

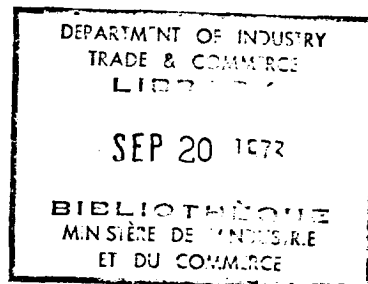
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REGIONAL DEVELOPMENT PROGRAMS BY PROVINCE

One of a series of staff papers prepared by the federal
Department of Regional Economic Expansion
as part of the regional development policy and program review.

April, 1973

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BY PROVINCE



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Expansion for the regional development
policy and program review.

APRIL 1973

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NEWFOUNDLAND

INTRODUCTION

With its formation in 1969, the Department of Regional Economic Expansion took over the responsibility and direction of several agencies, programs and acts involving the Department in responsibilities in Newfoundland. Among these were the Agricultural and Rural Development Act, the Atlantic Development Board, the Atlantic Provinces Power Development Act, and the Area Development Agency. Further, on July 17, 1970, the Department took over from the Department of Fisheries the responsibility for the Newfoundland Resettlement Program. Financial and program commitments that had been undertaken by these agencies and under these acts were continued.

Much of the department's activity in Newfoundland is undertaken jointly with the province. To facilitate the planning and coordinate the implementation of these activities a Canada-Newfoundland Joint Planning Committee (JPC) was established with representation from the department and from the province. Its basic function was and continues to be joint planning with the province, including the development of long term strategies and the translation of the strategies into specific courses of action formalized by federal-provincial agreements. The operation of the agreements on Special Areas, Special Highways, Resettlement and the St. John's Urban Region Study are all supervised by the Joint Planning Committee although working committees are set up under these agreements to handle day to day problems. Another important function of the Joint Planning Committee has been to act as a channel for providing assistance to the province of Newfoundland in its own planning efforts. //

Shortly after the formation of the department, a round of discussions led to the establishment of eight special areas. Three of these, St. John's, Grand Falls-Gander, and Corner Brook, contain the existing major towns of Newfoundland. Stephenville is the site of the abandoned American Harmon Base and Happy Valley adjoins the Goose Bay Base. The Come By Chance

special area surrounds the new oil refinery. The Burin special area includes the Marystown Shipyard and the major trawler fishing ports of Newfoundland, while the Hawkes Bay-Port-au-Choix special area is the centre for middle-distance fishing on the great north Peninsula. A particularly important consideration in the establishment of the Newfoundland special areas was the need to facilitate the resettlement of people from outports.

The expenditure pattern, including contributions and loans, for all programs including ADIA and RDIA in Newfoundland since the formation of the Department of Regional Economic Expansion, has been:

	<u>All Programs</u>		<u>ADIA/RDIA</u>		<u>Other Programs</u>	
	Total \$M	Per Capita \$	Total \$M	Per Capita \$	Total \$M	Per Capita \$
1969-70	34.8	67.31	2.4	4.64	32.4	62.67
1970-71	62.5	119.73	2.0	3.83	60.5	115.90
1971-72	35.4	66.54	0.7	1.32	34.7	65.23
1972-73 (est.)	58.9	110.71	3.5	6.58	55.4	104.13

CURRENT STATUS OF PROGRAMS

SPECIAL AREAS PROGRAM

The First Special Areas and Highways Agreement was signed on April 8, 1970. The Second Special Areas Agreement was signed on August 9, 1971, and runs to March 31, 1975.

St. John's Special Area

The St. John's special area is particularly attractive for new industries to replace products imported into the province. The Avalon Peninsula holds about 45 per cent of the provincial population and a substantially larger share of the total provincial disposable income. In addition, the St. John's area can provide a wide range of the supporting facilities and services that industry requires.

The special area includes not only the deep water

harbour of St. John's, but also the trawler ports of Carbonear and Harbour Grace. These three ports provide the nearest year-round access to the offshore fishing grounds to the east and north of Newfoundland.

Total population and industrial employment in St. John's have been growing relatively rapidly. The strategy in this special area is to encourage this development by providing a new residential development and a serviced industrial park; along with transport links for this industrial park land with both the port and the Trans-Canada Highway, and the water, sewer, and education services needed by a growing metropolitan centre. These priorities are reflected in the expenditure pattern shown on page 4.

Burin Peninsula Special Area

The Burin Peninsula is, along with St. John's, a base for a major and growing offshore trawler fishing effort. The major thrust of investment for the special area has been to improve the road network of the Burin Peninsula and its connections with St. John's so as to improve its competitive position as a base for offshore fishing. With the growing employment in the trawler towns and the movement of people from smaller outports to the Burin Peninsula, there has been considerable need for development of residential land, water and sewer supplies, and most important, educational facilities.

Happy Valley Special Area, Labrador

The Happy Valley special area is adjacent to the U.S. Air Force Base at Goose Bay and has long been dependent economically upon it. However, the forest industry, and ancillary job-creating services, are expanding in Labrador. For the future there is hope of development of the lower Churchill Falls hydro project. To accommodate the people moving to these new jobs from the isolated Labrador outports, the special area program is assisting the construction of the infrastructure for residential subdivisions, and the design and construction of elementary and vocational schools.

Other Special Areas

In Corner Brook the main thrust is to link the port facilities with industrial park and distribution facilities on the Trans-Canada Highway to enable Corner Brook to become the major distribution centre for the west coast. In

TABLE 1

PROVINCE OF NEWFOUNDLAND

FUNCTIONAL CLASSIFICATIONS OF EXPENDITURES BY
SPECIAL AREAS
(\$000's)

<u>Special Area</u>	<u>Acquisition and Development of Land</u>		<u>Water Supply and Sewerage</u>	<u>Educational Facilities</u>	<u>Transportation</u>	<u>Total</u>
	<u>Residential</u>	<u>Industrial</u>				
St. John's	2,500	1,300	2,400	9,500	15,500	31,200
Burin	170		420	4,500	7,600	12,700
Come-by-Chance			550			550
Grand Falls-Gander			3,500	630	710	4,800
Stephenville	1,000		2,200 *	5,800	1,400	10,400
Corner Brook		600	780	1,900	7,400	10,700
Port-au-Choix- Hawkes Bay	1,000			2,500		3,500
Happy Valley	50			3,850		3,900
						77,900

* \$2,000 of this amount was for an industrial water supply for the new pulp mill.

Stephenville the closing of an American base has made available facilities which can be used for industrial expansion, but which have needed the development of complementary water supply, sewage, housing, and educational facilities. In Grand Falls-Gander the primary thrust has been the improvement of water and sewer services and the development of educational services to enable the two towns to better serve as the centre for development for the west-central part of Newfoundland. The Come By Chance special area is the location of the new oil refinery, and it is hoped to attract associated industries. The special areas agreement provides a means of meeting the need for serviced residential and commercial land, and educational facilities, associated with the growth of this centre. The Hawkes-Bay--Port-au-Choix special area is located on the great north peninsula and is the centre for resettlement for people from smaller outports and has fishing potential. The primary need is for serviced land and educational facilities.

The table on page 4 indicates projects carried out to date in the special areas in Newfoundland.

SPECIAL HIGHWAYS AGREEMENT

A special highways agreement was signed on November 5, 1971 to cover the period April 1, 1971 to March 31, 1974. Referred to as the Second Highways Agreement, it is an extension of the highways portion of the Special Areas and Highways Agreement and grew out of the Atlantic Development Board highways program. Some of the roads are in special areas, but others are designed to extend the main transportation system of the province, e.g. the Burin Peninsula road to the Burin special area.

In 1949, there were very few good roads in Newfoundland. The Trans-Canada Highway was the first paved road through much of west and central Newfoundland. The resettlement program has meant the abandonment of a large number of the more isolated settlements; relatively few settlements now remain unconnected to the main road network. However, many of the local roads are still of poor quality gravel. The main thrust of the second highways agreement, therefore, has been to upgrade and pave sections between the main towns along the Trans-Canada Highway and productive fishing ports and, in particular, the Burin special area. The Lethbridge-Bonavista road has been built as part of an agreement to abandon the Bonavista branch railway line. Major projects under this program are listed below:

TABLE 2

MAJOR PROJECTS

NEWFOUNDLAND SPECIAL HIGHWAYS PROGRAM

	<u>Serving</u>	<u>(\$,000) Cost</u>	<u>Miles</u>
Burin Peninsula Road	Burin special area	17,563	174.4
Lethbridge-Trinity- Bonavista	To replace railway and provide access to trawler ports	9,951	79.3
Deer Lake to Gros Morn National Park Boundary	Access to national park	4,100	21.5
Baie Verte	Market access for isolated area	2,806	45.0
Hawkes-Bay - Port-au- Choix	Special area	2,800	17.5
Harbour Breton-Bay D'Espoir	Access to trawler ports	1,470	20.0
Burnt Island- Rose Blanch	Access to trawler ports	1,287	28.2
Long Harbour	Access to mineral reduction plant	900	5.7
Gander Bay	Special area	700	6.0
Carbonear-Harbour Grace	St. John's special area	657	3.9
Forest Access Roads		1,295	83.7
		<hr/>	<hr/>
		\$ 43,529	485.2

THE NEWFOUNDLAND RESETTLEMENT PROGRAM

The second agreement was signed between the Department of Regional Economic Expansion and the province on July 17, 1970. It is an extension, to March 31, 1975, of the first agreement which was entered into on July 16, 1965, between the then federal Department of Fisheries and the province of Newfoundland. That department was initially responsible for the agreement on behalf of the federal government.

