are often involved in the development and implementation of subsidiary agreements and have frequently co-signed, co-funded and/or co-managed specific initiatives along with DREE and the provinces concerned.

The cost-sharing ratio in the subsidiary agreements varies from province to province, and, within a province, from agreement to agreement. The department, therefore, is authorized to assume up to 90 per cent of subsidiary agreement costs with Newfoundland, 80 per cent with Nova Scotia and New Brunswick, 60 per cent with Quebec, Manitoba, Saskatchewan, Yukon and Northwest Territories and 50 per cent with Ontario, Alberta and British Columbia. The average federal share runs below these maximum levels, at least in those provinces where the maximum level is above 50 per cent.

As of February 18, 1980, a total of 108 subsidiary agreements and 40 major amendments had been signed. The total value of these agreements is more than \$5 billion, with a total commitment by Canada of over \$2.7 billion.

ACTIVE
MAXIMUM FINANCIAL PROVISIONS OF SIGNED SUB-AGREEMENTS
AS OF FEBRUARY 18, 1980

NEWFOUNDLAND	TOTAL	FEDERAL SHARE	PROVINCIAL SHARE	OTHER
Forestry	\$ 66 522 155	\$ 58 178 500	\$ 8 343 655	
Gros Morne	22 935 200	20 641 680	2 293 520	
NORDCO	4 910 080	4 419 072	491 008	
St. John's Urban	68 000 000	51 000 000	17 000 000	
Highways 1976-81	101 160 000	88 244 000	12 916 000	
Planning	6 385 000	4 000 000	2 385 000	
Inshore Fisheries	11 761 000	10 584 900	1 176 100	
Labrador Interim	22 097 000	19 662 300	2 434 700	
Mineral	12 458 000	11 212 200	1 245 800	
Tourism	13 264 600	11 938 140	1 326 460	
Agriculture	16 341 300	14 707 170	1 634 130	
Rural	14 580 000	13 122 000	1 458 000	
Stephenville	15 000 000	13 500 000	1 500 000	
Industrial	26 650 000	23 985 000	2 665 000	
<u>NOVA SCOTIA</u>				
Mineral	19 838 000	15 870 400	3 967 600	
Halifax-Dartmouth	109 818 800	79 997 000	29 821 800	
Canso	26 009 800	19 265 000	6 744 800	
Agriculture	48 217 000	29 980 000	18 237 000	
Industrial	23 789 000	19 031 200	4 757 800	
Planning	5 000 000	2 500 000	2 500 000	
Forestry	60 537 500	36 142 000	24 395 500	
Tourism	13 750 000	11 000 000	2 750 000	
Energy	24 875 000	19 000 000	5 875 000	
Panamax Dry Dock	43 500 000	34 800 000	8 700 000	
<u>NEW BRUNSWICK</u>				
Forestry	74 228 500	58 902 800	15 325 700	
Industrial	30 227 750	24 182 200	6 045 550	
Kent Region	7 751 000	6 200 800	1 550 200	
Saint John & Moncton	51 200 000	35 840 000	15 360 000	
Planning	4 875 000	2 437 500	2 437 500	
Tourism	14 743 000	11 794 400	2 948 600	
Minerals & Fuels	11 313 125	9 050 500	2 262 625	
Highways 1977-80	56 000 000	42 000 000	14 000 000	
Northeast	95 500 000	67 175 000	28 325 000	
Agricultural #2	34 622 500	27 698 000	6 924 500	
Developing Regions	26 274 000	20 401 500	5 872 500	
<u>QUEBEC</u>				
Key Highways	448 775 000	205 505 000	243 270 000	
Forestry	322 333 000	193 400 000	128 933 000	
Industrial Infra.	137 670 000	82 602 000	55 068 000	
Agriculture	103 266 000	61 960 000	41 306 000	
Mineral	28 600 000	17 160 000	11 440 000	
St-Félicien	298 000 000	30 000 000	20 000 000	\$248 000 000
PICA	13 292 000	7 975 200	5 316 800	
Water Treatment	200 000 000	120 000 000	80 000 000	
Tourism	76 000 000	45 600 000	30 400 000	
Public Infra.	34 876 000	23 261 000	11 615 000	
Pulp and Paper	150 000 000	90 000 000	60 000 000	
<u>ONTARIO</u>				
Northeastern	29 920 000	14 960 000	14 960 000	
Single-Industry	19 800 000	10 205 000	9 595 000	
Community & Rural	9 456 650	4 728 325	4 728 325	
Forest	82 236 500	41 118 250	41 118 250	
Pulp and Paper	150 000 000	50 000 000	100 000 000	
Eastern	50 350 000	25 175 000	25 175 000	
<u>MANITOBA</u>				
Northlands	155 416 000	106 009 000	49 407 000	
Industrial	44 000 000	26 400 000	17 600 000	
Value-Added	18 500 000	11 100 000	7 400 000	
Tourism	20 000 000	12 000 000	8 000 000	
<u>SASKATCHEWAN</u>				
Steel	182 800 000	35 000 000	10 000 000	137 800 000
Qu'Appelle	33 700 000	17 960 000	15 740 000	
Interim Mineral	2 469 500	1 234 750	1 234 750	
Northlands	127 000 000	87 000 000	40 000 000	
Forestry	24 000 000	12 000 000	12 000 000	
Agriculture	15 320 000	7 660 000	7 660 000	
Interim Water	15 250 000	7 900 000	7 350 000	
Planning 1979-84	1 500 000	750 000	750 000	
<u>ALBERTA</u>				
Nutritive	17 000 000	8 500 000	8 500 000	
North	55 000 000	32 500 000	22 500 000	
<u>BRITISH COLUMBIA</u>				
Coal - 1977-78	10 000 000	5 000 000	5 000 000	
Industrial	70 000 000	35 000 000	35 000 000	
Agriculture	86 750 000	30 000 000	30 000 000	26 750 000
Travel	50 000 000	25 000 000	25 000 000	
Intensive Forest	50 000 000	25 000 000	25 000 000	
<u>YUKON</u>				
Renewable Resource	6 600 000	4 520 000	2 080 000	
Interim Tourism	6 000 000	5 100 000	900 000	
<u>NORTHWEST TERRITORIES</u>				
Interim Community	3 833 000	2 460 000	1 373 000	
TOTAL ACTIVE:	\$4 333 847 960	\$2 440 206 787	\$1 481 091 173	\$412 550 000

EXPIRED
MAXIMUM FINANCIAL PROVISIONS OF SIGNED SUB-AGREEMENTS
AS OF FEBRUARY 18, 1980

<u>NEWFOUNDLAND</u>	<u>TOTAL</u>	<u>FEDERAL SHARE</u>	<u>PROVINCIAL SHARE</u>	<u>OTHER</u>
Highways 1974-75	\$ 13 864 444	\$ 12 478 000	\$ 1 386 444	
Fisheries Marine	12 000 000	10 800 000	1 200 000	
Special Fish	6 130 000	5 517 000	613 000	
Highways 1975-76	22 222 000	20 000 000	2 222 000	
<u>NOVA SCOTIA</u>				
Cape Breton	4 300 000	3 010 000	1 290 000	
SYSCO	19 500 000	15 156 000	4 344 000	
<u>NEW BRUNSWICK</u>				
Highways 1974-75	13 335 000	10 000 000	3 335 000	
Agricultural #1	11 840 975	9 472 780	2 368 195	
King's Landing	4 393 000	3 514 400	878 600	
Miramichi	351 440	263 580	87 860	
Highways 1975-76	11 690 000	8 767 500	2 922 500	
Highways 1976-77	12 000 000	9 000 000	3 000 000	
<u>QUEBEC</u>				
SIDBEC	243 716 000	30 000 000	8 608 000	\$205 108 000
Industrial Studies	2 000 000	1 000 000	1 000 000	
<u>ONTARIO</u>				
Cornwall	16 255 000	8 127 500	8 127 500	
Northwestern	50 888 650	25 444 325	25 444 325	
Dryden	3 200 996	1 600 498	1 600 498	
Interim Northlands	427 500	213 750	213 750	
<u>MANITOBA</u>				
Interim Northlands	43 813 850	26 288 310	17 525 540	
Planning	2 600 000	1 300 000	1 300 000	
Mineral	8 500 000	4 250 000	4 250 000	
<u>SASKATCHEWAN</u>				
Mineral	4 350 000	2 175 000	2 175 000	
Interim Northlands	63 300 000	39 980 000	23 320 000	
Planning	2 600 000	1 300 000	1 300 000	
Agribition	1 700 000	850 000	850 000	
<u>ALBERTA</u>				
1974-75 Transpo.	14 314 000	5 000 000	9 314 000	
Interim North	14 423 728	7 211 864	7 211 864	
1975-76 Transpo.	16 046 000	5 000 000	11 046 000	
1976-79 Transpo.	30 000 000	15 000 000	15 000 000	
<u>BRITISH COLUMBIA</u>				
1974-75 Highways	16 000 000	5 000 000	11 000 000	
Fort Nelson	7 000 000	3 000 000	3 000 000	1 000 000
1975-76 Highways	10 000 000	5 000 000	5 000 000	
Coal	3 000 000	1 500 000	1 500 000	
1976-79 Highways	30 000 000	15 000 000	15 000 000	
TOTAL EXPIRED:	\$715 761 583	\$312 220 507	\$197 433 076	\$206 108 000
GRAND TOTAL: (Active and Expired)	\$5 049 609 543	\$2 752 427 294	\$1 678 524 249	\$618 658 000

ABBREVIATIONS AND ACRONYMS

AGR	Agriculture Canada
CEIC	Canada Employment and Immigration Commission
CFS	Canadian Forestry Service
CGOT	Canadian Government Office of Tourism
CMHC	Canada Mortgage and Housing Corporation
EMR	Energy, Mines and Resources
FBDB	Federal Business Development Bank
FE	Fisheries and Environment
FIN	Finance
HW	Health and Welfare
INA	Indian and Northern Affairs
IT&C	Industry, Trade and Commerce
MSED	Ministry of State for Economic Development
MSFPR	Ministry of State for Federal-Provincial Relations
MSUA	Ministry of State for Urban Affairs
PCO	Privy Council Office
PW	Public Works
TC	Transport Canada

SUBSIDIARY AGREEMENTS
 PARTICIPATION OF OTHER FEDERAL DEPARTMENTS
ACTIVE AGREEMENT AS OF FEBRUARY 18, 1980

	<u>Co-Signed</u>	<u>Cost-Shared</u>	<u>Co-Managed</u>
<u>NEWFOUNDLAND</u>			
Forestry			CFS/CEIC
Gros Morne			INA
NORDCO			IT&C/EMR/FE
St. John's Urban			MSUA/CMHC
Highways, 1976-81			TC
Inshore Fisheries			FE
Labrador Interim		HW \$1,404,000	PW
Mineral	EMR	EMR 5,606,100	EMR
Tourism	IT&C		IT&C
Agriculture	AGR	AGR 1,800,000	AGR
Industrial			IT&C
<u>NOVA SCOTIA</u>			
Mineral			EMR
Halifax-Dartmouth	PW/MSUA		
Agriculture			AGR
Forestry	FE		CFS/CEIC
Tourism	IT&C		CGOT/CEIC
Energy	EMR		EMR/FIN
<u>NEW BRUNSWICK</u>			
Forestry			CFS/CEIC
Tourism	IT&C		
Mineral & Fuels	EMR		
Highways, 1977-80			TC/PW
Agriculture #2	AGR		AGR
<u>QUEBEC</u>			
Key Highways			TC
Forestry			FE
Industrial Infra.			FE
Agriculture			AGR
Mineral			EMR
Water Treatment	MSFPR		CMHC
Tourism	MSFPR/IT&C		IT&C
Public Infrastructure	CEIC/MSFPR	CEIC 228,518	CEIC
Pulp and Paper			FE/CEIC

	<u>Co-Signed</u>	<u>Cost-Shared</u>	<u>Co-Managed</u>
<u>ONTARIO</u>			
Northeastern Single-Industry		CMHC \$ 1,663,000 CMHC 386,214 TC 150,000 INA 305,000	INA
Community & Rural Forestry Pulp and Paper Eastern	FE MSED AGR		CFS FE/TC
<u>MANITOBA</u>			
Northlands	CEIC/TC/INA	CEIC 5,516,000 TC 12,500,000 INA 14,993,000	
Industrial Value-Added Tourism	IT&C AGR IT&C	IT&C 1,000,000	IT&C/FBDB AGR IT&C
<u>SASKATCHEWAN</u>			
Steel Qu'Appelle	EMR/IT&C INA/FE/IT&C	FE 9,000,000 INA 1,200,000 IT&C 16,320	FIN/EMR/IT&C FE/IT&C/INA
Interim Mineral Northlands	EMR TC/CEIC/INA	EMR 400,000 CEIC 9,000,000 TC 12,500,000 INA 7,200,000	EMR TC/CEIC/INA
Forestry Agriculture Interim Water	FE AGR FE		FE AGR FE
<u>ALBERTA</u>			
North	INA/CEIC	INA 5,000,000	INA/CEIC
<u>BRITISH COLUMBIA</u>			
Coal, 1977-78 Industrial Agriculture Travel Intensive Forest	EMR/IT&C/TC IT&C AGR IT&C FE		EMR/TC IT&C/FBDB IT&C FE

	<u>Co-Signed</u>	<u>Cost-Shared</u>	<u>Co-Managed</u>
<u>YUKON</u>			
Renewable Resource	INA	INA \$1,400,000	INA
Interim Tourism	INA/IT&C	INA 1,500,000	INA/CGOT/CEIC
<u>NORTHWEST TERRITORIES</u>			
Interim Community	INA	INA 460,000	INA

SUBSIDIARY AGREEMENTS
 PARTICIPATION OF OTHER FEDERAL DEPARTMENTS
TERMINATED AGREEMENTS AS OF FEBRUARY 18, 1980

	<u>Co-Signed</u>	<u>Cost-Shared</u>	<u>Co-Managed</u>
<u>NEWFOUNDLAND</u>			
Highways, 1974-75			TC
Fisheries Marine			FE
Special Fish			FE
Highways, 1975-76			TC
<u>NOVA SCOTIA</u>			
SYSCO	PCO		
<u>NEW BRUNSWICK</u>			
Highways, 1974-75	PW		
Agriculture #1	AGR		AGR
Miramichi	TC/PW/FE		
<u>ONTARIO</u>			
Cornwall			PW
Northwestern	CEIC		PW
Dryden			PW
Interim Northlands		CEIC \$ 130,000	CEIC/INA
<u>MANITOBA</u>			
Interim Northlands	TC	TC 4,500,000	
Mineral	EMR	EMR 2,525,000	EMR
<u>SASKATCHEWAN</u>			
Mineral	EMR	EMR 1,087,500	EMR
Interim Northlands	TC	TC 10,000,000	
		INA 2,000,000	
Agribition	AGR		AGR
<u>ALBERTA</u>			
1974-75 Transportation	TC	TC 2,500,000	
1975-76 Transportation	TC	TC 2,500,000	TC
1976-79 Transportation	TC	TC 7,500,000	TC