The program is designed to assist in the resettlement of people who wish to move from isolated outports. In the original agreement people were assisted in moving to almost any other location in Newfoundland. Under the second agreement assistance is provided only for moving to designated communities which means either to a special area as defined in the special areas agreement or to any other community within the province of Newfoundland that is approved as a "receiving community" by the ministers on the recommendation of the joint planning committee.

A portion of the program is directed by a resettlement committee, composed of four representatives of the federal government and four representatives of the province.

The provincial director of the Department of Regional Economic Expansion is chairman of the committee. The deputy minister of the Department of Social and Community Development is co-chairman. The resettlement committee reviews, accepts or rejects all applications.

Since the program began in 1966 more than 19,000 people have received assistance in resettlement. The numbers have declined from a high of 4,679 in 1967-1968 to a low of just over a thousand in 1971-1972. Numbers are expected to be lower in 1972-1973. Most of the really isolated small communities on islands, or otherwise inaccessible by road, are already evacuated. Only about a thousand people continue to live in very isolated small communities on the island, with another two thousand on the coast of Labrador.

TABLE 3

RESETTLEMENT CLAIMS BY FEDERAL GOVERNMENT
OCTOBER 1, 1965 - DECEMBER 31, 1971

BY FISCAL QUARTER, TOTAL HOUSEHOLDS AND (INDIVIDUALS)

	<u>1st</u> <u>Apr 1-June 30</u>	<u>2nd</u> <u>Jul 1-Sept 30</u>	<u>3rd</u> <u>Oct 1-Dec 31</u>	<u>4th</u> <u>Jan 1-Mar 31</u>	<u>Total</u> <u>Fiscal Year</u>
1965-1966	-	-	82 (453)	27 (135)	109 (588)
1966-1967	74 (357)	160 (904)	225 (1,129)	7 (39)	466 (2,429)
1967-1968	234 (1,191)	276 (1,578)	320 (1,515)	89 (395)	919 (4,679)
1968-1969	137 (664)	218 (1,060)	305 (1,527)	217 (948)	877 (4,199)
1969-1970	95 (439)	282 (1,400)	308 (1,555)	186 (825)	871 (4,219)
1970-1971	61 (286)	65 (366)	150 (706)	105 (489)	381 (1,847)
1971-1972	93 (494)	82 (397)	52 (239)	26 (106)	<u>253 (1,236)</u>
TOTALS (1965-1972)					3,876 (19,197)

(a) "Claims Paid" by the Federal government preferably 2-3 months after the actual move.

(b) The movement is highly seasonal, with most moving in the summer and fall.

THE NEWFOUNDLAND MINERAL EXPLORATION EVALUATION AGREEMENT

This agreement was signed on September 3, 1971, and covers the period from April 1, 1971, to March 31, 1975, inclusive.

Financial commitments under the agreement are:

Total funds committed: \$ 2,698,000

Canada contributions is shared equally between:

DREE 1,349,000

Energy, Mines & Resources 1,349,000

Estimated expenditures 1971-1972 - -

DREE 36,800

EMR 36,800

73,600

The purpose of the agreement is to assist Newfoundland in the investigation of potentially economic mineral occurrences. The program includes the provision of training courses for prospectors; detailed investigation of potentially economic mineral occurrences; publishing detailed inventories of all known mineral occurrences; revising the mineral land tenure system; investigating opportunities for further mineral processing and the building of an analytical laboratory to serve the mineral industry.

THE NEWFOUNDLAND & LABRADOR DEVELOPMENT CORPORATION AGREEMENT

The Newfoundland and Labrador Development Corporation Agreement was signed on July 17, 1972, and provides for federal assistance for an initial period of five years, i.e. to July 16, 1977. Many manufacturing enterprises in Newfoundland and Labrador are too small to qualify for the standard RDIA program. These manufacturing enterprises and other businesses need not only loan and equity assistance but also industrial intelligence, management advice, project information and similar services. The corporation is there to provide such assistance. Over 700 applications for assistance had been

received by mid-October 1972, before the corporation started operations.

The corporation will be advanced money by the federal government for lending, as required, up to a maximum outstanding of \$20,000,000. The provincial government will initially advance up to \$1 million to the corporation for equity capital. The operating and other expenses will be shared equally between Canada and the province by way of contributions to the corporation. The annual contribution by Canada for operating purposes cannot exceed \$350,000.

THE ARDA PROGRAM

The third ARDA agreement was signed on May 28, 1971, and is applicable until March 31, 1975. Programs or projects approved before March 31, 1975, may continue toward their completion until March 31, 1978. The Agricultural Rehabilitation Act of 1961 provided for the establishment of a federal-provincial program of alternate land use, soil and water conservation, rural development and research aimed at alleviating the problem of low income in rural areas. The second agreement was signed in 1965 and continued in force until March 31, 1970.

The main thrust of the new agreement is the development of employment opportunities, and the provision of measures to help rural people gain access to these opportunities or to improve their level of income from primary producing activities. However, only three programs have yet been approved. The Argentia Task Force proposals are for the provision of tourist and recreation facilities close to the ferry terminal in the abandoned American base at Argentia. The second approval is for the Port-aux-Basques water supply. This is required both for industrial purposes, particularly for fish processing, and the growing needs of the local population. The agricultural program is concerned, on the one hand, with increasing Newfoundland production of food now imported, such as lambs, broilers and pigs; on the other hand it will endeavour to build a luxury export trade in such products as partridge berries. As shown in the table below, the total federal cost of these approved programs is \$8,444,000.

The fisheries program which is expected to cost the department \$7,500,000 has not yet been approved by Treasury Board. Programs in the fields of forestry, tourism and wildlife, have not yet been officially forwarded but are the subject of informal discussion between the province and officials of DREE in the province.

It is expected that the fisheries program, when finally approved, will include provisions for improving the mid-water fisheries operations, i.e. to upgrade the inshore fishermen into long lining operations, and to provide better provision for both processing their catch and equipping and repairing their boats.

This agreement is administered by a joint ARDA committee. Under the agreement the province has the responsibility of making proposals to this committee.

TABLE 4

ARDA III PROGRAMS IN NEWFOUNDLAND AND LABRADOR
(Federal Share Only)

	<u>1972-73</u> <u>Commitments</u> (<u>\$</u>)	<u>Total Program</u> (<u>\$</u>)
A. Approved Programs		
1) Argentia Task Force Projects	95,000	95,000
2) Port-aux-Basques Water Supply	405,000	405,000
3) Agriculture	<u>638,000</u>	<u>7,944,000</u>
Total Approved	1,138,000	8,444,000

FEDERAL-PROVINCIAL SURVEYING, MAPPING AND LAND
REGISTRATION AGREEMENTS.

Federal-provincial agreements with the provinces of Nova Scotia, New Brunswick and Newfoundland, covering surveying, mapping and land registration, were initially entered into in 1968 under the Atlantic Development Board.

These agreements covered three phases:

Phase 1: coordinate system of central surveys.

Phase 11: large scale topographical mapping including aerial

photography. Such large scale mapping includes resource, rural and urban mapping at suitable scales, and such property mapping as is approved in writing by the federal minister on the recommendation of the management committee.

Phase III & IV: cover the preparation for land registration and data bank and all other matters necessary to implement a land titles system of land registration, including the purchase of necessary equipment.

Initial authorization to enter into agreements was given on September 17, 1968. The initial agreements (made in 1968) were extended for an additional two year period, i.e. 1970-1972, at a level of \$4.975 million for the two years. These agreements expired on March 31, 1972.

New agreements were entered into on October 5, 1972, running to March 31, 1977, under the Department of Regional Economic Expansion Act. The maximum amount to be funded by DREE is \$3.965 million.

ST JOHN'S URBAN REGION STUDY AGREEMENT

Canada is financing half the cost of a study of the St. John's urban region, conducted by Proctor and Redfern Limited. The study was authorized on April 27, 1971, and a draft report has been received.

The objectives of the study were an examination of the ways in which existing and future developments in urban St. John's might be serviced effectively; and an examination of alternative forms of growth for St. John's and the implications for servicing costs, life styles and environmental impact.

The study is being administered by the Department of Community and Social Development on behalf of the province and directed by the joint federal-provincial steering committee.

REGIONAL DEVELOPMENT INCENTIVES ACT

This is a wholly funded and operated program of the federal government. It provides industrial incentives, for the establishment, expansion or modernization of eligible manufacturing or processing plants, in the designated region, which is the whole of the island of Newfoundland and the special area of Happy Valley in Labrador. The rest of Labrador including, in particular, the iron ore mining towns of Labrador City and Wabush Lake, is excluded. This region was designated, after discussions with the province, in 1969.

Since the inception of the program in 1969 to the end of December 1972, 61 offers have been accepted for projects in Newfoundland. The eligible capital costs of the assisted projects are estimated at \$22,839,000 and the amount of incentives offered is \$8.5 million. The projects are expected to generate 1,963 new direct jobs.

TABLE 5
DREE EXPENDITURES 1969-70 TO 1972-73 (ESTIMATE)

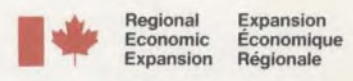
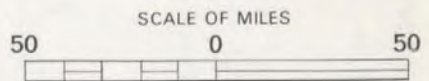
Province of Newfoundland (\$000's)

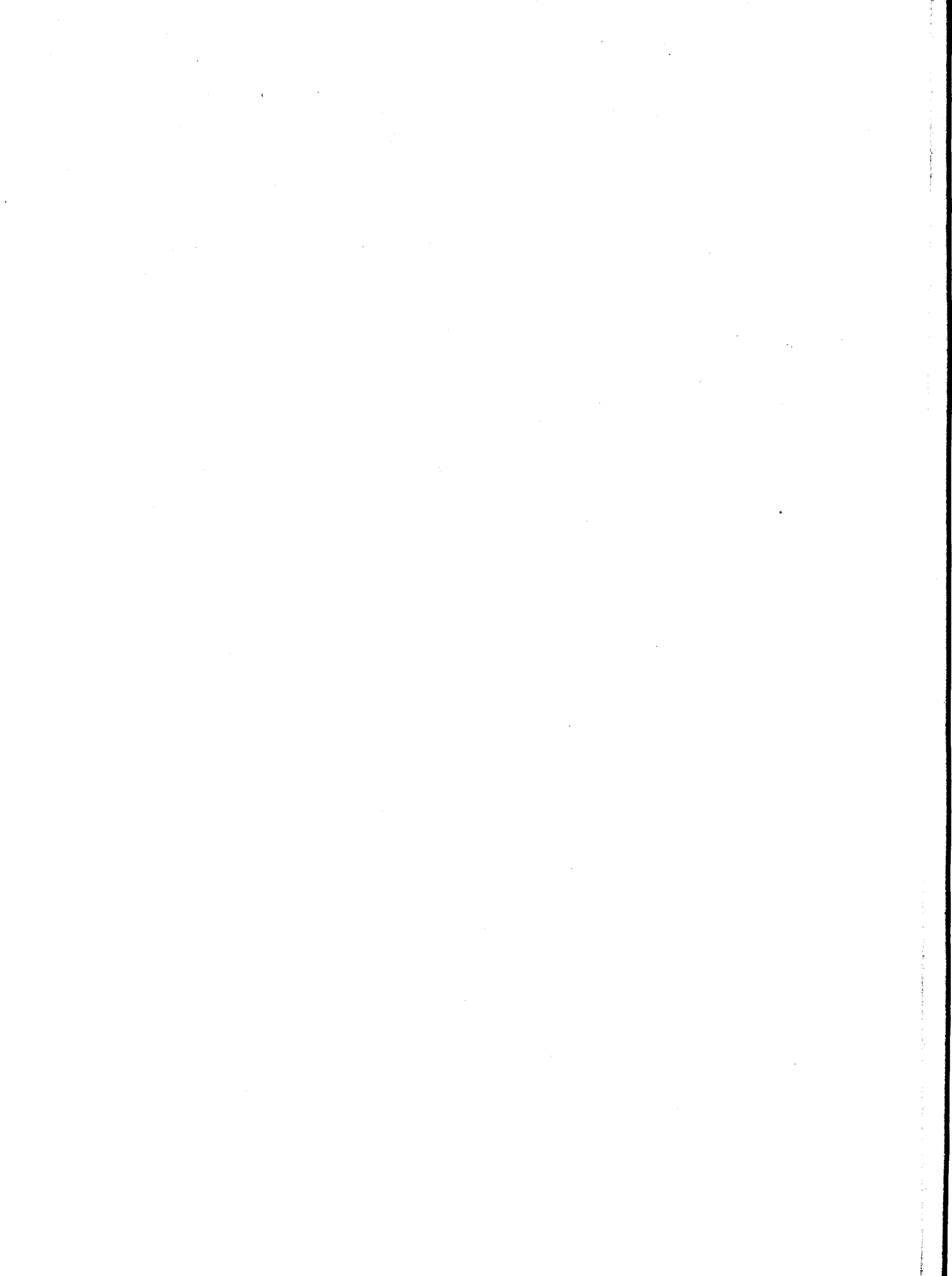
ACTIVITY	Province of Newfoundland (\$000's)												Total		
	1969-70			1970-71			1971-72			1972-73			1969--73		
	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total
Planning & Technical Studies	-	-	-	-	-	-	74	-	74	1285	-	1285	1359	-	1359
Land Use Studies	37	-	37	59	-	59	624	-	624	685	-	685	1405	-	1405
SUB-TOTAL	37	-	37	59	-	59	698	-	698	1970	-	1970	2764	-	2764
A.D.I.A.	2422	-	2422	1974	-	1974	266	-	266	37	-	37	4699	-	4699
R.D.I.A.	-	-	-	40	-	40	390	-	390	3422	-	3422	3852	-	3852
Industrial Studies & Services	-	-	-	-	-	-	-	-	-	276	6000	6276	276	6000	6276
SUB-TOTAL	2422	-	2422	2014	-	2014	656	-	656	3735	6000	9735	8827	6000	14827
Infrastructure within Special Areas	-	-	-	17962	5704	23666	6795	3927	10722	16038	13241	29279	40795	22872	63667
Highways outside Special Areas	4165	-	4165	15524	78	15602	16833	65	16898	11013	-	11013	47535	143	47678
Power Development	-	22668	22668	-	18777	18777	-	4775	4775	-	2000	2000	-	48220	48220
Other Infrastructure	4409	17	4426	1127	-	1127	845	-	845	787	534	1321	7168	551	7719
SUB-TOTAL	8574	22685	31259	34613	24559	59172	24473	8767	33240	27838	15775	43613	95498	71786	167284
F.R.E.D.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.R.D.A.	756	-	756	365	-	365	127	-	127	1992	-	1992	3240	-	3240
Manpower Corps & Other Social Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NewStart Corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Newfoundland Resettlement	275	-	275	872	-	872	684	-	684	1625	-	1625	3456	-	3456
Employment of Socially Disadvantaged	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FFRA Operations and Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FFRA Projects on Indian Lands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FFRA Capital Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL	1031	-	1031	1237	-	1237	811	-	811	3617	-	3617	6696	-	6696
TOTAL	12064	22685	34749	37923	24559	62482	26638	8767	35405	37160	21775	58935	113785	77786	191571

NEWFOUNDLAND

PROGRAMS

- Incentive Region A
- Special Areas





PRINCE EDWARD ISLAND

INTRODUCTION

The department's activities in P.E.I. are concentrated under the Development Plan and under the Regional Development Incentives Act.

The Development Plan for Prince Edward Island was undertaken under authority of the Fund for Rural Economic Development Act and the Government Organization Act (1969). It was signed on March 7, 1969 and covers the period April 1, 1969 to March 31, 1984. Phase 1 of the development plan was undertaken under the First Memorandum of Implementation covering a five to seven year period from April 1, 1969. The agreement provided for Phase II to be done under a later Memorandum of Implementation covering the remaining period. The whole of Prince Edward Island was designated a Special Rural Development Area as provided for in Part VI of the Federal-Provincial Rural Development Agreement 1965-1970.

The agreement also provided that no further projects or programs would be undertaken under the Federal-Provincial Rural Development Agreement, 1965-70.

The Regional Development Incentives Act is applied in Prince Edward Island. For purposes of this act the whole province was designated.

The following expenditure pattern (which includes both contributions and loans) for the department in Prince Edward Island, is for all program expenditures including NewStart, ADIA, RDIA, ARDA (1969-70 only), FRED, and ADB commitments:

	<u>All Programs</u>		<u>ADIA/RDIA</u>		<u>Other Programs</u>	
	<u>Total</u>	<u>Per Capita</u>	<u>Total</u>	<u>Per Capita</u>	<u>Total</u>	<u>Per Capita</u>
	M's	\$	M's	\$	M's	\$
1969/70	10.6	96.36	0.5	4.54	10.1	91.82
1970/71	14.7	131.25	0.4	3.57	14.3	127.68
1971/72	17.7	156.64	1.2	10.62	16.5	146.02
1972/73 (est.)	20.7	183.19	1.1	9.74	19.6	173.45

CURRENT STATUS OF PROGRAMS

DEVELOPMENT PLAN FOR PRINCE EDWARD ISLAND

The development plan resulted from an intensive joint planning process undertaken between the province and the Rural Development Branch of the former Canada Department of Forestry and Rural Development. The prime responsibility for development of the plan rested with the province. It was undertaken by a provincial Crown Corporation, the Economic Improvement Corporation* established for this purpose, the chairman of which was the premier of the province. The federal government provided the total funding for those operations of the corporation that were directly related to the development of the plan. The staff of the corporation worked closely with federal staff in the development of the strategy and the details of the First Memorandum of Implementation covering Phase 1.

This plan is based on a development strategy to bring about full economic exploitation of the island's large and potentially profitable resources for agriculture. Other main features of the strategy are: a considerable development of tourist facilities; better utilization of forest assets; rationalization of fisheries; extension of education programs and training for the development of the potential of the labour force; increased efficiency and some expansion in processing and manufacturing industry; investment in housing, health and welfare services and other infrastructure required for effective development.