	<u>Co-Signed</u>	<u>Cost-Shared</u>	<u>Co-Managed</u>
<u>BRITISH COLUMBIA</u>			
1974-75 Highways	TC	TC \$ 2,500,000	
Fort Nelson		CMHC 1,100,000	CMHC
1975-76 Highways	TC	TC 2,500,000	TC
Coal	EMR/IT&C/TC		EMR/TC
1976-79 Highways	TC	TC 7,500,000	TC

*Amendments to increase federal funding

February 18, 1980

GENERAL DEVELOPMENT AND
SUBSIDIARY AGREEMENTS

<u>NEWFOUNDLAND</u>	<u>SIGNED</u>	<u>TERMINATING</u>
GDA	01/02/74	31/03/84
Subsidiary Agreements		
Forestry	26/04/74	31/03/83
Amendment 1	*27/01/75	
2	15/04/76	
3	20/06/77	
4	31/03/78	
5	17/07/78	
6	15/01/79	
7	*11/06/79	
8	07/09/79	
9	28/09/79	
Gros Morne Park Area Development	28/05/74	31/03/81
Amendment 1	22/12/75	
2	20/08/76	
3	*22/04/77	
4	31/05/78	
5	13/07/79	
Highways 1974-75	28/05/74	31/03/75
Amendment 1	*12/12/74	
2	20/03/75	
Fisheries Marine Service Centre Program	15/10/74	31/03/78
Amendment 1	10/11/75	
2	28/03/77	
3	21/09/77	
4	23/03/78	
Special Fish Plant Water System	15/10/74	31/03/78
Amendment 1	23/01/76	
2	31/03/77	
3	23/03/78	
Ocean Research and Development (NORDCO)	23/05/75	31/03/80
Amendment 1	06/03/79	
Highways 1975-76	28/05/75	31/03/76
Amendment 1	12/08/75	
St. John's Urban Region	23/07/75	31/03/80
Amendment 1	27/10/78	

	<u>SIGNED</u>	<u>TERMINATING</u>
Highways 1976-81	22/06/76	31/03/81
Amendment 1	14/07/76	
2	29/04/77	
3	*08/08/77	
4	18/02/78	
5	*14/07/78	
Planning	22/06/76	31/03/82
Amendment 1	19/04/79	
Inshore Fisheries Development	22/06/76	31/03/81
Amendment 1	05/11/76	
2	21/06/77	
3	06/09/77	
4	09/05/78	
5	13/07/78	
6	*21/12/78	
7	20/03/79	
Labrador Interim	03/12/76	31/03/81
Amendment 1	*22/02/78	
2	12/05/78	
3	*19/10/78	
4	25/07/79	
Mineral Development	17/12/76	31/12/81
Amendment 1	28/04/77	
Tourism Development	22/02/78	31/03/83
Agriculture Development	14/07/78	31/03/83
Amendment 1	28/05/79	
Rural Development	14/07/78	31/03/83
Stephenville Mill Conversion and Reactivation	11/06/79	31/03/81
Industrial Development	11/06/79	31/03/84

		<u>SIGNED</u>	<u>TERMINATING</u>
<u>NOVA SCOTIA</u>			
GDA		12/09/74	31/03/84
Subsidiary Agreements			
Mineral Development		17/02/75	31/03/80
Amendment	1	14/04/77	
	2	*28/06/77	
	3	*04/08/77	
	4	03/02/78	
	5	09/02/78	
	6	09/02/78	
	7	*19/05/78	
	8	29/03/79	
Metropolitan Halifax-Dartmouth Area			
Development		31/03/75	31/03/82
Amendment	1	11/09/75	
	2 (Revised)	28/06/76	
	3	28/04/76	
	4	17/03/77	
	5	21/04/77	
	6	16/03/78	
	7	01/08/78	
	8	21/09/78	
	9	14/02/79	
	10	18/01/80	
Strait of Canso Area Development		31/03/75	31/03/80
Amendment	1	15/08/75	
	2	18/06/76	
	3	21/12/76	
	4	21/12/76	
	5	21/12/76	
	6	22/07/77	
	7	01/02/78	
	8	21/03/78	
	9	14/06/78	
	10	08/02/79	
	11	10/05/79	
	12	14/06/79	
Agriculture Development		22/06/76	31/03/81
Amendment	1	22/07/76	
	2	09/02/77	
	3	31/03/78	
	4	02/06/78	
	5	16/07/79	

	<u>SIGNED</u>	<u>TERMINATING</u>
Industrial Development	22/06/76	31/03/81
Amendment 1	28/09/76	
2	10/02/77	
3	17/05/78	
4	02/05/78	
5	09/06/78	
6	14/09/78	
7	01/11/78	
8	20/11/78	
9	30/03/79	
10	20/08/79	
11	17/09/79	
12	*09/11/79	
Planning	22/06/76	31/03/82
Amendment 1	06/12/79	
Interim Cape Breton County Development	07/01/77	31/03/78
Amendment 1	07/07/77	
2	21/11/77	
3	05/04/78	
4	18/09/78	
5	14/03/79	
Forestry	28/06/77	31/03/82
Amendment 1	14/07/77	
2	*24/07/78	
3	01/02/80	
Tourism Development	28/06/77	31/03/82
Amendment 1	29/06/78	
2	31/10/78	
3	16/05/79	
4	27/06/79	
5	16/10/79	
6	15/02/80	
Sydney Steel Corporation Assistance Program	23/12/77	31/03/79
Amendment 1	09/05/78	
2	14/07/78	
3	30/11/78	
4	01/02/79	
5	29/03/79	
6	31/08/79	
7	28/09/79	
Energy Conservation	04/07/78	31/03/83
Halifax Panamax Dry Dock	22/01/80	31/03/85

	<u>SIGNED</u>	<u>TERMINATING</u>
<u>NEW BRUNSWICK</u>		
GDA	23/04/74	31/03/84
Subsidiary Agreements		
Highways 1974-75	24/06/74	31/03/75
Agricultural Development	17/02/75	31/03/78
Amendment 1	24/03/76	
2	08/11/76	
3	09/11/76	
4	*11/02/77	
5	19/09/77	
6	31/03/78	
7	31/03/78	
Forestry	17/02/75	31/03/82
Amendment 1	27/02/76	
2	31/03/77	
3	*21/07/78	
4	09/03/79	
5	*29/03/79	
6	31/03/79	
Industrial Development	17/02/75	31/03/80
Amendment 1	11/02/77	
2	22/03/79	
Kent Region Pilot Project	17/02/75	31/03/80
Amendment 1	*11/02/77	
King's Landing Historical Settlement	17/02/75	31/03/77
Amendment 1	31/03/77	
Miramichi Channel Study	17/02/75	31/03/75
Saint John and Moncton Arterial Highways	17/02/75	31/03/81
Amendment 1	16/12/75	
2	13/12/77	
3	*22/03/78	
4	28/11/78	
5	22/03/79	
6	23/07/79	
Highways 1975-76	16/12/75	31/03/76
Amendment 1	31/03/76	
Planning	16/12/75	31/03/80

	<u>SIGNED</u>	<u>TERMINATING</u>
Tourism Development	16/12/75	31/03/80
Amendment 1	28/10/77	
2	*22/03/78	
3	18/02/80	
Minerals and Fuels Development	24/06/76	31/03/81
Highways 1976-77	24/06/76	31/03/77
Amendment 1	08/03/77	
Highways 1977-80	11/02/77	31/03/80
Amendment 1	10/02/78	
2	29/11/78	
3	30/03/79	
4	09/01/80	
Northeast New Brunswick	23/06/77	31/03/82
Amendment 1	30/01/78	
2	11/02/78	
3	18/02/80	
Development of Agricultural Resources	22/03/78	31/03/83
Developing Regions	17/05/79	31/03/83
Amendment 1	24/09/79	
2	29/01/80	
<u>QUEBEC</u>		
GDA	15/03/74	31/03/84
Subsidiary Agreements		
Financing of the 1974-78 SIDBEC Expansion Plan	15/03/74	31/03/78
Amendment 1	15/07/75	
Key Highway Networks	13/09/74	31/03/82
Amendment 1	*31/03/76	
2	*22/06/77	
3	*30/03/78	
Forest Development	26/03/75	31/03/84
Amendment 1	09/12/76	
2	*22/06/77	
3	*15/05/79	
Industrial Infrastructure	26/03/75	31/03/83
Amendment 1	09/12/76	
2	*24/01/78	
Industrial Studies	29/03/76	31/03/77

	<u>SIGNED</u>	<u>TERMINATING</u>
Agricultural Development Amendment 1	29/03/76 *22/06/77	31/03/82
Mineral Development Amendment 1 2	29/03/76 25/03/77 15/03/78	31/03/80
Establishment of a Bleached Kraft Pulp Mill at Saint-Félicien Amendment 1 2	21/04/76 10/03/78 20/09/78	31/03/80
Airport Industrial and Commercial Park (PICA) Amendment 1 2	18/06/76 25/11/77 07/03/79	31/03/82
Water Treatment Facilities for the Montreal Area Amendment 1	30/03/78 07/12/78	31/03/82
Tourism Development	06/04/78	31/03/83
Public Infrastructure Amendment 1 2	16/05/78 31/05/79 26/10/79	31/03/81
Modernization of the Pulp and Paper Industry	15/05/79	31/03/84
<u>ONTARIO</u>		
GDA Subsidiary Agreements Cornwall Area Amendment 1 2	26/02/74 26/02/74 17/07/75 26/10/76	31/03/84 31/03/77
Northwestern Ontario Amendment 1 2 3 4 5 6 7 8	23/05/74 *25/08/75 12/12/75 12/12/75 31/03/77 *19/07/77 21/03/78 29/12/78 07/03/79	31/03/79
Dryden Development Infrastructure	24/03/75	31/03/77

	<u>SIGNED</u>	<u>TERMINATING</u>
Interim Ontario Northlands	07/07/75	31/03/78
Amendment 1	19/10/76	
2	27/05/77	
Northeastern Ontario	25/03/76	31/03/82
Amendment 1	*28/07/76	
2	21/03/78	
3	*05/10/78	
4	10/10/78	
5	*11/12/79	
Single-Industry Resource Communities	18/10/76	31/03/81
Amendment 1	19/07/77	
2	*19/07/77	
3	*25/10/78	
4	09/01/79	
Community and Rural Resource Development	07/12/77	31/03/83
Amendment 1	*19/06/78	
2	*25/10/78	
3	08/12/78	
Forest Management	08/12/78	30/09/83
Pulp and Paper Industry Facilities Improvement	15/05/79	31/03/84
Amendment 1	13/12/79	
Eastern Ontario	20/12/79	31/03/84
<u>MANITOBA</u>		
GDA	05/06/74	31/03/84
Subsidiary Agreements		
Interim Manitoba Northlands	05/06/74	31/03/76
Amendment 1	*11/02/75	
Planning	11/02/75	31/03/77
Mineral Exploration and Development	31/03/76	31/03/79
Manitoba Northlands	15/09/76	31/03/81
Amendment 1	*30/03/79	
2	30/03/79	
Industrial Development	21/04/78	31/03/83
Value-Added Crops Production	15/12/78	31/03/84
Tourism Development	15/12/78	31/03/84

	<u>SIGNED</u>	<u>TERMINATING</u>
<u>SASKATCHEWAN</u>		
GDA	11/02/74	31/03/84
Subsidiary Agreements		
Mineral Exploration and Development in Northern Saskatchewan	21/06/74	31/03/78
Iron, Steel and Other Related Metal Industries Amendment 1	04/07/74 29/03/79	31/03/80
Interim Saskatchewan Northlands Amendment 1	18/08/75	31/03/78
2	*30/03/77 20/03/78	
Planning Amendment 1	18/08/75	31/03/79
2	19/11/76 30/03/78	
Qu'Appelle Valley	06/10/75	31/03/84
Expand Facilities Used by Canadian Western Agribition and Mexabition	28/07/77	31/03/79
Interim Mineral Development	19/07/78	31/03/80
Northlands	28/08/78	31/03/83
Forest Development	17/05/79	31/03/82
Productivity Enhancement and Technology Transfer in Agriculture	17/05/79	31/03/82
Interim Water Development for Regional Economic Expansion and Drought Proofing	17/05/79	31/03/82
Planning 1979-84	17/05/79	31/03/84
<u>ALBERTA</u>		
GDA	06/03/74	31/03/84
Subsidiary Agreements		
1974-75 Northern Transportation	28/08/74	31/03/75
Interim Alberta North Amendment 1	11/03/75	31/03/78
2	*21/01/76	
3	24/03/77 07/02/78	

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Nutritive Processing Assistance	11/03/75	30/09/80
Amendment 1	05/04/76	
2	27/05/77	
3	24/11/77	
4	02/05/78	
5	30/05/79	
6	17/12/79	
7	30/01/80	
1975-76 Western Northlands Northern Alberta Transportation	21/01/76	31/03/76
1976-79 Western Northlands Northern Alberta Transportation	18/02/77	31/03/79
Alberta North Amendment 1	08/02/78 15/08/79	31/03/82
<u>BRITISH COLUMBIA</u>		
GDA	28/03/74	31/03/84
Subsidiary Agreements		
1974-75 Northern Highways	28/08/74	31/03/75
Fort Nelson	23/09/75	30/09/78
Amendment 1	28/03/78	
1975-76 Western Northlands Highways in Northern British Columbia	12/02/76	31/03/76
Evaluate Northeast Coal and Related Developments	28/01/77	31/03/77
1976-79 Western Northlands Highways in Northern British Columbia	31/03/77	31/03/79
Evaluate Northeast Coal and Related Developments - 1977-78	10/05/77	31/03/80
Amendment 1	30/03/78	
Industrial Development	08/07/77	31/03/82
Amendment 1	11/04/79	
2	29/06/79	
Agriculture and Rural Development	08/07/77	31/07/82
Travel Industry Development	17/10/78	17/10/83
Intensive Forest Management	17/05/79	31/03/84

	<u>SIGNED</u>	<u>TERMINATING</u>
<u>YUKON</u>		
GDA	17/08/77	31/03/82
Subsidiary Agreements		
Renewable Resource Development	04/04/79	31/03/82
Interim Tourism Development	14/02/80	31/03/82
<u>NORTHWEST TERRITORIES</u>		
GDA	04/04/79	31/03/84
Subsidiary Agreement		
Interim Community Economic Development	04/04/79	31/03/81

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

The Regional Development Incentives program is an important component of DREE programming and complements the GDA strategies. Its main objective is to stimulate and preserve productive employment opportunities by encouraging manufacturing and processing investment in the regions of Canada which are designated as requiring special assistance. The legislative base of the program is the Regional Development Incentives Act and certain sections of the Department of Regional Economic Expansion Act, both of which were passed in 1969.