* The functions of this corporation have now been assumed by the Department of Development.

The common aim of these programs is to create conditions in which the people of Prince Edward Island can create viable economic enterprises for themselves.

The first Memorandum of Implementation was amended effective April 1, 1971, as provided for by Article 7 of the original agreement. The purpose of the amendment was primarily to reallocate funds committed under the agreement to meet changing priorities and thus enhance the plan's effectiveness with the resources available. The amendment was undertaken as a result of an intensive program review that was carried out during 1970-71.

The major thrust of the amendment was directed towards acceleration of the school construction program for primary and secondary education. Funds were found within the agreement in several programs which either proved less costly to implement through a consolidation of objectives and strategies or were revealed, through time and experience, to be less effective in the overall development strategy under the plan.

Another significant change under the amendment was the reduction of one-quarter per cent (.025%) in the cost to the province of federal loan funds advanced in support of the various programs under the agreement.

The present commitments are:

<u>Phase 1 (amended)</u>	<u>000's</u>	
Provincial contributions		117,963
DREE, grants and contributions	81,937	
DREE, loans	36,563	
Other Federal contributions	6,500	
Total Federal		<u>125,000</u>
Total Phase 1		<u>242,963</u>
 <u>Phase 11</u>		
Provincial contributions		385,000
Federal contributions		<u>100,000</u>
Total Phase 11		485,000
Total Plan		727,963

Note: Canada shall not contribute more than \$25 million in any fiscal year.

Significant progress has been made in the implementation of most programs covered by the agreement. The development strategy for the first phase of the plan is being implemented in most sectors in accordance with the design, and with reasonable hope of meeting the program objectives. However, it is too early to speculate on the success of these programs in meeting the overall plan objectives for social and economic advancement.

Some of the highlights of implementation during the first four years of the development plan that warrant special attention are listed below:

Implementation: Good progress by the provincial government in the establishment and operation of a wide range of new institutional and administrative arrangements required to implement the plan.

These include:

- Land Development Corporation
- Provincial Lending Authority
- Agricultural Extension Service
- Natural Products Marketing Board
- Commodity Marketing Boards
- Market Development Centre
- Rural Development Council
- Provincial Leadership Institute
- Land Use Service Centre
- Planning and Development Board
- Treasury Board
- Island Information Service
- Environment Control Commission
- Housing Authority
- Regional School Boards
- University of Prince Edward Island
- Holland College
- Regional Government Service Centre

Land Management: Excellent progress toward establishment of an integrated land management system through:

- completion of a second order survey;
- near completion of a new topographical map series;
- training of a corps of qualified land appraisers;
- establishment of an equalized land assessment system;
- recent establishment of a land use service centre within the new Department of the Environment and Tourism.

These accomplishments have combined to make possible the introduction of a new provincial-municipal tax system, a new primary and secondary educational system, a basis for systematic land use allocations within the province, and significant amendments to the provincial Recreation and Development Act.

Agriculture: The main elements of the development strategy have been established and put into operation. These include:

the expanded agricultural extension and educational program;

the expanded agricultural research program;

The Land Development Corporation program for farm consolidation and alternative land use;

the Family Farm Improvement Program.

It is too early to evaluate the effectiveness of these long range programs but they are reaching a large segment of the farm population and some progress is evident. Early effort by the extension service has been concentrated on providing farmers with a wide range of production and management courses, through excellent cooperation with Canada Manpower and the provincial Department of Education. Efforts now are being organized to extend farm management advisory services at the individual farm level. The family farm development grant project was launched in July, 1972, under which capital grants are offered to individual farmers to assist them in carrying out five year farm expansion plans which have been formulated with the assistance of the farm management advisory services. This program has met with immediate response from more than a thousand farmers and over 400 offers had been made by mid-October.

Tourism: The first recreational complex at Brudenell is nearing completion. There is substantial evidence that it is stimulating private investment and increasing tourist expenditures in the region of east Kings County. Recent reorganization for tourist development, within the new Department of Environment and Tourism, promises to overcome past difficulties experienced in the planning and implementation of this program.

Education: With the passage of the new School Act in the Fall of 1971, the province has completely reorganized its educational program at the primary, secondary and post-secondary levels.

Vocational Training in Prince Edward Island has been greatly expanded and upgraded during the four years, notably through the highly successful establishment of Holland College and the expansion of training opportunities in the resource industries. A new fisheries and navigation school was opened in September 1972 on the waterfront project site in Summerside and is now offering greatly expanded training opportunities. Five projects have been launched under new employment training corps during 1972-73.

Housing: Two special programs have been launched, to provide assistance to home owners for improvement to structurally sound but substandard houses and to low income families for the acquisition of new houses. An expanded provincial housing authority also has greatly increased the application of CMHC programs for co-op housing, senior citizen housing and low rental projects. By October 1972, more than 3,500 families had been assisted through the home ownership and home improvement projects.

Water: The program to control water pollution is being advanced, through the construction of sewerage collection and treatment facilities in Montague, Charlottetown and Summerside and the installation of effluent treatment facilities at food processing plants on the island.

Capital Construction: During the first three years, projects under the development plan have assisted in financing new capital construction to an estimated total value of \$31,700,000. It is expected that by the end of the fiscal year 1972-1973, this amount will reach \$50,900,000. This construction is divided amongst the following sectors:

transportation	\$13,300,000
housing	\$14,000,000
tourism	2,100,000
urban services	6,100,000
government buildings	3,600,000
schools	6,800,000
industrial waste	1,400,000
farm capital construction	3,600,000

The province has proposed that the joint advisory board consider further amendments to the cost tables, to take effect on April 1, 1973, within the context of a six year term for Phase 1. The proposed amendments likely will include: increases in the program allocations for agriculture, housing, collector highways, manufacturing and processing, and the employment training corps; and offsetting decreases in the program allocations for fisheries, education, capital fund, market development centre, plan management, and administration.

Plan Administration

The agreement covering the development plan for Prince Edward Island is one of the most comprehensive federal-provincial agreements in the history of Canada. To be successful it requires an approach to joint management that is fully cooperative and coordinated and has the flexibility to respond to changing conditions.

Over the past three years, a large measure of success has been achieved in structuring and implementing the joint management system envisioned in the development strategy of the plan.

Expenditure Pattern

The Department of Regional Economic Expansion expenditure pattern for the development plan agreement has been:

<u>DREE Expenditures</u> (\$000)	<u>Contributions</u>	<u>Loans</u>
1969-70	6,614	391
1970-71	11,515	1,650
1971-72	13,228	2,791
1972-73 (estimated)	16,019	6,023

REGIONAL DEVELOPMENT INCENTIVES ACT

After discussions with the provincial government, the whole of the province was designated for purposes of the Regional Development Incentives Act in 1969. This replaced the ADIA program which has been in effect previously.

Since the inception of the program in 1969, to the end of December 1972, 34 offers have been accepted for projects in Prince Edward Island. The eligible capital costs of the assisted projects are estimated at \$9,642,691; the amount of incentives offered is \$3.6 millions. The projects are expected to generate 778 new direct jobs.

Expenditure Pattern ADIA/RDIA

<u>1969-70</u> 000's	<u>1970-71</u> 000's	<u>1971-72</u> 000's	<u>1972-73 (est.)</u> 000's
\$460	\$395	\$1,174	\$1,075

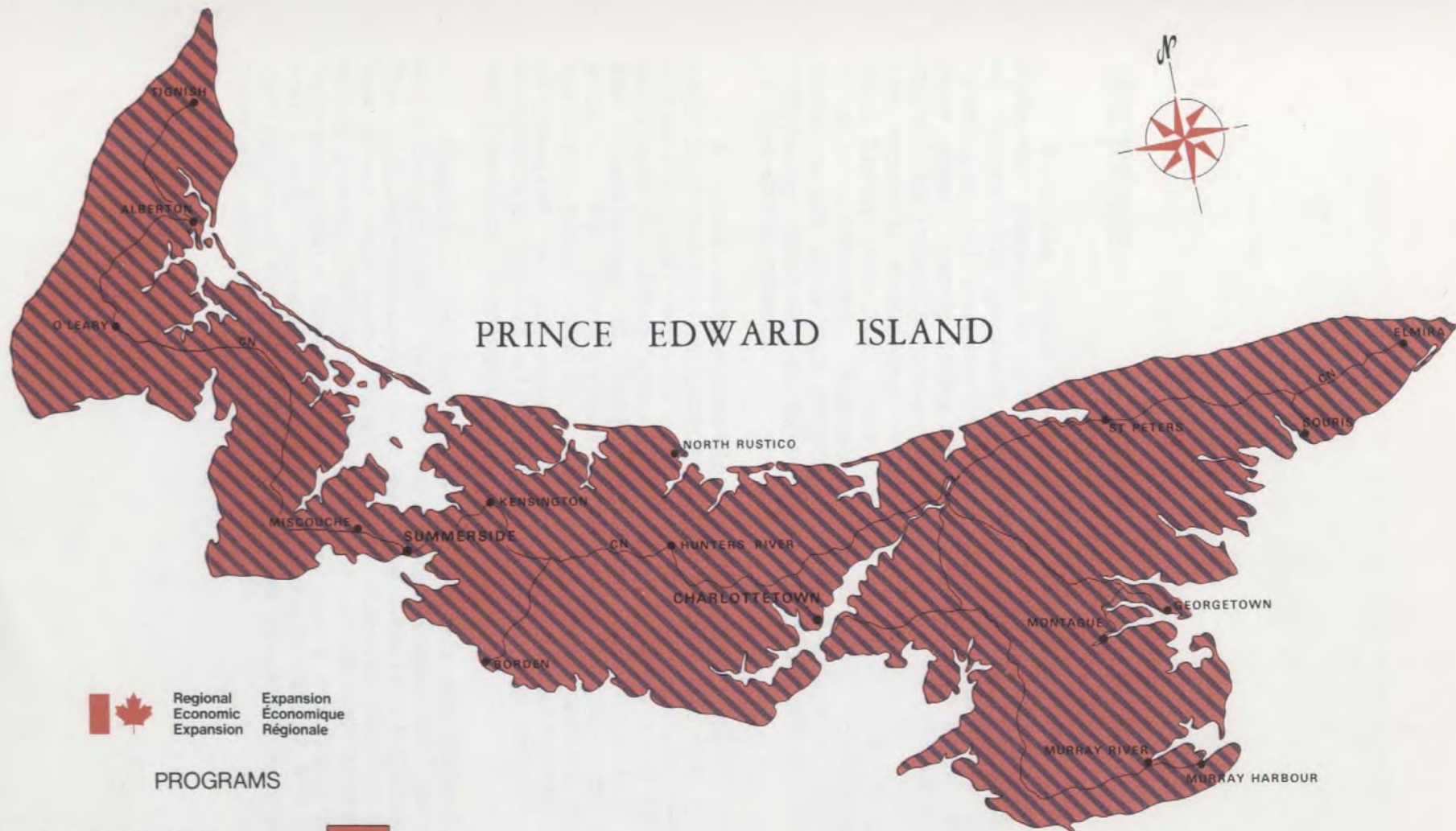
TABLE 6


DREEE EXPENDITURES 1969-70 to 1972-73 (ESTIMATE)

ACTIVITY	Province of Prince Edward Island (\$000's)											Total			
	1969-70			1970-71			1971-72			1972-73			1969 - 73		
	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total
Planning & Technical Studies	42	-	42	-	-	-	-	-	19	-	19	61	-	61	
Land Use Studies	-	-	-	131	-	131	268	-	268	-	-	399	-	399	
SUB-TOTAL	42	-	42	131	-	131	268	-	268	19	19	460	-	460	
A.D.I.A.	460	-	460	279	-	279	334	-	334	38	38	1111	-	1111	
R.D.I.A.	-	-	-	116	-	116	840	-	840	1037	-	1993	-	1993	
Industrial Studies & Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SUB-TOTAL	460	-	460	395	-	395	1174	-	1174	1075	-	3104	-	3104	
Infrastructure within Special Areas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Highways outside Special Areas	584	-	584	-	-	-	-	-	-	-	-	584	-	584	
Lower Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Infrastructure	1411	-	1411	109	-	109	70	-	70	2	-	1592	-	1592	
SUB-TOTAL	1995	-	1995	109	-	109	70	-	70	2	-	2176	-	2176	
N.R.E.D.	6614	391	7005	11515	1650	13165	13228	2791	16019	16019	6023	22042	47376	10855	58231
A.R.D.A.	211	-	211	-	-	-	-	-	-	-	-	211	-	211	
Manpower Corps & Other Social Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
NewStart Corporations	900	-	900	953	-	953	179	-	179	-	-	2032	-	2032	
Newfoundland Resettlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Employment of Socially Disadvantaged	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
PFRA Operations and Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
PFRA Projects on Indian Lands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
PFRA Capital Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SUB-TOTAL	7725	391	8116	12468	1650	14118	13407	2791	16198	16019	6023	22042	49619	10855	60474
TOTAL	10222	391	10613	13103	1650	14753	14919	2791	17710	17115	6023	23138	55359	10855	66214





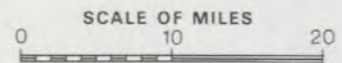
PRINCE EDWARD ISLAND

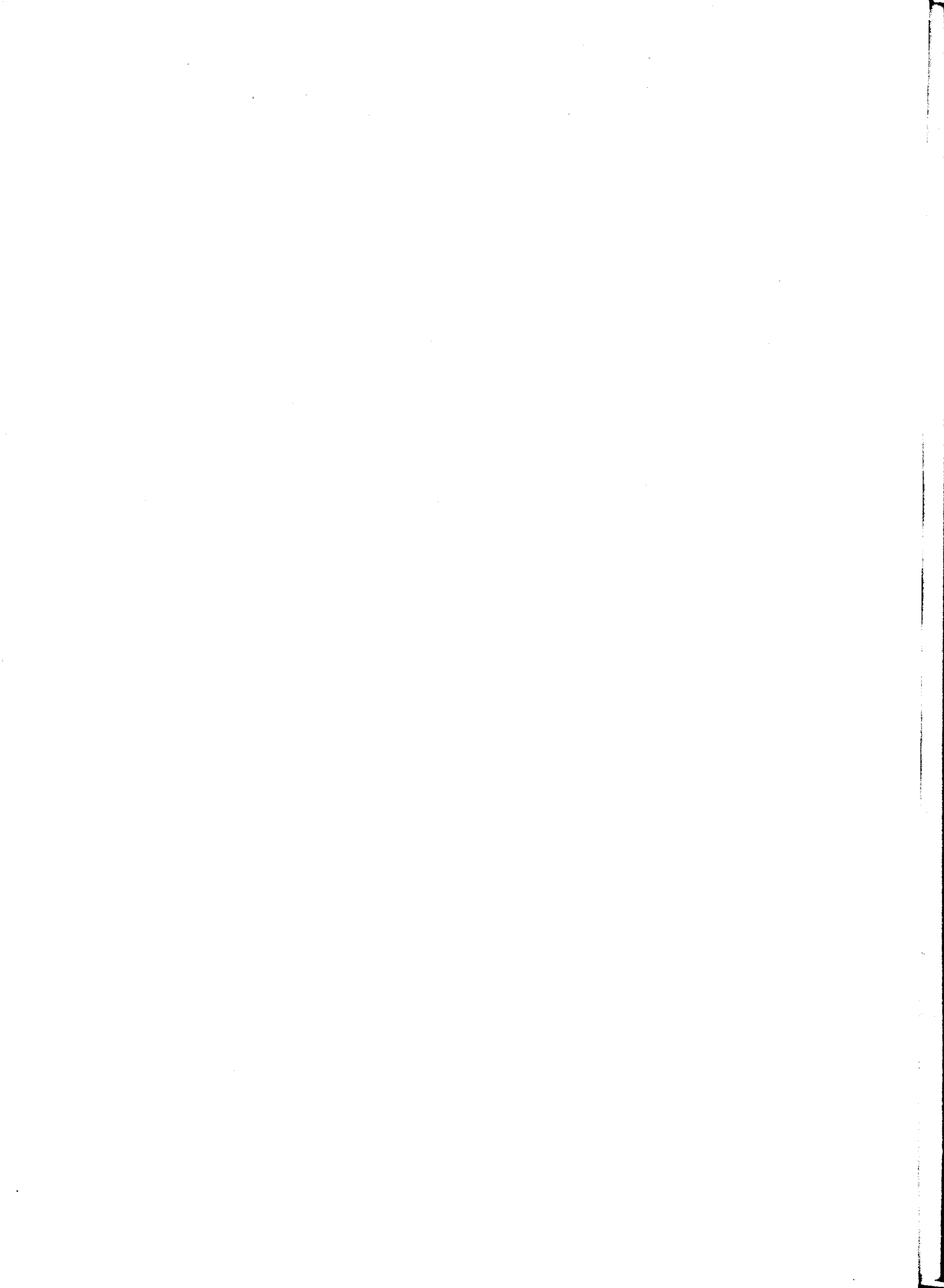


 Regional Economic Expansion / Expansion Économique Régionale

PROGRAMS

- Incentive Region A 
- F.R.E.D. Area 





NOVA SCOTIA

INTRODUCTION

With its formation in 1969, the Department of Regional Economic Expansion took over the responsibility and direction of several independent agencies, programs, or acts that had developmental responsibilities in Nova Scotia as in other provinces. Among these were the ARDA-FRED Acts, the Maritime Marshland Rehabilitation Act, the Atlantic Development Board, the Atlantic Provinces Power Development Act, the Area Development Incentives Act, Nova Scotia NewStart and the Canada Land Inventory Program. Financial and program commitments undertaken under these acts and programs were continued. The Canada Land Inventory program has since been transferred to the Department of the Environment.

A joint Canada-Nova Scotia Planning Committee was established with representation from the department and the province. Its basic function was and continues to be joint planning with the province including the development of long-term strategies and the translation of these strategies into specific courses of action. The joint planning committee established a series of sectoral joint working groups to develop individual sectoral strategies in such areas as secondary manufacturing, services industries, social adjustment, spatial and development options and resource development.