The Regional Development Incentives Act and the Department of Regional Economic Expansion Act provide for development incentives in support of the establishment, modernization or expansion of manufacturing and certain other facilities. The incentives, which may take the form of outright grants, repayable development incentives, or loan guarantees, are made available as a means of increasing or maintaining employment opportunities in broad regions and special areas designated by the Governor in Council as requiring special measures to facilitate economic expansion and social adjustment. Regions have been designated in all provinces as well as the Yukon and Northwest Territories. Effective July 1, 1977 to June 30, 1980, Montreal, its satellite towns and a broad surrounding area were designated a special area under the Department of Regional Economic Expansion Act. The program was designed to offer incentives to high-productivity and rapid-growth manufacturing enterprises wishing to locate, expand or modernize in the Montreal Area.

Amendments to the Montreal Special Area Program were announced December 5, 1979. The Montreal Special Area will be expanded and divided into two areas, with separate incentive systems. Area I comprises the City of Montreal and a small surrounding area. In this area, incentives to industries will continue to be governed by the principle of industrial selectivity and two more industry groups will become eligible. Area II includes a number of satellite cities and towns and the outer region, together with a certain portion of the Outaouais region. Firms in all manufacturing groups can receive incentives. Finally, industrial research will become eligible for DREE incentives. The modified program will start on April 1, 1980, and terminate March 31, 1984.

The Regional Development Incentives program is federally funded and administered. However, provinces are consulted prior to the designation of regions within their borders. There is also substantial consultation with other federal departments and provincial governments on major incentive projects and on smaller ones in industries that are "sensitive" in terms of such factors as infrastructure requirements and resource or environmental concerns.

Since inception of the program on July 1, 1969 to December 31, 1979, over \$884.1 million has been committed in regional development incentives. These grants are based on a total of 6,068 offers which were expected, at the time made, to generate investments in eligible assets totalling about \$4.2 billion and to create more than 148,000 new jobs (not counting those created by indirect or "multiplier effects").

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

Breakdown of Net Accepted Offers During Calendar Year 1979

Province/ Territory	Net Accepted Offers	Estimated Amount of Incentive \$000	Expected Eligible Investment \$000	Expected Direct Jobs
Newfoundland	35	3 643	13 265	648
Nova Scotia	87	11 732	33 224	1 395
Prince Edward Island	27	1 621	6 419	231
New Brunswick	72	14 008	38 547	1 456
Quebec	558	87 252	417 800	10 623
Ontario	52	13 663	56 198	960
Manitoba	114	15 704	70 911	2 127
Saskatchewan	30	3 917	14 264	523
Alberta	6	592	1 818	93
British Columbia	15	2 327	8 561	232
Yukon	2	46	130	6
Northwest Territories	1	37	185	8
TOTAL	999	154 542	661 322	18 302

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

Breakdown of Net Accepted Offers,
April 1, 1969 to December 31, 1979*

Province/ Territory	Net Accepted Offers	Estimated Amount of Incentive \$000	Expected Eligible Investment \$000	Expected Direct Jobs
Newfoundland	195	28 743	94 874	4 921
Nova Scotia	470	84 410	338 466	10 899
Prince Edward Island	164	16 265	47 453	2 705
New Brunswick	463	85 219	280 958	10 262
Quebec	3 301	416 559	2 152 528	83 476
Ontario	400	87 263	465 642	11 798
Manitoba	670	84 107	383 510	14 394
Saskatchewan	240	36 495	163 329	5 818
Alberta	86	33 479	203 710	2 571
British Columbia	71	11 317	47 981	1 586
Yukon	2	46	131	6
Northwest Territories	6	194	758	41
TOTAL	6 068	884 097	4 179 340	148 477

* As of December 31, 1979, the net offers accepted since 1969 have resulted in 2,908 completed projects, 368 discontinued projects, and 2,792 projects which are still active. For completed and discontinued projects, actual data are of course known, (e.g., completed projects have resulted in 86,775 actual direct jobs, and discontinued projects in no such jobs). On the other hand, for projects that are still active, the figures are still estimated. Although the figures have been combined in this table for sake of brevity, it should be noted that actual and estimated data are thereby mixed, and totals should be viewed with this in mind.

OTHER PROGRAMS

PRAIRIE FARM REHABILITATION ACT

This act is administered by the Prairie Farm Rehabilitation Administration (PFRA). The Prairie Farm Rehabilitation Administration, with headquarters in Regina, Saskatchewan, began in 1935 and was incorporated into DREE when the department was established in 1969.

The Prairie Farm Rehabilitation Act was passed by Parliament in 1935 to assist in the reclamation of agricultural lands seriously affected by drought and soil drifting in Manitoba, Saskatchewan and Alberta. Subsequent amendments to the act widened the scope of the Administration's activities.

PFRA provides ongoing programs and projects to conserve and develop the soil and water resources of Manitoba, Saskatchewan and Alberta. These activities are designed to develop and promote improved systems of farm practice, tree culture, water supply and land utilization that will result in greater economic security for residents of the area. In addition, PFRA administers the Agricultural Service Centres program, which was introduced to develop water-supply and sewage-disposal systems in selected prairie communities which function as major service centres for the surrounding agricultural areas. PFRA is also responsible for implementation aspects of the Canada-Saskatchewan Interim Subsidiary Agreement on Water for Regional Economic Expansion and Drought Proofing.

Under the Prairie Farm Rehabilitation Act, the department may enter into agreements with each of the three provinces, municipalities or individuals with respect to carrying out the general purpose of the act.

The areas addressed by PFRA programs of soil and water conservation and development, and drought proofing, are prime elements in the building blocks of long-term economic and social development on the prairies.

PFRA expenditures were approximately \$281.9 million for the period April 1, 1969 to December 31, 1979.

AGRICULTURAL AND RURAL DEVELOPMENT ACT (ARDA)

ARDA Agreements

The Agricultural and Rural Development Act was passed by Parliament in 1961 to alleviate rural problems of unemployment and social disadvantage. The first federal-provincial ARDA agreements were signed with each of the 10 provinces in 1962. Subsequent activity continued under a series of agreements.

Cost-shared federal-provincial projects have included land use and farm adjustment, economic development of rural areas, as well as soil and water conservation.

The last ARDA agreement, that with Ontario, ended March 31, 1979. The legislation remains in effect, however, and commitments are continuing on projects approved before termination of the various agreements with the provinces. In most provinces, ARDA-type activities are now being carried out through subsidiary agreements under the General Development Agreements.

From April 1, 1969 to December 31, 1979, DREE expenditures under the ARDA agreements have amounted to approximately \$227.3 million.

SPECIAL ARDA AGREEMENT

Under the authority of the Agricultural and Rural Development Act, Special Rural Development Agreements were signed in 1971 and 1972 with the four western provinces to help improve the economic circumstances of people of native ancestry living in rural areas. This program is known as Special ARDA. At present, agreements exist with the governments of Manitoba, Saskatchewan, British Columbia, Yukon and the Northwest Territories. These agreements provide for programs to ensure that rural residents, particularly those of native ancestry, are able to benefit from rural development programs in terms of increased employment and income, and better living conditions.

Specifically, Special ARDA provides incentive grants to encourage native people to start commercial ventures, and helps to improve incomes of those engaged in fishing and trapping and other primary producing activities. Financial incentives to commercial enterprises are funded wholly by DREE; other socio-economic development activities are cost-shared by DREE and the provinces. In some instances, additional federal financing is provided by the Department of Indian Affairs and Northern Development.

From inception of the Special ARDA agreements to December 31, 1979, DREE expenditures under these agreements have amounted to approximately \$33.2 million.

CANADA-PRINCE EDWARD ISLAND
COMPREHENSIVE DEVELOPMENT PLAN

The plan is designed to create conditions in which the people of Prince Edward Island can develop economic enterprises, so as to raise per capita income with equity and create more jobs while maintaining the unique Island environment.

On March 7, 1969, Prince Edward Island signed a 15-year Comprehensive Development Plan with Canada under the Fund for Rural Economic Development Act (FRED). The agreement continues to March 31, 1984. Phase I of the Plan covered the first six years and ended March 31, 1975. Phase II covers the six-year period April 1, 1975 to March 31, 1981.

All programs and projects undertaken under the plan are jointly approved by Canada and the province. Implementation of projects is the responsibility of the province and its agencies.

Canada's share of funding of programs and projects covered under the present phase of the plan is as follows:

- School construction program: 50 per cent
- Agricultural Research program: 100 per cent
- All other programs: 90 per cent

Financial contributions from DREE for the present phase of the plan, Phase II, will not exceed \$173.5 million for fiscal years 1975-76 through 1980-81. Financial contributions from the province will approximate \$38 million for the same period. These amounts do not include special provisions for the Prince Edward Island-Mainland Electrical Interconnection, for which there was a maximum contribution of \$18 million from DREE, and a maximum loan of \$9 million from EM&R, with a balance of the cost from the Province.

From its inception to December 31, 1979, DREE expenditures under the Prince Edward Island Comprehensive Development Plan have amounted to approximately \$237.2 million.

AGENCIES REPORTING TO THE FEDERAL PARLIAMENT
THROUGH THE MINISTER OF
REGIONAL ECONOMIC EXPANSION
OR DIRECTLY TO THE MINISTER

REGIONAL DEVELOPMENT INCENTIVES BOARD

Establishment

The Regional Development Incentives Act was amended in 1970-71 by the addition, i.2., of Section 15.1, as follows:

"The Minister shall establish a Board to advise him with regard to the administration of this Act."

Membership

Chaired by the Deputy Minister of DREE, the Board's permanent members comprise Assistant Deputy Ministers from DREE, Industry, Trade and Commerce, Finance, Canadian Employment and Immigration Commission, Environment, and the Deputy Commissioner of the Foreign Investment Review Agency (FIRA).

Objective

To advise the Minister of Regional Economic Expansion on the administration of the program of industrial incentives for regional development and related matters.

Functions

In order to achieve the Board's stated objective, it considers and makes recommendations to the Minister concerning:

- directives, guidelines and other instruments used in the administration and assessment of the program;
- the disposition of specific loan guarantee applications;
- the disposition of specific grant applications that involve:
 - capital costs or jobs in excess of those associated with authority delegated to regional Assistant Deputy Ministers, or
 - significant policy questions or other sensitive issues, and
 - cases within the authority delegated to regional Assistant Deputy Ministers, where the applicant has requested an upward revision of the incentive offered, in the knowledge that the Board may decide to increase, maintain or reduce the amount of incentive already offered.

As stated, the Board is composed of seven regular members representing the public sector. Advisers from the Departments of Energy, Mines and Resources, Agriculture, Fisheries and Oceans, and Consumer and Corporate Affairs are available when necessary to provide formal advice to the Board on matters concerning specific cases that relate to their respective departments. In addition, DREE regional ADMs or their delegates are available to explain recommendations pertaining to cases of particular importance to their regions.

In order to expedite the decision-making process and to reduce the workload of Board members, an Executive Committee has been constituted to review and recommend directly on individual projects. The Executive Committee was appointed by the Board from its own membership. The members of the Executive Committee are:

Deputy Minister	DREE
Assistant Deputy Minister	DREE
Assistant Deputy Minister	IT&C
Assistant Deputy Minister	Finance

The Board holds at least one monthly meeting, normally on the third Friday. The Executive Committee can be convened by the Chairman when it is required to deal with urgent cases.

Cases Reviewed

From its inception up to December 31, 1979 the Board reviewed 299 cases, leading to 234 recommendations for assistance and 65 rejections.

CAPE BRETON DEVELOPMENT CORPORATION (DEVCO)

The Cape Breton Development Corporation (DEVCO) was created by an Act of Parliament, assented to on July 7, 1967 (RSC 1970, c.C-13) and came into existence by proclamation on October 1, 1967, as a proprietary Crown Corporation. The Corporation was established to rationalize the coal industry of Cape Breton Island and to broaden the base of the area's economy by assisting the financing and development of industry to provide employment outside the coal mines.

The Cape Breton Development Corporation has two divisions - the Coal Division and the Industrial Development Division. The responsibility of the Coal Division is to conduct coal mining and related operations in the Sydney coal fields on Cape Breton Island. The responsibility of the Industrial Development Division is to:

- promote and assist in the financing and development of industry on Cape Breton Island, and
- provide employment to broaden the base of the economy of the Island.

The Corporation operates three coal mines, of which two are new, and a modern coal preparation plant which has enabled it to enter the metallurgical coal market. Approval has been given to commence exploratory tunnelling of a new thermal mine at Donkin, with a view to testing the viability of fully developing this mine.

DEVCO is involved in promoting developments in tourist facilities, a variety of manufacturing and processing industries, fish farming, oyster culture, sheep farming and other agriculture. It operates an industrial park and wharf facilities.

The Corporation reports to Parliament through the Minister of Regional Economic Expansion.

From April 1, 1968 to December 31, 1979, total federal contributions to the Corporation amounted to over \$523 million.

ATLANTIC DEVELOPMENT COUNCIL (ADC)

The Minister of Regional Economic Expansion is also responsible for the Atlantic Development Council. The Atlantic Development Council advises the Minister on plans, programs and proposals for economic expansion and social adjustment in the Atlantic Region.

LEGISLATIVE AUTHORITIES

LEGISLATIVE AUTHORITIES

The Department of Regional Economic Expansion was established in 1969. Its mandate was contained in the Government Organization Act, 1969 (SC 1968-69, c.28) and is continued in the Department of Regional Economic Expansion Act (RSC 1970, c.R-4).