Shortly after the formation of the department, discussions with the province led to the establishment of two special areas - The Halifax-Dartmouth Area and the Strait of Canso Area. These two areas were considered to have special potential for economic development. Through the joint planning committee a series of infrastructure investments were planned for each area. These would help overcome some of the more critical infrastructure deficiencies that could prove to be limiting factors to increased economic development.

The expenditure pattern, including grants and loans for all programs including ADIA and RDIA in Nova Scotia since the formation of the Department of Regional Economic Expansion including the estimate for 1972-73, is:

	<u>All Programs</u>		<u>ADIA/RDIA</u>		<u>Other Programs</u>	
	Total \$M	Per Capita \$	Total \$M	Per Capita \$	Total \$M	Per Capita \$
1969-70	36.3	46.42	5.8	7.42	30.5	39.00
1970-71	32.8	41.57	4.3	5.45	28.5	36.12
1971-72	42.9	54.03	21.2	26.70	21.7	27.33
1972-73 (estimate)	54.4	68.51	17.2	21.66	37.2	46.85

CURRENT STATUS OF PROGRAMS

SPECIAL AREAS AND HIGHWAY AGREEMENT

The original agreement under authority of the Government Organization Act, 1969, covered the period April 1, 1970 to June 30, 1972, and provided for infrastructure investments in the special areas of Halifax-Dartmouth and Canso Strait and improvement to the highway connecting Halifax-Dartmouth with Bridgewater. This agreement was amended on November 4, 1971. The amendment extended the period covered by the agreement to June 30, 1973 and increased the number of projects and the funds available from \$22.1 million (grants) and \$12.3 million (loans) to \$32.0 million (grants) and \$19.7 million (loans). Under the amended agreement funds were provided to investigate the feasibility of a number of other projects. The agreement expressed the intent of the two governments to enter into further agreements, as necessary and desirable, covering the period to March 31, 1975.

The implementation of the special areas agreement is undertaken under a joint federal-provincial liaison committee. This liaison committee provides a day-to-day management, recommends on necessary amendments, and in general monitors the progress of the agreement.

The province has operating responsibility for implementing the agreement under the management of the liaison committee.

The general objectives of this agreement are:

- to provide financial assistance for specific priority infrastructure projects required to make the special areas more attractive as sites for future economic development and population growth, and
- to provide for the formulation and preparation of longer term economic development strategies and plans and associated infrastructure projects.

Halifax-Dartmouth Special Area

The projects undertaken or provided for under the agreement for the Halifax-Dartmouth special area fall under six general headings:

Regional Development Strategy: The agreement provides for additional planning and feasibility studies that would lead to an overall strategy for the special area encompassing an industrial development plan, a land use plan, and an infrastructure and program requirements plan. The agreement also includes feasibility and preliminary engineering studies to ensure, among other things, an adequate water supply, urban transportation system and adult education facilities required for the economic development of the special area.

The estimated DREE contribution for the feasibility studies of specific capital projects during the present agreement is \$1.3 million.

Industrial Land Development: The agreement provides, through the amendment, for the provision of road, rail, sewer and water services necessary for the expansion of the Burnside Industrial Park.

The lack of suitable serviced land for industrial growth near the metropolitan area has been a potential deterrent to economic development. The expansion of the present industrial park will help to rationalize the overall land use and land development pattern of the metropolitan area.

The estimated DREE input is \$1.0 million in contributions and \$1.63 million in loans.

Regional Water Supply and Sewer Services: While the long-term water supply for the special area is being considered and fitted into an overall development strategy, projects were undertaken to provide an interim solution to the immediate and urgent needs of the city of Halifax for water and sewer services and sewage treatment. These projects will contribute to the servicing of both residential and industrial land development.

The estimated DREE input under the present agreement is \$9.5 million in contributions and \$4.1 million in loans.

Residential Land Development: This function provides for the acquisition of land and installation of roads, water and sewer services in various locations. The objective is to ensure that reasonably priced and serviced residential land is available to encourage larger scale housing developments and adequate housing at a reasonable price for a growing population. Central Mortgage and Housing programs are used to the utmost. Part of the cost of water, sewer and streets to service these areas are borne under the regional water supply, sewer services and transportation elements of the agreement. The investments not only open up new land for residential development in the future such as the 300-acre land assembly at Cole Harbour/Eastern Passage, but also enable other subdivisions to expand more quickly than would otherwise be possible. Costs directly attributable to residential land development included \$75,000 in contributions and \$930,000 in loans from DREE.

Educational Facilities: A major emphasis has been placed on the provision of elementary and junior high school facilities to service a growing population with modern educational facilities.

DREE contributions under the present agreement are estimated at \$7.0 million and loans at \$6.8 million.

Urban Transportation: Construction or reconstruction of arterial roads, interchanges and bus bays are included to improve traffic flow among residential, industrial and commercial core sectors.

DREE contributions are estimated at \$4.0 million and loans at \$1.8 million.

Approximately 95 individual capital projects are provided for by the agreement in the Halifax-Dartmouth area. Nearly all projects are either completed or actually in the construction stage at the present time.

Strait of Canso Special Area

The projects undertaken or provided for under the special area agreement fall into four general categories:

Industrial Land Development: The provision of an access road and railbed within the Point Tupper Heavy Industrial Park and a trunk water supply to, and water and sewer services within, the Port Hawkesbury Light Industrial Park. This will provide a suitable and more attractive area for the agglomeration of a variety of heavy and light industrial facilities.

DREE contributions are estimated at \$1.7 million and loans at \$.4 million.

Regional Water and Sewer Services: The provision of a new water and sewer system for Mulgrave and the feasibility and preliminary engineering design studies to extend Donkin Street, and municipal services to accommodate new residential development.

DREE contributions are estimated at \$.4 million and loans at \$.2 million.

Education Facilities: An estimated DREE contribution of \$188,000 is provided for a feasibility study and preliminary engineering design to determine the need for, and implications of, a regional junior-senior high school in the Port Hawkesbury area.

Transportation: Trunk 4 highway between Port Hastings and Port Hawkesbury is being widened to provide for increased industrial transport capability. Other work is being carried out on the Auld's Cove to Mulgrave road. In addition, a feasibility study is being funded to study a possible highway route to serve the Point Tupper Heavy Industrial Park.

DREE contributions are estimated at \$1.5 million and loans at \$1.5 million.

Highways Outside the Special Areas

In addition to urban transportation projects the first special area agreement provided for highway investment outside the special areas. Additional highway investment was

incorporated in a Special Highways Agreement, November 4, 1971 which is dealt with later.

Trunk Highway 103 -- This provided for the reconstruction of the highway connecting Halifax-Dartmouth with Bridgewater and in particular the reconstruction and/or relocation of Trunk 103 between Halifax-Dartmouth and the Martin River bypass.

DREE contributions are estimated at \$5.3 million.

SPECIAL HIGHWAYS AGREEMENT

This agreement, under authority of the Government Organization Act, 1969, covers the period April 1, 1971 to March 31, 1973, and provides for federal investment in highways in Nova Scotia of \$20 million, in ten different projects over the two year period.

Its objective is to assist the province in providing an all-weather highway transportation network so that economic and social development will not be impeded.

The implementation of the agreement is the responsibility of the province under the management of the Special Areas Joint Liaison Committee.

The special areas agreement and special highways agreement combined expenditure pattern is:

<u>1969/70</u>	<u>1970/71</u>	<u>1971/72</u>	<u>1972/73 (est.)</u>
\$000's	\$000's	\$000's	\$000's
2,268	15,817	17,969	23,163

FEDERAL-PROVINCIAL RURAL DEVELOPMENT AGREEMENT (1971-75)

The Rural Development Agreement is basically a rural adjustment program to assist rural people to increase their income and employment opportunities by more efficient and more concentrated use of rural resources.

This agreement replaced the Federal-Provincial Rural Development Agreement (1965-70) that terminated March 31, 1970. The 1965-70 agreement had provided for a maximum federal contribution of \$8,953,375 over the life of the agreement with maximum annual federal contributions of \$1,790,675. The total federal contributions approved under the agreement actually amounted to \$5.4 million. The 1971-75 agreement does not limit either the total or the annual federal contributions. Under the the 1965-70 agreement farm consolidation and farm improvement, recreation facilities, and woodlot and forest stand improvements were the major elements.

Under the 1971-75 agreement, programs calling for a total federal contribution of \$9.4 million have been approved. These programs are land improvement, \$200,000; fisheries, \$25,000; forestry, \$3.2 million; wildlife, \$380,500; recreation-tourism, \$1.8 million; rural adjustment, \$126,700 and agriculture, \$3,379,000.

The programs are formulated by the line departments of the province with coordination from the provincial ARDA Coordinator. The DREE Nova Scotia Director and his staff are kept informed of progress and are consulted. The programs and projects are then submitted to the joint federal-provincial ARDA committee. This committee may establish working groups to review the programs or projects and make any appropriate changes.

The expenditure pattern under the rural development agreements has been:

<u>1969/70</u>	<u>1970/71</u>	<u>1971/72</u>	<u>1972/73 (est.)</u>
\$000's	\$000's	\$000's	\$000's
\$1,712	\$1,240	\$564	\$1,806

NOVA SCOTIA NEWSTART

Nova Scotia NewStart was started under the Department of Manpower and Immigration in 1967 and transferred to Department of Regional Economic Expansion in 1969. It was established as an independent corporation with a board of directors appointed by the federal and provincial governments. Fundings was wholly provided by the government of Canada. The objectives was to develop new methods for training and motivating disadvantaged

people for stable employment. It also recommended and executed, on an experimental basis, solutions to employment problems including the recruitment of trainees, their motivation, counselling, training, placement, welfare and other related matters.

All activities of Nova Scotia NewStart were conducted in Yarmouth County.

Among the important results were a method for designing and presenting a curriculum (which is now being used by a number of provincial governments and federal agencies) and a vocational guidance centre for young, out-of-school persons. Effort was directed at the fishing sector.

The operational phase has been completed and a consolidated report is being written. Activities ended on December 31, 1972.

The expenditure pattern for NewStart is:

<u>1969/70</u>	<u>1970/71</u>	<u>1971/72</u>	<u>1972/73 (est.)</u>
\$000's	\$000's	\$000's	\$000's
\$1,169	\$567	\$502	Nil

FEDERAL-PROVINCIAL SURVEYING, MAPPING AND LAND REGISTRATION

Federal-provincial agreements with the provinces of Nova Scotia, New Brunswick, and Newfoundland, covering surveying mapping, and land registration, expired on March 31, 1972. These agreements covered:

- Phase I - coordinate system of central surveys.
- Phase II - large scale topographical mapping including aerial photography. Such large scale mapping shall include resource, rural and urban mapping at suitable scales, and such property mapping as is approved in writing by the federal minister on the recommendation of the management committee.
- Phase III and IV - cover the preparation for land registration and data bank and all other matters necessary to implement a land titles system of land registration, including the purchase of necessary equipment.

Equally as important would be the assimilation and manipulation of data to allow more pertinent or specific resource and social planning.

The program began in 1968 through the Atlantic Development Board. Phase I is scheduled for completion in 1978; phase II - for 1981; and phase III was begun in 1972.

Initial authorization to enter into agreements was obtained September 17, 1968. The program was extended to offer financial assistance for an additional two-year period from 1970 to 1972, at a level of \$4.975 million for two years. Expenditures for 1972-73 under these agreements should therefore be about \$3.5 million.

The Maritime premiers are discussing the desirability of establishing a single agency for the program. The one-year agreements with Nova Scotia and New Brunswick are interim, pending the Maritime premiers' decision. Further agreements will likely follow, to provide for continuation of Canada's participation in phases I and II, and a similar funding scale to that identified above.

METROPOLITAN AREA GROWTH INVESTMENTS LTD

An agreement was signed with the province of Nova Scotia on September 22, 1972, providing for an investment corporation, the shares of which would be owned by the federal and provincial governments. The corporation is expected to establish or expand industrial or commercial opportunities in the Halifax-Dartmouth special area through the establishment of subsidiary companies. Local investors will be able to join with MAGIL in the ownership of these subsidiaries. The corporation itself may supply entrepreneurial and management skills, opportunity identification, marketing and financing expertise.

The agreement commits the federal government to buy \$5 million worth of shares in the corporation and to loan to the province another \$5 million which will be used to buy shares. The province undertakes to purchase an additional \$10 million worth of shares.

ATLANTIC PROVINCES POWER DEVELOPMENT ACT

Responsibility for the Atlantic Provinces Power Development Act was transferred to the department at its formation in

1969. Contributions of \$4.294 million shown in the fiscal year 1969-70 related to the coal subvention which was terminated in 1969. Loan expenditures in subsequent years formed part of an early commitment under the Act to provide up to \$40.8 million in loans to the province for the development of power generating capability. The Northern Canada Power Commission, an agency reporting to the Department of Energy, Mines and Resources, represents Canada in discussions with the province.

Expenditure pattern for power development assistance has been:

	<u>1969/70</u>	<u>1970/71</u>	<u>1971/72</u>	<u>1972/73 (est.)</u>
	\$000's	\$000's	\$000's	
Contributions	4,294			
Loans	5,340	5,937	225	
Total	9,634	5,937	225	

REGIONAL DEVELOPMENT INCENTIVES ACT

After discussions with the province in 1969, the whole of Nova Scotia was declared a designated region for purposes of this act.

This program (RDIA) replaced the former Area Development Incentives program.

Since the inception of the program in 1969 to the end of December 1972, 119 offers have been accepted for projects in Nova Scotia. The eligible capital costs of the assisted projects are estimated at \$181,146,014 and the amount of incentives offered is \$40.0 million. The projects are expected to generate 5,720 new direct jobs.

The expenditure pattern for ADIA and RDIA has been:

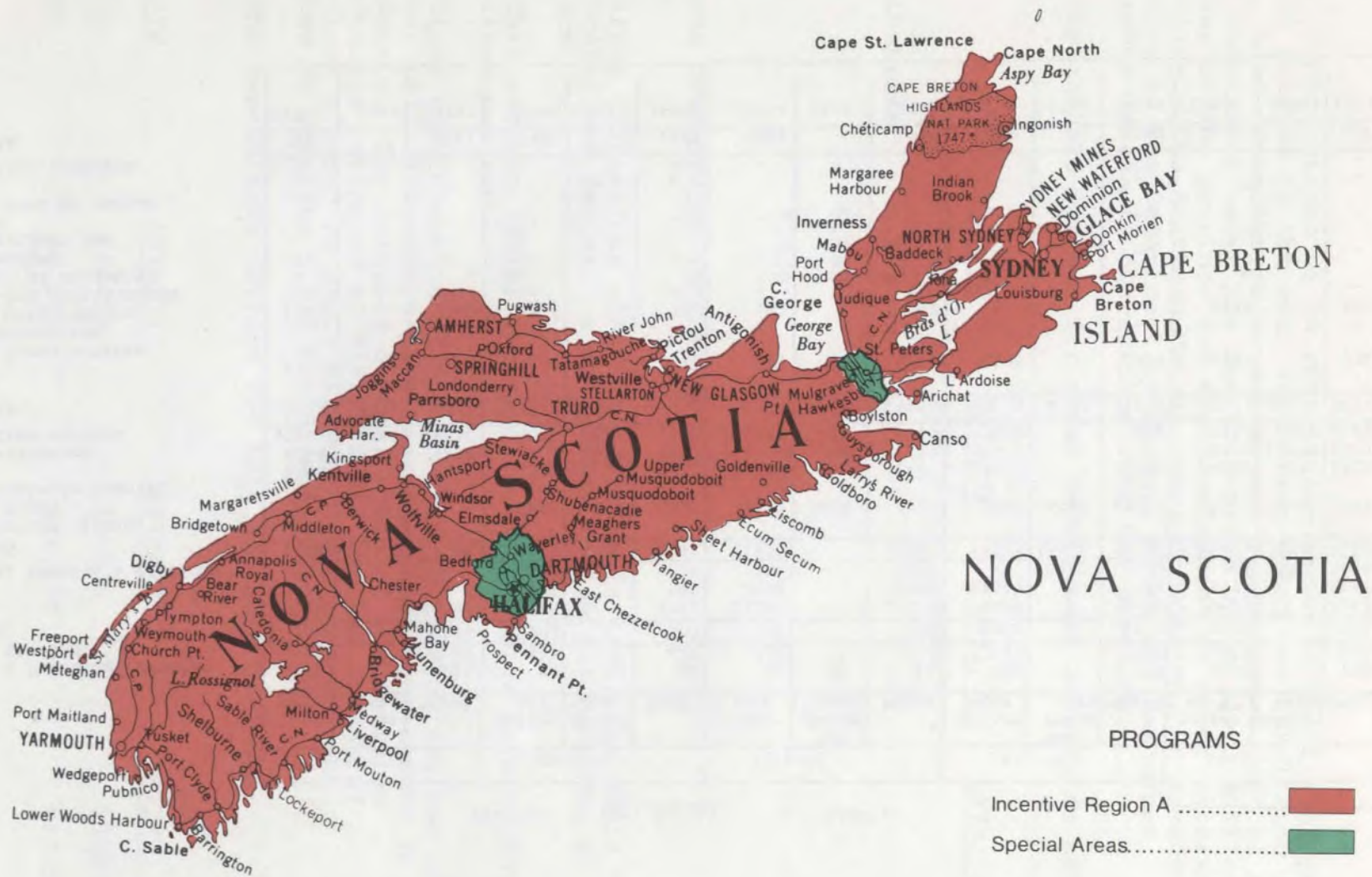
<u>1969/70</u>	<u>1970/71</u>	<u>1971/72</u>	<u>1972/73 (est.)</u>
\$ 000's	\$ 000's	\$ 000's	\$ 000's
\$5,799	\$4,257	\$21,237	\$17,209

TABLE 7

DREE EXPENDITURES 1969-70 to 1972-73 (ESTIMATE)

PROVINCE OF Nova Scotia (\$'000's)