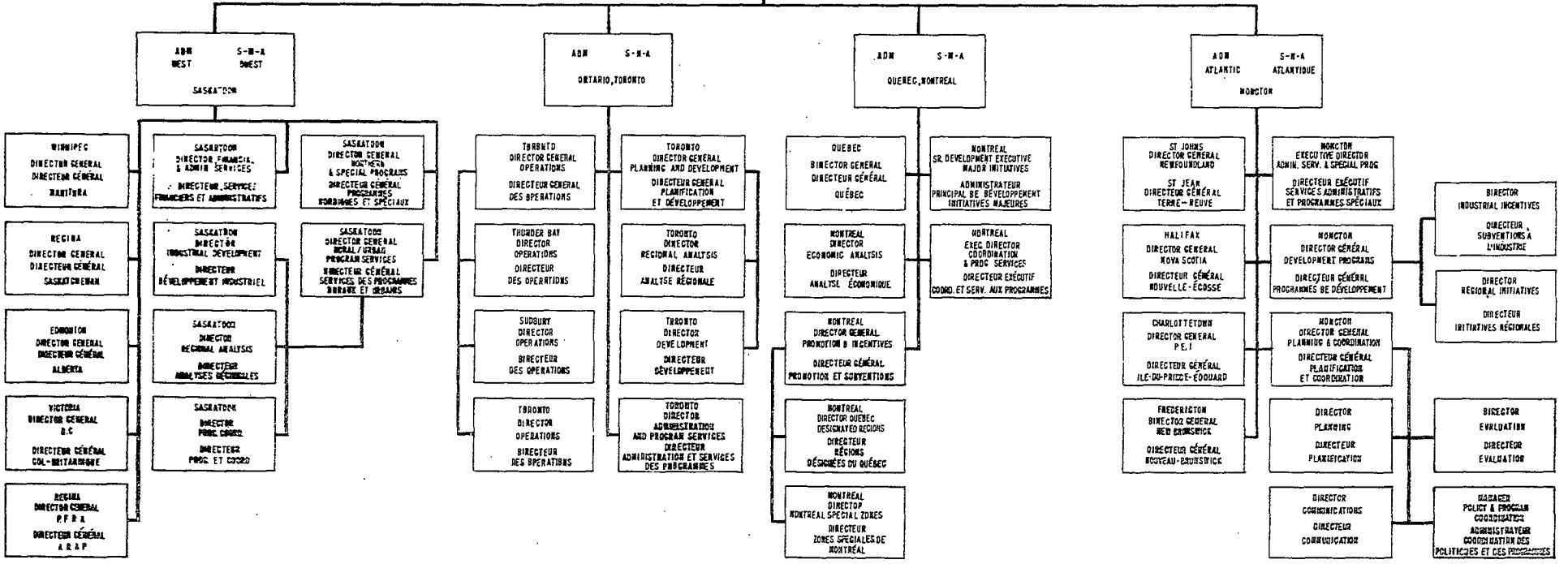
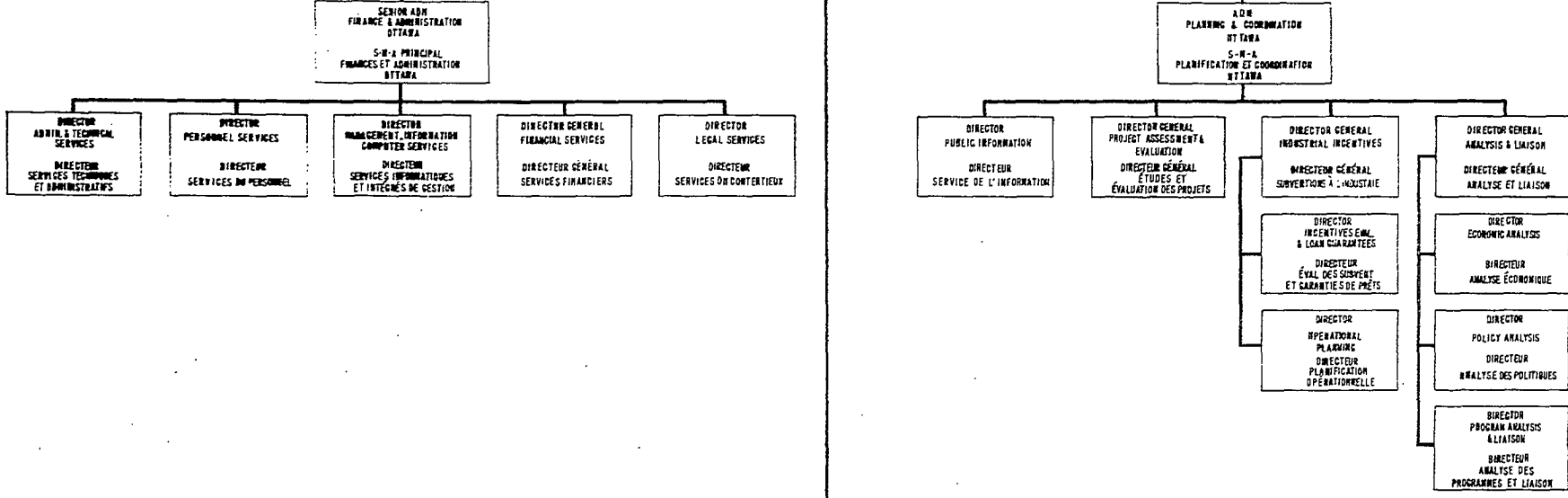
The Minister of Regional Economic Expansion is responsible for the following statutes:

- Agricultural and Rural Development Act (ARDA) (RSC 1970, c.A-4);
- Atlantic Provinces Power Development Act (APPDA) (RSC 1970, c.A-17), now dormant;
- Cape Breton Development Corporation Act (DEVCO) (RSC 1970, c.C-13) as amended;
- Department of Regional Economic Expansion Act (RSC 1970, c.R-4);
- Maritime Marshland Rehabilitation Act (MMRA) (RSC 1970, c.M-4), now dormant.
- Prairie Farm Rehabilitation Act (PFRA) (RSC 1970, c.P-17); and
- Regional Development Incentives Act (RDIA) (RSC 1970, c.R-3).

ORGANIZATION AND MODE OF OPERATION

ORGANIZATION CHART

MINISTRE - MINISTERE



DEPARTMENTAL ORGANIZATION

DEPARTMENTAL ORGANIZATION

The department is fully decentralized with headquarters in the national capital region at Hull, Quebec; regional offices at Moncton, Montreal, Toronto and Saskatoon; a provincial office in each provincial capital and several branch offices located across the country. The decentralized structure gives DREE a strong presence in the regions and enables close cooperation with the provinces in identifying and carrying out regional development activities.

Headquarters

Three groups are located at headquarters: Planning and Coordination; Finance and Administration; and the Office of the Deputy Minister.

Planning and Coordination

Headed by an Assistant Deputy Minister, this group is divided into four branches.

- Analysis and Liaison undertakes economic and social analysis on an interregional, national and international basis; monitors initiatives proposed by the regions in terms of their national or interregional implications; maintains liaison both within the department and with other departments to promote policy consistency.
- Project Assessment and Evaluation conducts commercial and economic assessments of major regional initiatives. This major industrial project analysis is conducted by project teams comprised of financial, marketing and business strategy specialists from within the branch and from various private sector organizations, along with economists specializing in the evaluation of the economic impact of major projects. Representative of the work of the branch are studies on a semi-finished steel facility in Nova Scotia, pulp and paper modernization throughout Canada, development of coal deposits in British Columbia, and a zinc refinery in New Brunswick.
- Industrial Incentives provides policy guidance on the planning and operation of the Regional Development Incentives Program (RDIP) as well as policy advice on industrial incentives matters concerning DREE or other departments. Of particular significance is its

role in planning new incentives policies, and evaluating the impact of existing and related programs.

The Branch issues operational guidelines for the RDIP and monitors adherence across the country. This includes functional direction of the national computerized departmental incentives data system from which Monthly Reports to Parliament and other statistical and management reports are prepared.

Major incentives cases, including loan guarantee proposals, are reviewed and coordinated for presentation to the Incentives Advisory Board. In addition, the Branch is responsible for all recovery actions involving incentives cases which fail to meet statutory requirements or other conditions.

- Public Information is responsible for developing a national public information program; for providing specialized services and support to other units; and for ensuring coordination of the national, regional and provincial public information components.

Finance and Administration

This group, headed by the Senior Assistant Deputy Minister, consists of five branches:

- Legal Services provides legal services for the benefit of the department including drafting of regulations, counsel, advice and services in criminal and civil matters. This unit also coordinates legal services provided to the department by Justice Headquarters and Justice Regional Offices.
- Personnel Services serves the department in all matters dealing with personnel administration. Services provided include classification, compensation, staff relations, staffing, staff training and development, manpower performance evaluation, bilingual programs, a personnel information retrieval system and other programs related to special and/or problem groups or individuals.
- Financial Services is responsible for department-wide financial issues, systems and procedures and, within the decentralized context of the department, provides financial management advice and guidance to regional and provincial offices.

- Administrative and Technical Services is responsible for the development and monitoring of administrative policies, and for providing advice on administrative matters. In addition, the Branch provides for Headquarters a full range of specialized administrative services in such areas as material and property management, records management, contracts, submissions, text processing services, and library services.
- Management Information and Computer Services is responsible for obtaining user specifications, developing and operating computer related management information systems as well as providing programming support to the various analytical functions of Planning and Coordination.

Office of the Deputy Minister

In cooperation with the Assistant Deputy Ministers, the office of the Deputy Minister is responsible for matters such as parliamentary relations and the final preparation of correspondence for the signature of the Minister or Deputy Minister. It also provides general staff support to the Deputy Minister.

Regional Offices

Four Assistant Deputy Ministers are located outside the national capital region and supported by the staff resources necessary to oversee the planning, implementation and administration of all departmental activities in their respective regions. Regional offices normally include the following components:

- Regional Development, which identifies industrial projects and major development opportunities throughout the region and works with other federal government departments, the provinces and private industry in attempting to realize them;
- Regional Analysis, which maintains an overview of regional economic circumstances;
- Industrial Incentives, which processes major incentives applications forwarded by the provincial offices;
- Program Coordination and Technical Services, which coordinates departmental activities among the various provinces of the region and provides technical advice.

- Administration and Program Services, which includes legal, financial, personnel, administrative and data services; and
- Regional Information Services, which plans and implements regional public information programs and supports provincial information activities.

Provincial Offices

These offices are headed by a Director General, and are located in the provincial capital cities. In Ontario, where the regional headquarters and the provincial offices are combined in Toronto, many of the provincial office functions are performed by a major branch office in Thunder Bay.

Provincial offices generally include the following units:

- Development and Analysis, which works closely with the provincial government concerned in analysing economic conditions and identifying and pursuing development opportunities in the province;
- Industrial Incentives, which processes all incentives applications for projects in the province;
- Financial and Administrative Services; and
- Public Information.

Branch Offices

There are also 11 DREE branch offices located across the country. These offices service local needs and provide on-the-spot assessment of specific projects and activities.

PERSONNEL PROFILE

PERSONNEL - HISTORY

DREE came into existence in April 1969. In 1973 Treasury Board approved a departmental reorganization designed to provide a high degree of decentralization.

In the latter half of 1973, the four regional ADMs and the two Headquarters ADMs were appointed.

As a result of decentralization, the Department is able to respond more quickly to local, regional and provincial needs and to coordinate more effectively with the provincial governments in the recognition of, and response to, developmental opportunities.

The staff in Hull provide a functional direction of administrative services, analysis and service backup for the field offices, coordination between regions, and liaison with other federal departments.

The following figures indicate the differences in population distribution throughout the Department before and after decentralization.

TABLE A	STRENGTH 31-03-73	STRENGTH 31-03-77	STRENGTH 31-03-78	STRENGTH 31-03-79	STRENGTH 31-12-79
ATLANTIC	77	265	283	293	267
QUEBEC	*	143	153	177	179
CENTRAL	57	**	**	**	**
ONTARIO	*	68	76	72	63
WEST	<u>65</u>	<u>265</u>	<u>280</u>	<u>283</u>	<u>277</u>
REGIONAL TOTAL	199	741	792	825	786
NCR	760	424	402	398	356
PFRA	<u>743</u>	<u>817</u>	<u>776</u>	<u>749</u>	<u>954***</u>
DEPT. TOTAL INCL. PFRA	1702	1982	1970	1972	2096

* Included in Central

** Became Quebec and Ontario regions

*** Reflects seasonal workers still on payroll as of
December 31, 1979

PERSONNEL DISTRIBUTION
REGIONAL/PROVINCIAL OFFICES
DECEMBER 31, 1979

<u>ATLANTIC REGION</u>	267
Moncton (Regional Headquarters)	95
Fredericton	47
Halifax	41
St. John's	51
Charlottetown	22
Atlantic Development Council (St. John's)	11
<u>QUEBEC REGION</u>	179
Montreal (Regional Headquarters)	136
Quebec City	43
<u>ONTARIO REGION</u>	63
Toronto (Regional Headquarters)	40
Thunder Bay	23
<u>WESTERN REGION</u>	277
Saskatoon (Regional Headquarters)	106
Winnipeg	51
Regina	53
Edmonton	27
Victoria	40
PFRA	954
<u>HEAD OFFICE - N.C.R.</u>	356
<u>DEPARTMENTAL TOTAL</u>	2096

Note * The figures shown above include staff totals for a number of smaller sub-offices also operated by the Department. These offices have not been shown separately because, the staff numbers involved are small and because, in a number of cases, the offices are not yet fully staffed. Such offices, however, include Goose Bay, Labrador; Bathurst, N.B.; Rimouski, Alma and Val d'Or, Quebec; Sudbury, Ontario; Thompson, Manitoba; Prince George, B.C.; Yellowknife, N.W.T. and Whitehorse, Yukon. In the case of PFRA, the total given includes not only the Regina headquarters, but a large number of smaller offices throughout the three Prairie Provinces.

DISTRIBUTION OF PERSONNEL
STRENGTH - vs - UTILIZATION - vs - ALLOTMENT
DECEMBER 31, 1979

<u>Location</u>	Total Strength*	Person- Years Utilization 1979-80	Person- Years Approved 1979-80
<u>N.C.R.</u>	356	274.49	391
<u>Atlantic</u>	267	203.52	273
<u>Quebec</u>	179	128.93	170
<u>Ontario</u>	63	49.18	70
<u>Western Region</u>	277	197.16	264
<u>Department excl. PFRA</u>	1142	853.28	1168
<u>PFRA</u>	954	665.41	877
<u>Department incl. PFRA</u>	2096	1518.69	2045

* Including term employees and employees on leave.

OPERATIONAL ORGANIZATION AND ROLE OF KEY OFFICERS

In order to attain the objectives set out for the Department, four regional offices were established in Moncton, Montreal, Toronto and Saskatoon, and headed up by an ADM. Each Assistant Deputy Minister has, in turn, created a provincial office physically located in the provincial capital and managed by a Provincial Director General.

PROVINCIAL DIRECTOR GENERAL

The main role at this level is to ensure that the total budget allocated to the provincial office is spent in such a fashion that it respects the intent of agreements reached between the Federal and Provincial governments as well as those with other governments and private enterprise.

DREE has 17 Director Generals and 37 Directors involved in numerous management responsibilities, reporting directly or indirectly to the four regional ADMs and the Headquarters SR ADM and ADM.

In the performance of his executive duties, a Provincial Director General relies upon several key specialists with delegated managerial responsibilities. They include the following:

ANALYSTS

Most of these analysts are Economists involved in analytical and research work either at the Headquarters or Regional level. These specialists are the back-bone of the Department insofar as their analyses will identify objectives that the Federal Government might pursue with an impact at either the local, regional or national level. There are approximately 63 of these specialists physically located at Head Office and 51 dispersed across the country.

Once the opportunities are identified and agreed to, each project then becomes the responsibility of the development and implementation officers. In this respect, the Department has established the following key elements.

DEVELOPMENT OFFICERS

This function is exercised only at the regional and provincial levels (51 in the Atlantic provinces, 24 in PFRA and 39 in other areas). It consists of an analytical role to formulate recommendations for departmental policies in such areas as the development of new approaches to and means to cope with urban and industrial needs, development opportunities, and implementation mechanisms.

PROGRAM IMPLEMENTATION OFFICERS

This particular role consists mainly of the federal administration of shared-cost agreements from a broader spectrum than that of industrial incentives. It includes such elements as capital projects, provision of staff and support services, resource exploration and management, and community development programs.

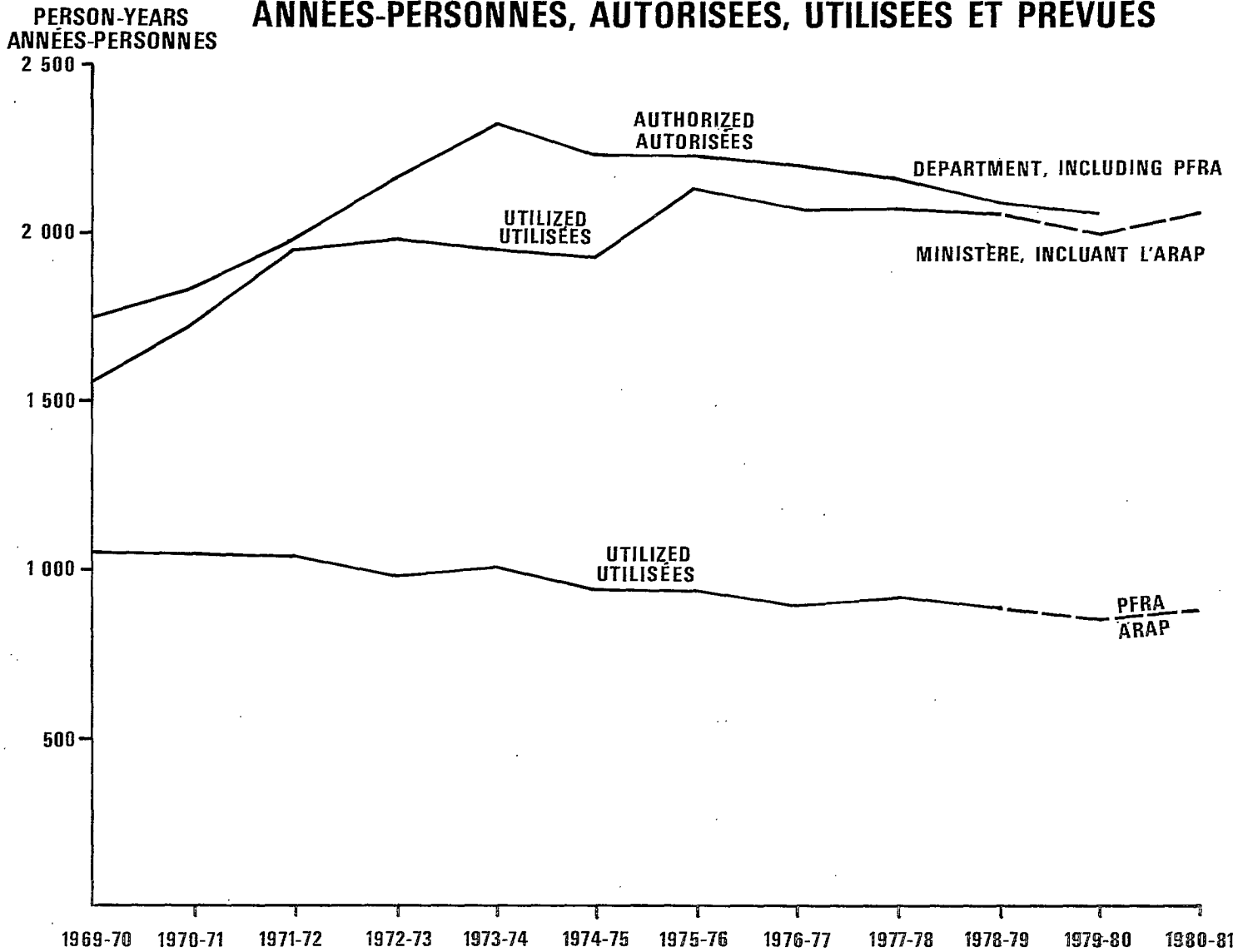
This function is exclusive to the regions and approximately 53 officers are involved.

INDUSTRIAL INCENTIVES OFFICERS

The majority of these Industrial Incentives Officers are physically located at the Regional or Provincial level.

Of the 112 officers involved in this particular role, 95 are physically located outside the National Capital Region. These officers have the responsibility of evaluating applications for incentive grants, and depending on the complexity of the case, may also have the authority to authorize the assistance. In other circumstances, higher approval is required, upon receipt of which the Industrial Incentives Officers have the authority to make all payments agreed to, including the final payment.

PERSON-YEARS, AUTHORIZED, UTILIZED AND FORECAST
ANNÉES-PERSONNES, AUTORISÉES, UTILISÉES ET PRÉVUES

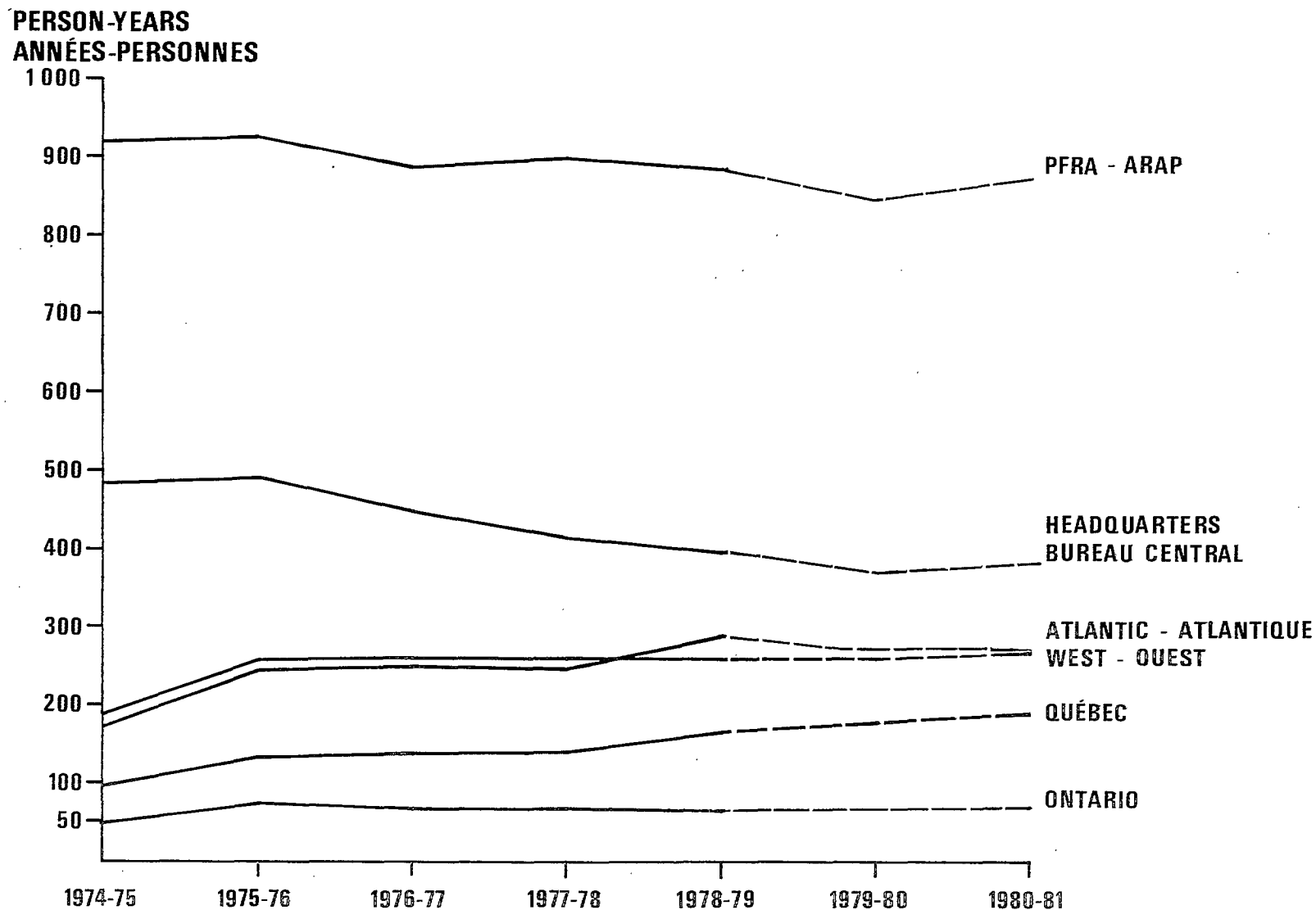


NOTE: 1980-81 MAIN ESTIMATES AS SUBMITTED.

NOTA: BUDGET PRINCIPAL 1980-1981 TEL QUE SOUMIS

PERSON-YEAR UTILIZATION BY REGION

ANNÉES-PERSONNES UTILISÉES PAR RÉGION



NOTE: 1980-81 MAIN ESTIMATES AS SUBMITTED.

NOTA: BUDGET PRINCIPAL 1980-1981 TEL QUE SOUMIS

PERSONNEL STATISTICAL REPORT
BY CATEGORIES

DECEMBER 31, 1979

<u>LOCATION</u>	<u>EXECUTIVE</u>		<u>ADMIN & FOREIGN SVC SCIENT. & PROF.</u>		<u>TECHNICAL, OPERATIONAL AND ADMINIST. SUPPORT</u>		<u>TOTAL</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
N.C.R.	12	27.3	141	15.3	203	18.0	356	17.0
Atlantic	11	25.0	146	15.8	110	9.8	267	12.7
Quebec	4	9.1	107	11.6	68	6.0	179	8.6
Ontario	4	9.1	25	2.7	34	3.0	63	3.0
Western Region	11	25.0	145	15.7	121	10.7	277	13.2
PFRA	2	4.5	359	38.9	593	52.5	954	45.5
TOTAL	44	100	923	100	1129	100	2096	100

Projected Growth of DREE in Relation to
Treasury Board Guidelines

In the Departmental Budgets for 1975-76, 1976-77 and 1977-78, the authorized man-years were as follows:

<u>1975-76</u>	<u>1976-77</u>	<u>1977-78</u>
2,208	2,197	2,162

This gave projected declines of 0.50% for 1976-77 from 1975-76 and 1.59% for 1977-78 from 1976-77, thus falling within Treasury Board guidelines of zero population growth.

<u>1978-79</u>	<u>1979-80</u>
2,087	2,045

In 1978-79 our authorized person-years were 2,087 thus showing an additional 3.4% decline. Our authorized person-years for the current year, 1979-80, was reduced to 2,045 thus again falling within Treasury Board guidelines of zero population growth.

DEPARTMENTAL SENIOR AND MIDDLE MANAGEMENT

Under Treasury Board authority, the Department has a Senior Personnel Authority (SPA) complement of 269. This complement comprises all of those positions which are the equivalent of a Program Administrator 6 (current salary, \$30,192-\$34,082) and higher. In the Department, these are Senior Officers 1, 2, 3, 4; Economists 6, 7, 8; Commerce Officers 3, 4; Programme Administrators 6; Engineers 6 and 7; Administrative Officers 8; Personnel Officers 6; Computer Services Officers 5; Finance Officers 6; Information Officers 6.

The Department's Senior Management Complement, (SMC) which forms part of the SPA is authorized at 45, and is comprised of forty Senior Executive Officers 1, 2, 3, 4; four Economists at the ES 8 level and one Engineer 7.

A breakdown of the distribution of the SPA throughout the Department follows:

December 31, 1979

Location	"A" SMC	%	"B" SPA *	%
N.C.R.	12	27.3	56	21.3
Atlantic	11	25.0	78	29.6
Quebec	4	9.1	42	16.0
Ontario	4	9.1	15	5.7
Western Region	11	25.0	62	23.6
PFRA	2	4.5	10	3.8
TOTAL	44**	100.0	263	100.0

* SPA figures - Column "B" include Column "A" or SMC

** Includes 1 LWOP (leave without pay) not included in other tables

DISTRIBUTION OF SX AND
EQUIVALENTS - BEFORE
AND AFTER DECENTRALIZATION

<u>Location</u>	<u>BEFORE DECENTRALIZATION</u>		<u>DECEMBER 31, 1979</u>	
	<u>Number</u>	<u>% Total SX & Equivalents</u>	<u>Number</u>	<u>% Total SX & Equivalents</u>
Atlantic	5	15.6	12	27.9
Quebec	*	--	4	9.3
Central	5	15.6	**	**
Ontario	*	--	4	9.3
West	4	12.5	11	25.6
Regional Total	14	43.8	31	72.1
N.C.R.	17	53.1	10	23.2
Total (Excl. PFRA)	31	96.9	41	95.3
PFRA	1	3.1	2	4.7
<hr/>				
TOTAL RELATIVE TO DEPARTMENT (incl. PFRA)	32/1702	1.9	43/2096	2.1

* Included in Central

** Became Quebec and Ontario Regions

Female Employees in Officer Category

Departmental records of numbers of male and of female employees according to occupational category started in 1975 with the inception of the Equal Opportunities for Women programme.

FEMALE OFFICERS IN DREE (INCL. PFRA)

	As of March 31, 1976					
	Males	Females	% Fem.			
SX & EQUIVALENT	40	0	0			
SCI. & PROF. ADMIN. & FOR SERV.	<u>663</u>	<u>83</u>	11.1			
TOTAL FOR OFFICERS	703	83	10.6			
	As of March 31, 1977			As of March 31, 1978		
	Males	Females	% Fem.	Males	Females	% Fem.
SX & EQUIVALENT	41	2	4.7	43	2	4.4
SCI. & PROF. ADMIN. & FOR SERV.	<u>639</u>	<u>74</u>	10.4	<u>621</u>	<u>69</u>	10.1
TOTAL FOR OFFICERS	680	76	10.1	664	71	9.7
	As of March 31, 1979			As of December 31, 1979		
	Males	Females	% Fem.	Males	Females	% Fem.
SX & EQUIVALENT	43	2	4.4	41	2	4.7
SCI. & PROF. ADMIN. & FOR SERV.	<u>649</u>	<u>62</u>	8.7	<u>842*</u>	<u>56</u>	6.2
TOTAL FOR OFFICERS	692	64	8.5	883*	58	6.2

* Reflects PFRA seasonal workers still on payroll as of December 31, 1979.

Bilingual Situation in the Department

The identification of bilingual positions in the Public Service started in 1973. DREE was granted a year's deferment because of reorganization involving decentralization. Therefore, the identification process took place in 1974-75 and testing of employees' abilities in the official language other than their mother tongue followed in 1975-76.

As a result, records in the Official Languages Information System are limited to the following:

BILINGUAL SITUATION IN DREE (INCL. PFRA)

	As of March 31, 1976			As of March 31, 1977		
	No. of Bil. Empl.	No. of Desi. Pos's.	%	No. of Bil. Empl.	No. of Desi. Pos's.	%
SX & EQUIVALENT	14	30	46.7	14	30	46.7
SCI. & PROF. ADMIN. & FOR SERV.	155	291	53.3	162	317	51.1
TECHNICAL & SUPPORT	<u>140</u>	<u>260</u>	53.8	<u>138</u>	<u>278</u>	49.6
OVERALL DEPARTMENT	309	581	53.2	314	625	50.2

	As of March 31, 1979			As of December 31, 1979		
	No. of Bil. Empl.	No. of Desi. Pos's.	%	No. of Bil. Empl.	No. of Desi. Pos's.	%
SX & EQUIVALENT	24	22	109.1	22	28	78.6
SCI. & PROF. ADMIN. & FOR SERV.	223	294	75.8	195	304	64.1
TECHNICAL & SUPPORT	<u>180</u>	<u>236</u>	76.3	<u>149</u>	<u>237</u>	62.9
OVERALL DEPARTMENT	427	552	77.4	366	569	64.3

TABLE OF FRANCOPHONES IN SX AND EQUIVALENT
POSITIONS AS OF MARCH 31 OF YEAR INDICATED

	<u>NO. OF SX & EQUIVALENT FRANCOPHONES</u>	<u>TOTAL NO. OF SX AND EQUIVALENTS</u>	<u>% OF FRANCOPHONES</u>
1970	8	25	32.0
1971	7	27	25.9
1972	9	31	29.0
1973	5	28	17.9
1974	9	46	19.6
1975	9	46	19.6
1976	7	41	17.1
1977	7	43	16.3
1978	12	46	26.1
1979	12	45	26.6
Dec.31 1979	10	43	23.3

Also, as of March 31, 1977, there were 317 francophones in the department out of 1,982 employees thus giving a francophone percentage of 16% as compared to 315 francophones out of 1,909 employees on March 31, 1976, for a 16.5 percentage.

As of December 31, 1979, there were 332 francophones out of 2,096 employees, giving a francophone percentage of 15.8%.

DISTRIBUTION OF PUBLIC SERVANTS
BY EMPLOYMENT CATEGORY AND FIRST OFFICIAL LANGUAGE

<u>EMPLOYEE CATEGORY</u>	<u>FIRST OFFICIAL LANGUAGE</u>				<u>TOTAL *</u>	
	<u>ENGLISH</u>		<u>FRENCH</u>		<u>N</u>	<u>%</u>
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>		
EXECUTIVE	33	76.7	10	23.3	43	100
ADMIN & FOR. SVC SCIENT & PROF	654	72.8	244	27.2	898	100
TECHNICAL OPERATIONAL AND ADMIN. SUPPORT	748	64.8	407	35.2	1155	100
TOTAL *	1435	68.5	661	31.5	2096	100

* Including PFRA

December 31, 1979

A. DREE TERM EMPLOYEES SINCE 1974

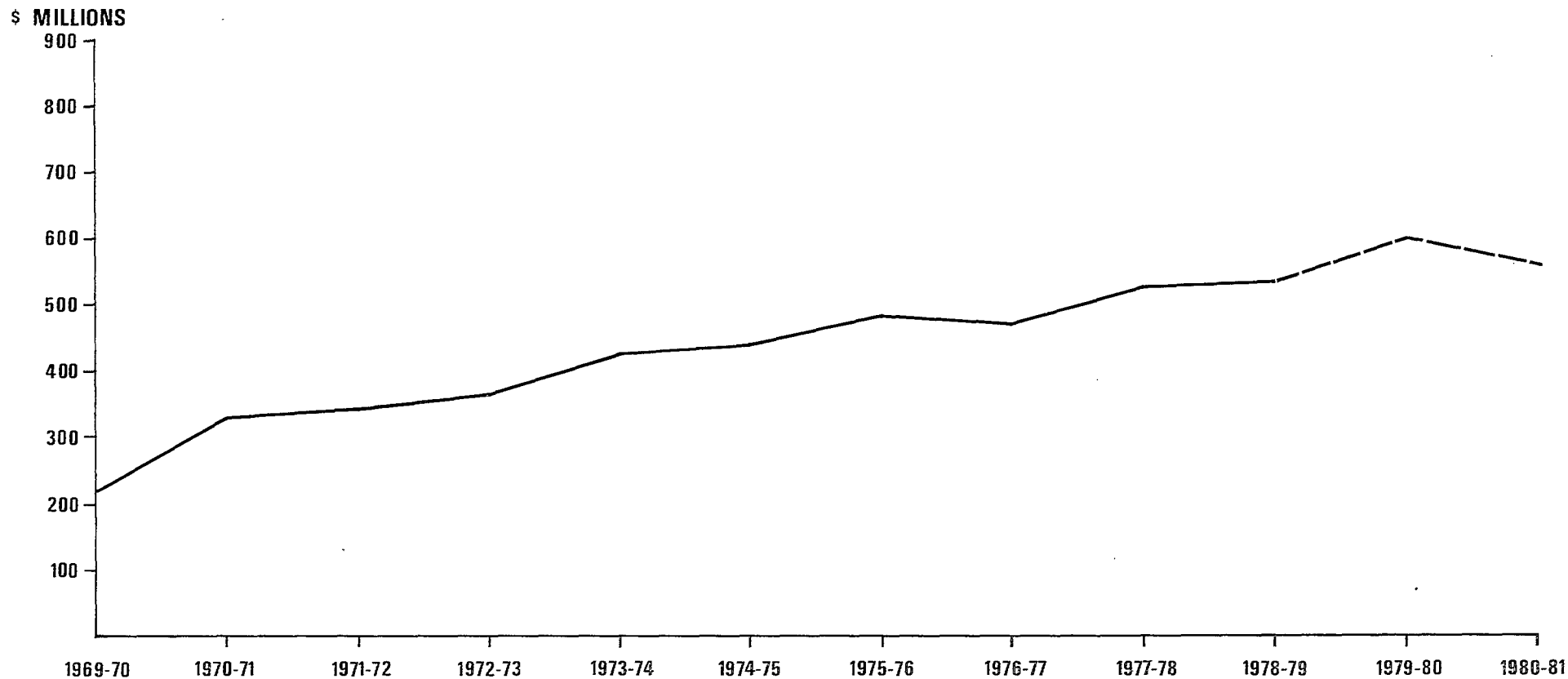
	1974	1975	March 31, 1976	1977	1978	1979	Dec. 31 1979
DREE (excl. PFRA)	25	19	23	28	50	33	39
PFRA	53	43	33	37	7	26	43
TOTAL	78	62	56	65	57	59	82

AGENCY EMPLOYEES UTILIZED AS OF FISCAL YEAR END IN OTTAWA

	1973	1974	1975	1976	1977	1978	1979	Dec. 31 1979
NO. OF AGENCY EMPLOYEES	36	24	65	62	49	40	28	22
% INCREASE OVER PRE- VIOUS YEAR	--	-33.3	170.8	-4.6	-21	-18	-30	-21

FINANCIAL PROFILE OF DEPARTMENT

**DREE EXPENDITURES
DÉPENSES DU MEER**

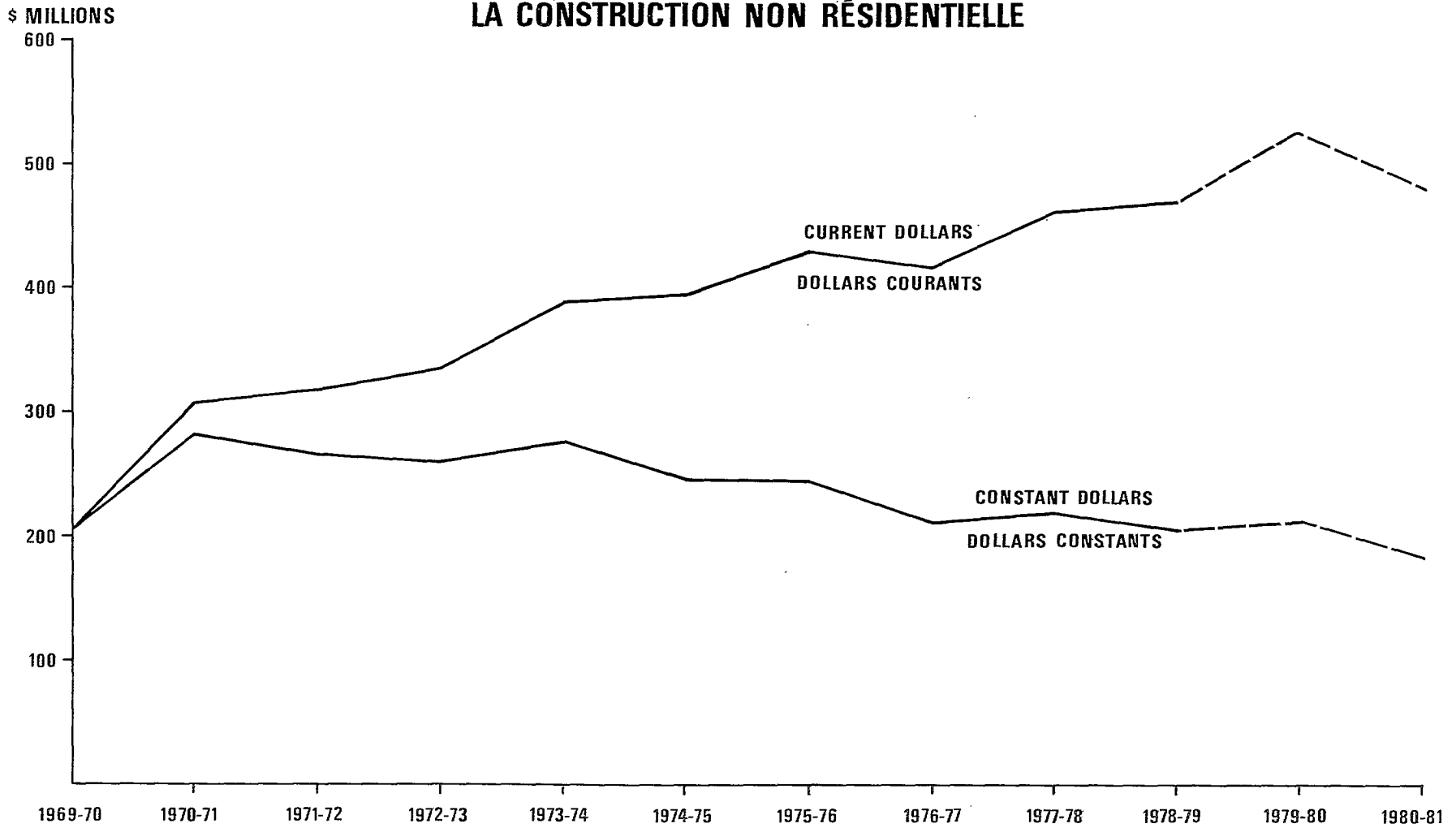


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NOTE: 1980-81 MAIN ESTIMATES AS SUBMITTED.

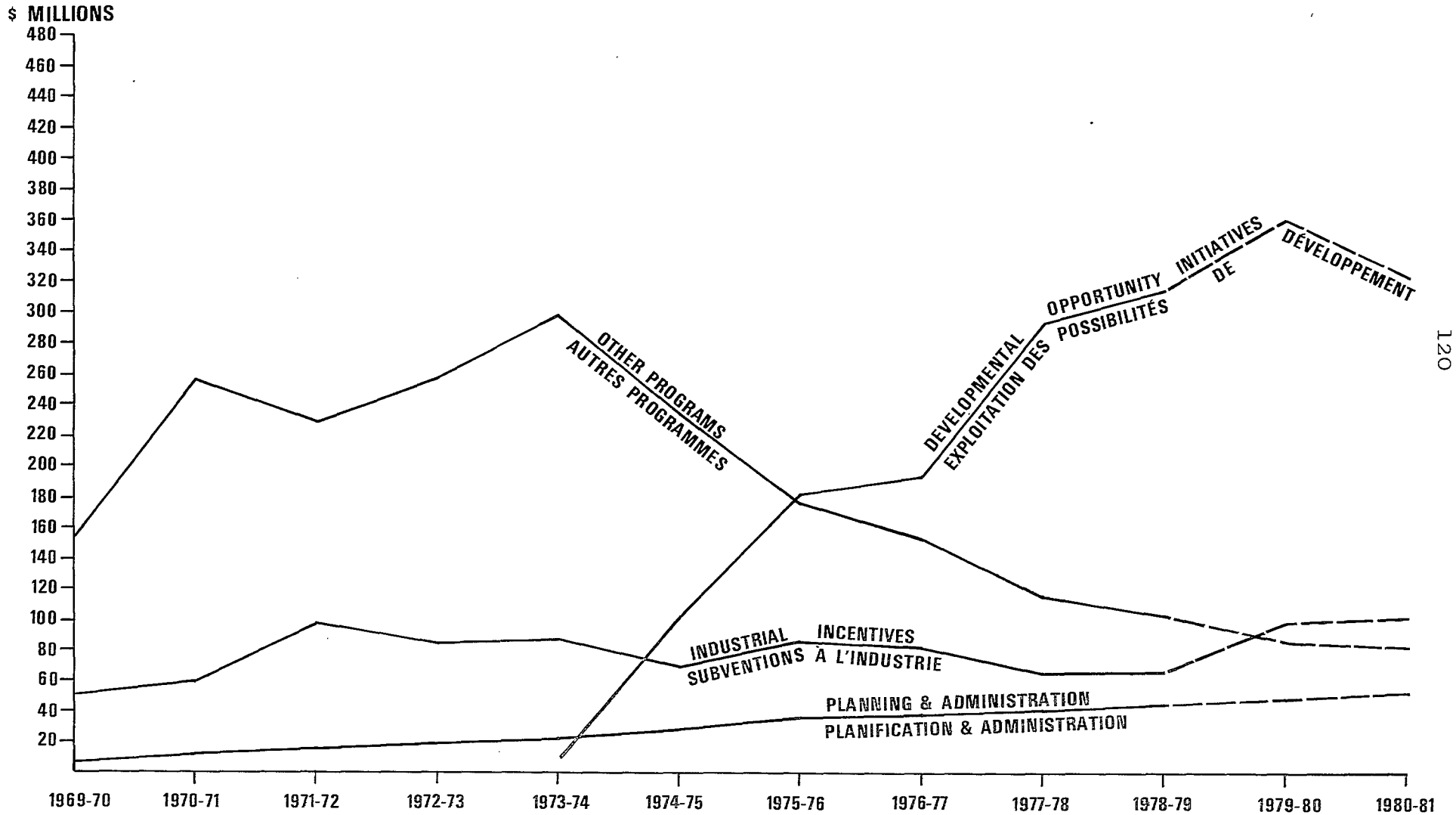
NOTA: BUDGET PRINCIPAL 1980-1981 TEL QUE SOUMIS

DREE PROGRAM EXPENDITURES DEFLATED BY NON-RESIDENTIAL CONSTRUCTION PRICE INDEX
DÉPENSES RELIÉES AUX PROGRAMMES DU MEER RAJUSTÉES D'APRÈS L'INDICE DES PRIX DE
LA CONSTRUCTION NON RÉSIDENITIELLE



NOTE: 1980-81 MAIN ESTIMATES AS SUBMITTED.
 NOTA: BUDGET PRINCIPAL 1980-1981 TEL QUE SOUMIS.

DREE EXPENDITURES BY ACTIVITY DÉPENSES DU MEER PAR ACTIVITÉ



NOTE: 1980-81 MAIN ESTIMATES AS SUBMITTED.

NOTA: BUDGET PRINCIPAL 1980-1981 TEL QUE SOUMIS

DREE HISTORIC AND PLANNED EXPENDITURES/DEPENSES HISTORIQUES DU MEER

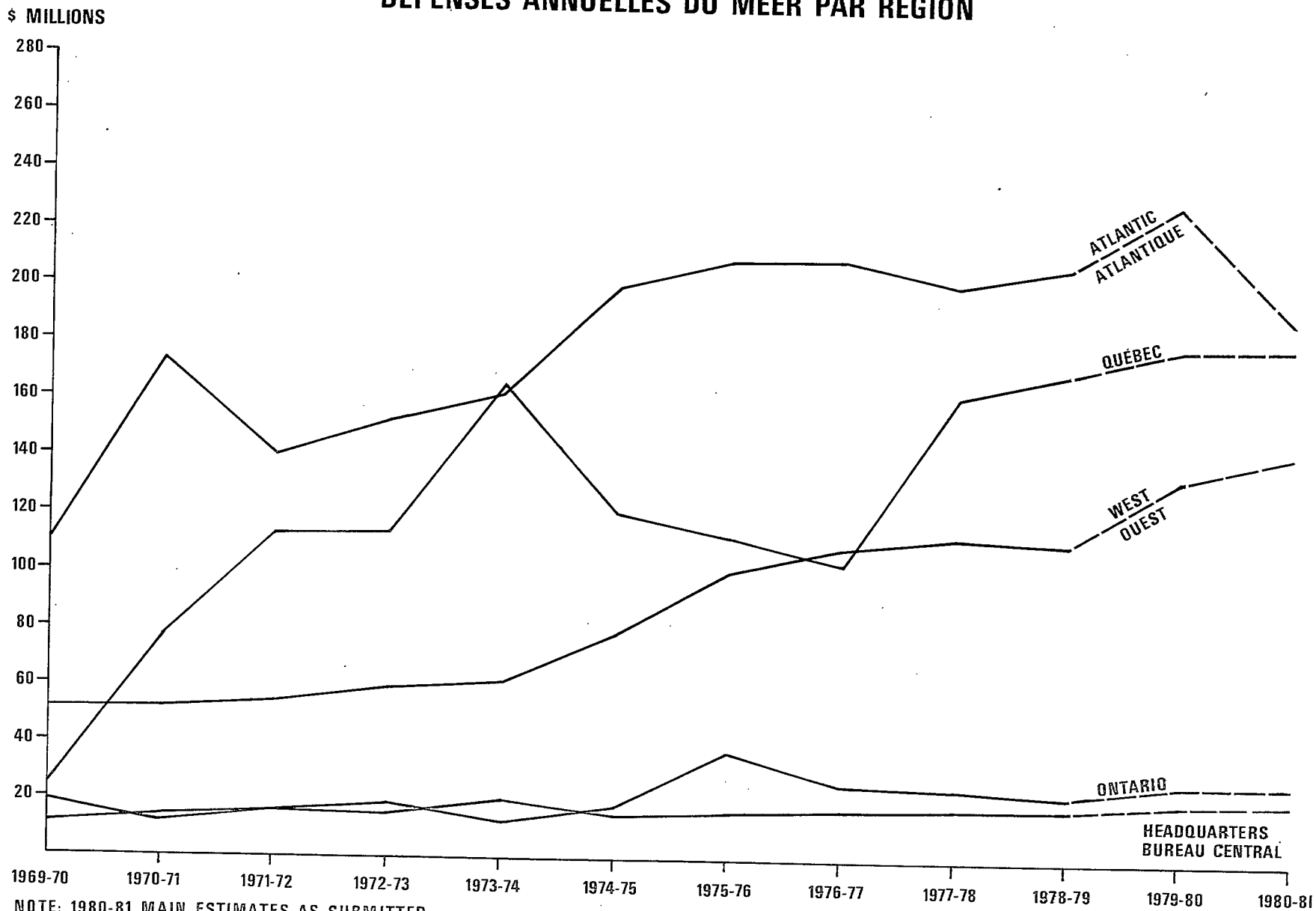
BY YEAR BY ACTIVITY/PAR ANNEE PAR ACTIVITE

	(\$ Millions)										
	<u>1969-70</u>	<u>70-71</u>	<u>71-72</u>	<u>72-73</u>	<u>73-74</u>	<u>74-75</u>	<u>75-76</u>	<u>76-77</u>	<u>77-78</u>	<u>78-79</u>	<u>(1) 79-80</u>
Planning & Administration / Planification & Administration	8.2	11.4	15.4	20.1	23.5	30.0	37.9	38.8	43.5	45.1	50.9
GDA Sub-Agreements/ ECD Ententes Auxiliaires	-	-	-	-	10.0	104.0	180.6	196.2	297.7	317.6	361.7
Industrial Incentives/ Subventions à l'industrie	54.5	60.3	99.4	85.0	90.1	70.2	86.5	81.8	67.7	67.4	98.3
Other Programs/ Programmes Divers	156.8	259.1	230.0	259.8	300.7	234.3	178.5	152.9	115.8	103.9	84.1
TOTALS/TOTAUX	219.5	330.8	344.8	364.9	424.3	438.5	483.5	469.7	524.7	534.0	595.0

(1) Forecast/Prévision.

DREE REGIONAL EXPENDITURES BY YEAR

DÉPENSES ANNUELLES DU MEER PAR RÉGION

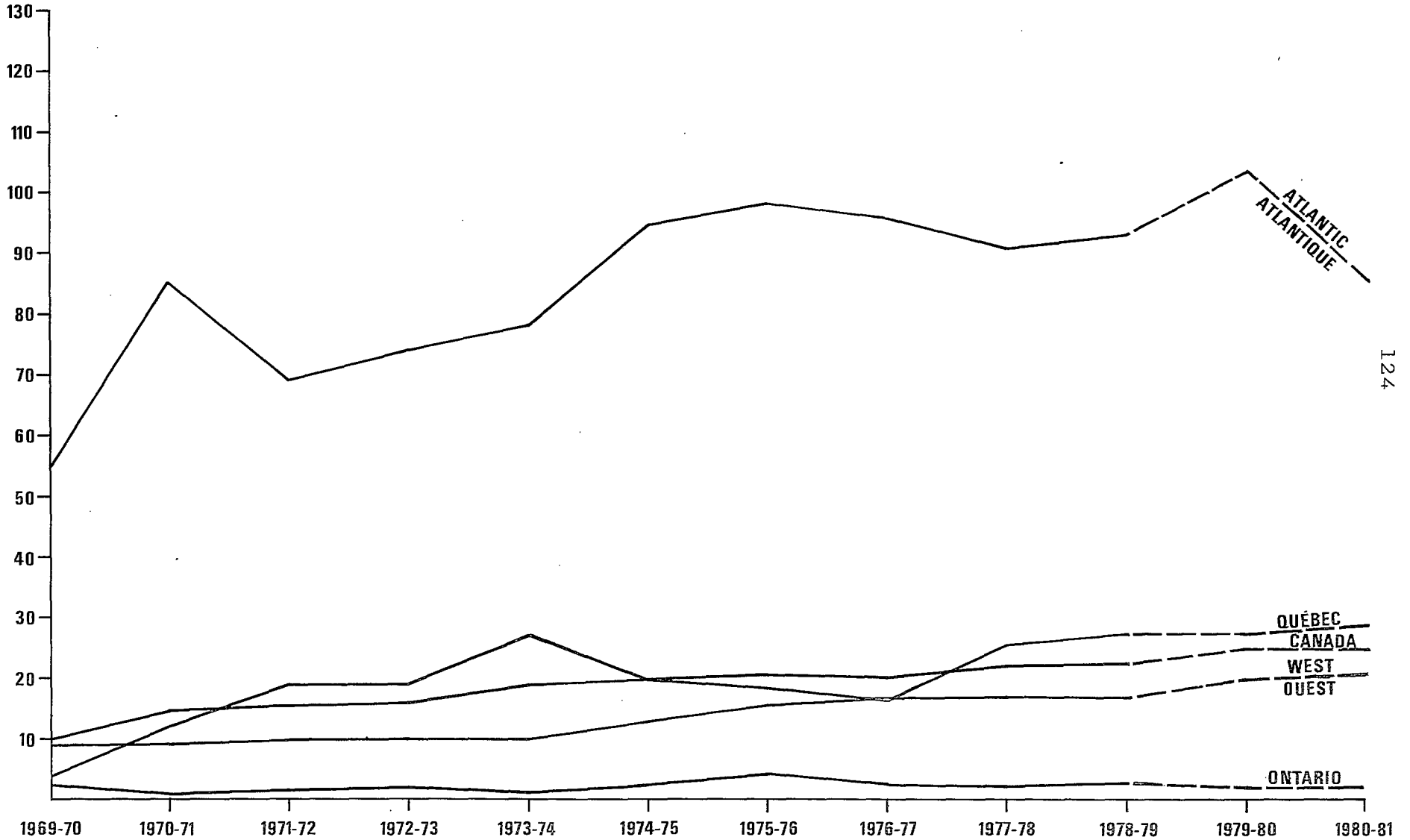


DREE Historic Expenditures and 1979-80 Forecast by Province
(\$ Millions and Including Loans)

	Actual										Main Estimates		1979-80 Forecast	
	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	80-81	ME	%
						%	%	%	%	%	%	%	%	%
Newfoundland	34.7	62.5	35.4	37.6	50.9	68.4	66.2	56.2	61.0	62.0	72.1	74.5		
Prince Edward Island	10.6	14.8	17.7	19.6	19.6	22.8	34.1	36.6	33.5	30.4	31.0	31.1		
Nova Scotia	36.3	32.8	42.9	52.1	35.0	40.9	42.5	48.6	45.2	52.9	53.3	55.2		
New Brunswick	30.0	64.4	45.4	44.5	57.9	63.4	61.0	59.8	52.4	52.7	66.2	67.0		
Atlantic Region Office & A.D.C.	-	-	-	-	-	6.4	7.6	9.7	10.4	11.1	8.5	7.5		
	111.6	174.5	141.4	153.8	163.4	201.9 (46)	211.4 (44)	210.9 (45)	202.5 (39)	209.1 (39)	231.1 (39)	235.3 (39)		
Quebec	25.5	78.6	113.9	115.3	167.1	122.1 (28)	114.0 (23)	105.1 (22)	164.1 (31)	172.0 (32)	180.7 (30)	176.8 (30)		
Ontario	19.8	12.4	16.9	19.2	12.7	19.0 (4)	38.4 (8)	27.2 (6)	26.2 (5)	22.6 (4)	32.0 (5)	27.5 (5)		
Manitoba	16.1	16.3	17.9	24.4	14.8	28.5	31.2	36.8	34.9	28.3	37.8	38.8		
Saskatchewan	14.8	17.0	18.1	13.8	16.7	26.8	40.0	43.6	42.7	45.9	48.0	48.5		
Alberta	16.2	13.1	9.0	17.1	25.3	16.1	17.7	16.3	17.4	17.3	15.6	13.7		
British Columbia	4.8	5.8	10.8	4.6	4.2	6.2	9.4	8.8	13.8	15.6	24.8	25.0		
Yukon & Territories	-	-	-	-	-	-	-	-	0.3	1.0	4.5	4.4		
Western Regional Office	-	-	-	-	-	2.0	3.2	3.2	3.7	4.1	4.2	4.6		
	51.9	52.2	55.8	59.9	61.0	79.6 (18)	101.5 (21)	108.7 (23)	112.8 (21)	112.2 (21)	134.9 (23)	135.0 (23)		
Headquarters	10.7	13.1	16.8	16.7	20.1	15.9 (4)	18.2 (4)	17.8 (4)	19.1 (4)	18.1 (4)	20.7 (3)	20.4 (3)		
TOTAL	219.5	330.8	344.8	364.9	424.3	438.5	483.5	469.7	524.7	534.0	599.4	595.0		

DREE PER CAPITA EXPENDITURES DÉPENSES DU MEER PAR HABITANT

\$ PER CAPITA
\$ PAR HABITANT

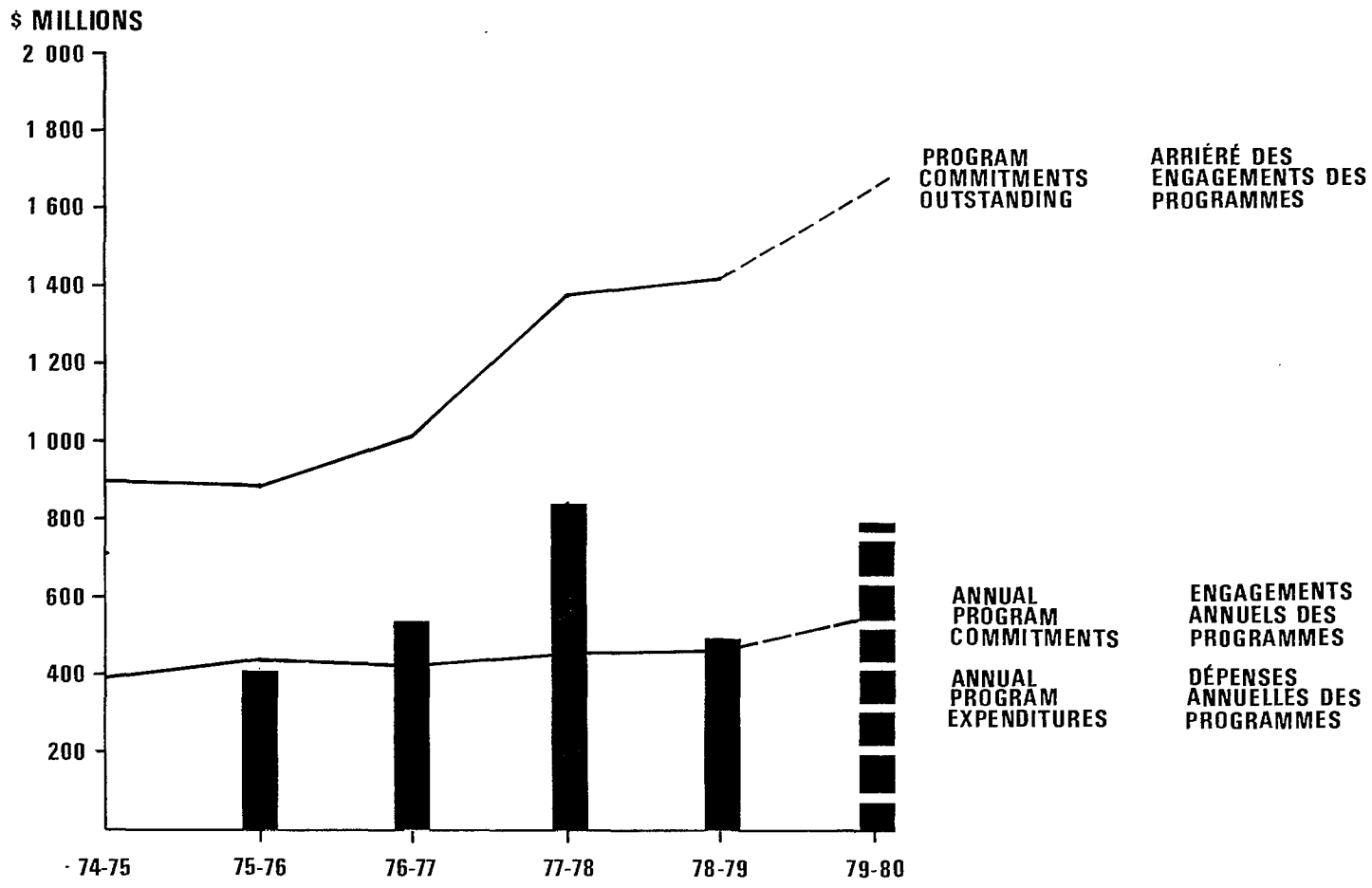


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NOTE: 1980-81 MAIN ESTIMATES AS SUBMITTED.

NOTA: BUDGET PRINCIPAL 1980-1981 TEL QUE SOUMIS

**COMPARISON OF DEPARTMENTAL OUTSTANDING COMMITMENTS
TO ANNUAL COMMITMENTS AND ANNUAL EXPENDITURES**
**COMPARAISON DE L'ARRIÈRE DES ENGAGEMENTS DU
MINISTÈRE AUX ENGAGEMENTS ET DÉPENSES ANNUELS**



THE PUBLIC INFORMATION SERVICES BRANCH

PUBLIC INFORMATION SERVICES BRANCH

Role

To counsel the Minister, the Deputy Minister and departmental senior officers on all matters pertaining to information, both internal and external.

To develop and formulate communications and information policies.

To prepare, implement, coordinate, monitor and analyze information programs and activities in support of the branch's objectives.

To ensure optimum cooperation, coordination and interaction between the three components of national, regional and provincial information services to ensure comprehensive, responsive and well-balanced programs across the country.

Objective

The objective of the Public Information Services Branch is to increase general public understanding of and support for the role of the department.

Structure

Since the departmental decentralization in 1974, the information function has been structured on three levels: provincial, regional and national. In each case, the provincial managers of information report to their respective directors general, the regional directors of information report to their respective ADMS and the director of the Public Information Services Branch, Ottawa/Hull, reports to the Assistant Deputy Minister, Planning and Coordination. Tables I, II, and III present data on the structure and budgets of the information component in Ottawa/Hull and in the regions.

TABLE I

ORGANIZATION

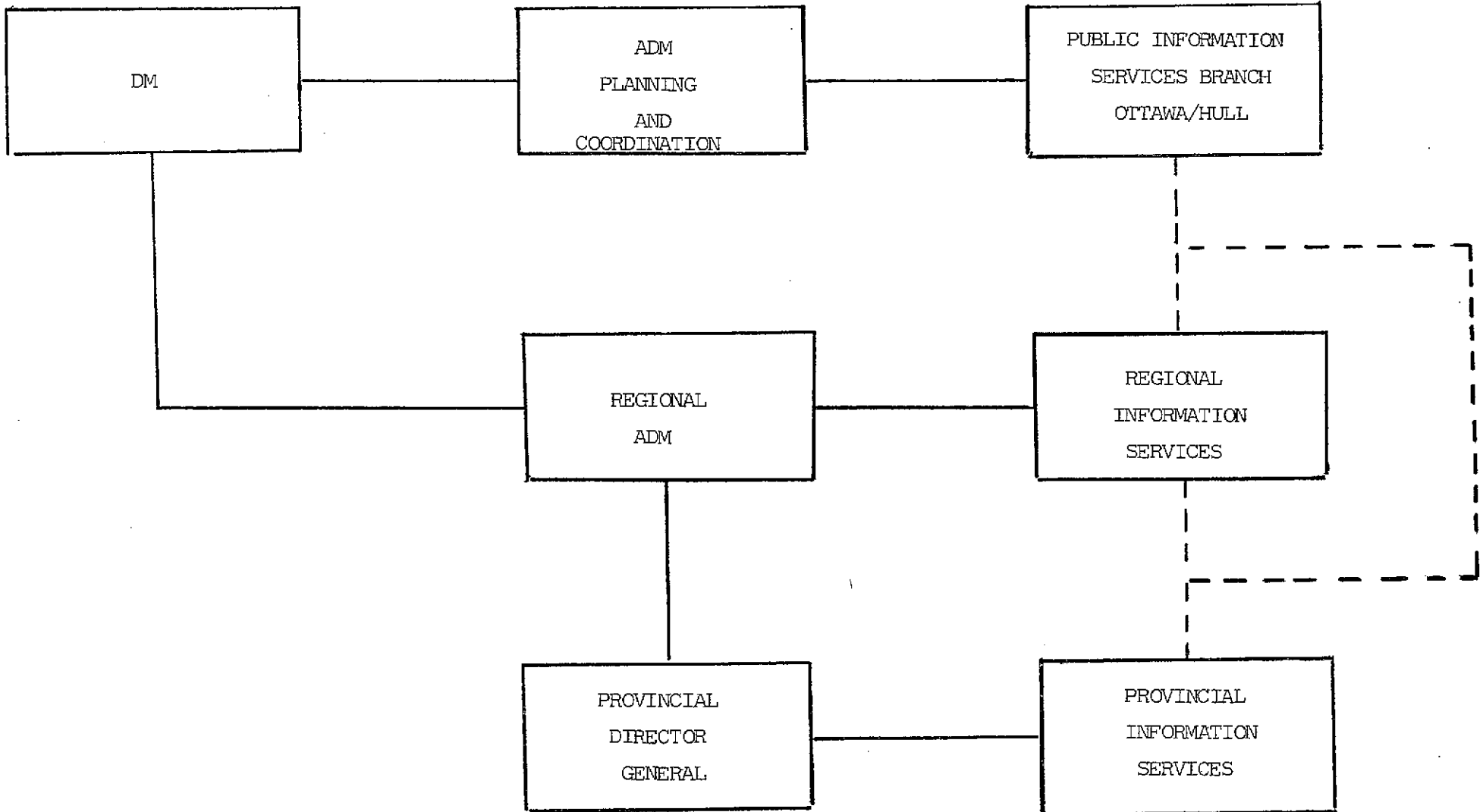


TABLE II

Departmental Breakdown - Public Information Person-Years
(as of February 1, 1980)

	<u>Information Officers</u>			<u>Administrative, Technical and Support Staff</u>		
	<u>78/79</u>	<u>79/80</u>	<u>80/81</u>	<u>78/79</u>	<u>79/80</u>	<u>80/81</u>
Ottawa-Hull	18	17	15	20	21	21
Atlantic Region	11	11	6	5	5	6
Quebec Region	8	8	9	4	4	4
Ontario Region	2	2	1	3	3	3
Western Region	12	12	8	8	8	4
TOTALS:	51	50	39	40	41	38

TABLE IIIDepartmental Breakdown - Public Information Expenditures

	<u>1978/79 Expenditures</u>		
	<u>Salaries</u>	<u>Programs</u>	<u>Total</u>
Ottawa-Hull	\$ 744,500	\$ 782,100	\$1,526,600
Atlantic Region	213,000	99,300	312,300
Quebec Region	248,700	532,500	781,200
Ontario Region	92,400	31,300	123,700
Western Region	97,000	216,200	313,200
GRAND TOTAL:	\$1,395,600	\$1,661,400	\$3,057,000

	<u>1979/80 Main Estimates</u>			<u>Spent to</u>
	<u>Salaries</u>	<u>Programs</u>	<u>Total</u>	<u>Jan.31/80</u>
				<u>Programs</u>
Ottawa-Hull	\$ 911,900	\$ 705,000	\$1,616,900	\$234,900
Atlantic Region	212,470	245,500	457,970	22,600
Quebec Region	290,672	573,000	863,672	108,400
Ontario Region	68,493	61,000	129,493	3,800
Western Region	257,527	379,200	636,727	126,900
GRAND TOTAL	\$1,741,062	\$1,963,700	\$3,704,762	\$496,600

	<u>Proposed Main Estimates 1980/81</u>		
	<u>Salaries</u>	<u>Programs</u>	<u>Total</u>
Ottawa-Hull	\$ 911,900	\$ 767,000	\$1,678,900
Atlantic Region	212,470	197,000	409,470
Quebec Region	290,672	1,000,000	1,290,672
Ontario Region	68,493	43,500	111,993
Western Region	257,527	408,200	665,727
GRAND TOTAL:	\$1,741,062	\$2,415,700	\$4,156,762

FUNCTIONS (Ottawa-Hull)

The Public Information Services Branch is divided into three management units: a) Public Affairs, b) Editorial and Graphics Services, c) Audio-Visual, Exhibits and Special Events. An assistant director, responsible for these three management areas, reports to the director of the branch.

- i) Public Affairs: This unit is responsible for:
 - 1) primary development of public information program proposals for the branch and for primary development of information policies on matters of department-wide concern;
 - 2) media relations at the head office level;
 - 3) media monitoring services;
 - 4) development of publications programs to meet head office information needs; marketing of publications; development of usage plans; maintaining of mailing lists by computerized systems; storing; maintaining inventories; distributing departmental publications, reports, news releases and so forth; and
 - 5) responding to written and oral enquiries from a wide range of departmental publics.

- ii) Editorial and Graphics Services: This unit provides a complete range of creative and technical print production services to the branch as well as logistics support, as required, to the regions and provinces. The unit maintains a pool of creative and technical expertise in the fields of writing, editing and graphics design, produces the wide range of national information products required by the department, and provides back-up in the above areas to regional and provincial offices.

- iii) Audio-Visual, Exhibits and Special Events: This unit is responsible for organizing displays, audio-visual presentations, exhibitions, advertising and special events, and photographic services for the branch and, when appropriate, the department.

Also reporting to the assistant director is a liaison officer who works with regional and provincial offices in planning and coordinating departmental information activities.

To maintain a continuing review of information programs and to measure their overall effectiveness, an officer reporting to the director is responsible for branch program planning and evaluation.

PROGRAM ACTIVITY SUMMARY

Following are brief descriptions of some of the principal areas of program activity of the Public Information Services Branch.

Advertising

The Public Information Services Branch at Ottawa/Hull uses paid advertising primarily in the print media to promote the Regional Development Incentives Program, both internationally and domestically.

In the international promotion context, the branch has undertaken the task of coordinating with the regional offices the development of an information kit and exhibits approach for use in industrial promotion work abroad.

The kit, which is currently in the planning stage, will be designed for use by Canada's trade commissioners, embassies and consulates, at foreign exhibitions in which DREE is participating, and by DREE officers in their contact work with potential international investors.

On a departmental basis, the use of advertising varies substantially by region. The expenditures breakdown for 1978-79, 1979-80 and 1980-81 for Ottawa/Hull and the regions follows:

Media Advertising (Departmental Breakdown)

	1978-79	Advertising Estimates 1979-80	Current & Committed Expenditures 1979-80	Advertising Estimates 1980-81
Ottawa-Hull	\$ 78,949	\$ 100,000	\$ 78,373	\$100,000
Atlantic Region	4,610	49,500	190	66,500
Quebec Region	495,000	625,000	20,000	283,000
Ontario Region	17,660	20,000	NIL	20,000
Western Region	102,594	269,951	92,888	79,500
TOTAL:	\$698,813	\$1,064,451	\$191,451*	\$549,000

* The difference between 1979-80 estimates and actual expenditures is due to the usual advertising stoppage before elections, followed by the government moratorium on advertising expenditures from May to October 1979.

Media Relations

Media Relations activities at the Ottawa/Hull level consist of issuing news releases on events of national - as opposed to regional - concern, coordinating the issuance of news releases which originate in the regions but which are also distributed to the national media by Ottawa/Hull, responding to media enquiries of all types, arranging for press conferences and media briefing sessions for events of major national significance, and providing media monitoring services to the department.

By 10:45 each morning the media monitoring service provides the Minister, the Deputy Minister and senior Ottawa/Hull management with press clippings of those items reported by the media on matters directly or indirectly related to DREE's activities. The later edition is dispatched daily to all regional and provincial offices.

Audio-Visuals

The Public Information Services Branch maintains a complete audio-visual service available to all branches in Ottawa/Hull and the regional and provincial offices.

The audio-visual unit produces, either in-house or by contracts through the National Film Board, slide-shows with or without narration, synchronous sound-slide shows, dual projector shows in any language. Through a photographic sub-unit, photographs, slides and prints are also available. The audio-visual unit, as required, assists senior management from all parts of the country, in preparing briefings and provides services on an assignment basis or in a consultative capacity.

Exhibits

The Public Information Services Branch maintains a full-time exhibit capacity responsible for mounting exhibits for national and international events and upon request, assists the provincial and regional offices with locally oriented exhibits.

These exhibits range from simple displays for meetings or conferences to large, complex shows with audio-visual components. The subject nature of these exhibits is also variable, ranging from specific program material to general "institutional" themes.

Publications

The major publications of the department are issued by the Public Information Services Branch. They include such statutory publications as the DREE Annual Report, PFRA Annual Report, DEVCO Annual Report, Monthly Report to Parliament on Regional Development Incentives and the printing of acts and regulations of the department.

In addition, the branch prepares, on behalf of the department, such special publications as the RDI Cumulative Statistics report, Summary of Subsidiary Agreements and provincial economic reports; publications to meet identified requirements in support of program activities and demands for information; and publications in response to needs of other branches at head office and in the field.

Distribution and Public Enquiries

The documentation and distribution unit at Ottawa/Hull is responsible for distributing, storing and maintaining inventories of departmental publications, reports, news releases, and so forth. Mailing lists for various publics are maintained by a computerized system.

During a typical month more than 20,000 publications are shipped or mailed by the distribution unit to members of the public or other DREE offices, and more than 200 written or verbal requests for publications are replied to. An average distribution of close to 250,000 print pieces is undertaken annually.

The regional and provincial offices maintain their own mailing lists, in addition to those maintained in Ottawa/Hull, for purposes of reaching their local publics.

Internal Communications

On a regular basis, requests for assistance are received at Public Information Services Branch from other branches in the department needing to communicate with all DREE employees across the country. The Personnel Services Branch in particular, requires such material for orientation and employee training programs.

A basic internal communication tool is Telescope, the DREE staff revue, published approximately five times a year, which carries articles on major departmental programs, human interest stories and information on personnel activities. Telescope representatives in all DREE offices collect employee contributions to the revue and the Public

Information Services Branch undertakes the editing, art work and writing of some articles, and attends to the printing and distribution across the department.