ACTIVITY	1969-70			1970-71			1971-72			1972-73			Total		
	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total
Planning & Technical Studies	266		266	54		54	12		12	718		718	1050		1050
Land Use Studies	88		88	447		447	714		714	797		797	2046		2046
SUB-TOTAL	354		354	501		501	726		726	1515		1515	3096		3096
A.D.I.A.	5799		5799	3710		3710	18147		18147	4869		4869	32525		32525
R.D.I.A.	-		-	547		547	3090		3090	12340		12340	15977		15977
Industrial Studies & Services	-		-	20		20	286		286	-	10000	10000	306	10000	10396
SUB-TOTAL	5799		5799	4277		4277	21523		21523	17209	10000	27209	48808	10000	58808
Infrastructure within Special Areas	-		-	7883	5602	13485	3431	3089	6520	8302	4750	13052	19616	13441	33057
Highways outside Special Areas	2268		2268	2332		2332	11449		11449	10111		10111	26160		26160
Power Development	4294	5340	9634	-	5937	5937	-	225	225	-		-	4294	11502	15796
Other Infrastructure	10981	4410	15391	4298	181	4479	1079	310	1389	676		676	17034	4901	21935
SUB-TOTAL	17543	9750	27293	14513	11720	26233	15959	3624	19583	19089	4750	23839	67104	29844	96948
F.R.E.D.	-		-	-		-	-		-	-		-	-		-
A.R.D.A.	1712		1712	1240		1240	564		564	1806		1806	5322		5322
Manpower Corps & Other Social Adjustment	-		-	-		-	-		-	-		-	-		-
NewStart Corporations	1169		1169	567		567	502		502	-		-	2238		2238
Newfoundland Resettlement	-		-	-		-	-		-	-		-	-		-
Employment of Socially Disadvantaged	-		-	-		-	-		-	-		-	-		-
PFRA Operations and Overhead	-		-	-		-	-		-	-		-	-		-
PFRA Projects on Indian Lands	-		-	-		-	-		-	-		-	-		-
PFRA Capital Projects	-		-	-		-	-		-	-		-	-		-
SUB-TOTAL	2881		2881	1807		1807	1066		1066	1806		1806	7560		7560
TOTAL	26577	9750	36327	21098	11720	32818	39274	3624	42898	39619	14750	54369	126568	39844	166412



NEW BRUNSWICK

INTRODUCTION

When the Department of Regional Economic Expansion was created in 1969, it was assigned the responsibility of taking over the following programs in New Brunswick:

Agricultural and Rural Development Act	(ARDA)
Fund for Rural Economic Development	(FRED)
Maritime Marshland Rehabilitation Act	(MMRA)
Atlantic Provinces Power Development Act	(APPDA)
Area Development Incentives Act	(ADIA)
NewStart	
Atlantic Development Board Commitments	

Two other programs were added to those already mentioned: Special Areas and Highways, and Regional Development Incentives Act.

In order to coordinate governmental action in this province a joint planning committee was established shortly after the creation of the department. This committee, composed of representatives from DREE and from the province of New Brunswick, carries out the joint planning function, develops strategies, and translates them into specific courses of action. In many cases, the basic planning work will be done through sectoral or ad hoc working groups that also operate on a joint basis.

The expenditure pattern, for all programs including ADIA and RDIA in New Brunswick since the formation of the Department of Regional Economic Expansion has been:

	<u>All Programs</u>		<u>ADIA/RDIA</u>		<u>Other Programs</u>	
	<u>Total</u> (Millions)	<u>Per Capita</u>	<u>Total</u> (Millions)	<u>Per Capita</u>	<u>Total</u> (Millions)	<u>Per Capita</u>
\$69-70	29.6	47.21	5.2	8.29	24.4	38.92
\$70-71	64.4	101.42	16.1	25.35	48.3	76.06
\$71-72	45.4	70.72	17.0	26.48	28.4	44.24
\$72-73 (est.)	52.4	81.62	12.4	19.31	40.0	62.30

CURRENT STATUS OF PROGRAMS

SPECIAL AREAS AND HIGHWAYS AGREEMENT

One of the department's first undertakings after its formation was to initiate discussions with the provinces in order to identify a number of areas having a good growth potential, but not fully exploited - partly because of having insufficient infrastructure facilities. Deficiencies in these areas are recognized as being a limiting factor to increased economic development.

In New Brunswick two special areas were designated: Moncton and St. John. On April 21, 1970, a first agreement under authority of the Government Organization Act, 1969, was signed between the province and the department, to carry out programs to improve infrastructure in these two special areas and to improve the highway system of the province. A total of \$62 million was committed to different projects to be initiated during the period April 1970 to June 1972.

In August 1971, a second agreement on special areas was signed covering the period April 1971 to March 1975. In addition to transferring funds from the previous agreement to the new one for projects not yet completed or started, DREE provided additional funds for new projects, bringing the maximum available amount for this agreement up to \$89.7 million, of which \$48.5 million are contributions and \$41.2 million are loans.

The implementation of the special areas agreement is undertaken under a joint federal-provincial liaison committee. This liaison committee provides day-to-day management, recommends necessary amendments, and in general monitors the progress of the agreement.

The province has operating responsibility for implementing the agreement under the management of the liaison committee.

MONCTON SPECIAL AREA

The list of projects incorporated into the second special areas agreement is divided into three parts; projects transferred from the previous agreement; new projects; and feasibility investigation and engineering design projects.

The projects applying to the Moncton special area can be grouped under five broad headings:

Roads Within the Special Area - The sum of \$1.5 million (50 per cent contributions, 50 per cent loans) is being spent on street and highway construction. This is to improve access to the area, to facilitate communications, and develop the distribution functions for industries to be located there.

Water Supply and Sewer Services - The agreement provides for the expenditure of \$2.3 million (\$1.3 in contributions and \$1.0 in loans) to develop the water supply and sewer facilities in the residential zones of the area.

Industrial Land Servicing - Attraction of new industries is essential to the growth of the area. In order to facilitate new installations the agreement provides for \$1.5 million to equip 140 acres of new developed land in the west Moncton Industrial Park. The services provided are water, sanitary, storm sewers, roads and rail. The cost of this project is divided equally between contributions and loans.

Educational Facilities - In order to overcome a serious problem identified in the area, namely a lack of vocational training facilities, the agreement provides for close to \$60 million half of which is in grants and the balance in loans to facilitate the construction of elementary, secondary and vocational training schools.

Land Acquisition - For the purpose of facilitating different on-going or future projects, the agreement makes provision for loans to the province in order to acquire the necessary land related to road construction, sewer and water installation and residential and industrial development.

The Moncton special area is also the object of two study projects totalling \$200,000. The province is absorbing 25 per cent of that cost. These studies are:

- Wheeler Boulevard extension study
- Advance Engineering: sub-surface investigation

St. John Special Area

The projects related to this special area can also be grouped in five categories:

Roads Within the Special Area - The improvement of the internal highway system is a major objective of the agreement. \$19.2 million were allocated for this; DREE's contribution amounts to \$16.8 million. A loan of \$800,000 was made to facilitate the construction of a 300 place parking garage in the central section of the city.

Water Supply and Sewer Services - The development of these services is also of great importance to the St. John special area. The anticipated population growth in the area and the expected industrial development require that measures be taken now to provide the city with these essential services. Under the agreement, works totalling \$11.4 million will be constructed for water supply, sewer installation, and sewage treatment facilities. \$5.7 will be offered as contributions and another \$5.7 will be as a loan.

Industrial and Residential Land Bank - Parallel action is also required to service land for both industrial and residential occupation. \$674,000 is committed to this end, \$388,000 as contributions and \$286,000 as loans.

Educational Facilities - Provisions are also made to finance the installation of educational facilities in the area. The amount of \$2.8 million, half of which is in contributions is made available for the construction of two elementary schools and of a library and a gymnasium in a high school.

Land Acquisition - Loans are made to the province in order to facilitate the acquisition of necessary land related to different development projects: street and highway construction, sewer and water works and industrial and residential development. An amount of \$10.8 million is available for this purpose.

Another important project for the St. John area is the development of the harbour facilities. The National Harbours Board is the main implementor in this project but DREE offered a loan to the province of \$5.0 million to facilitate the purchase of 55 acres of land and for the design and construction of port terminal facilities.

There were also 5 studies conducted under Part 111 of the agreement in connection with the St. John special area. A total amount of \$290,000 was spent on these studies; DREE's contribution amounted to \$217,500, the provincial government being responsible for the difference.

Highways Outside Special Areas -

The first agreement on special areas was combined with an agreement on highways. Many projects were undertaken under this first agreement and are now almost completed.

A total of \$17.0 million was spent on highway construction in the province under the agreement. This work was funded entirely by contributions from DREE.

SPECIAL HIGHWAYS AGREEMENT

This agreement under the authority of the Government Organization Act, 1969 was entered into in November, 1971. Its main purpose is to facilitate the improvement of the highway network throughout the Atlantic provinces, in order to make the highway transportation industry competitive and to facilitate resource development. This agreement follows on the section dealing with highways in the first agreement on special areas and highways. It covers the period April 1, 1971, to March 1973.* DREE is planning to contribute some \$20 million for roads in New Brunswick during this period.

Another objective of this agreement is to complement the projects realized under the ARDA, FRED, special area or other agreements, by maximizing spin-off effects through better highway conditions.

Of particular importance is the improvement of the highway network in the northern parts of the province in order to facilitate the creation of an integrated regional economy.

The sums spent or committed since the signing of the agreement approximate the maximum amount originally provided for. In 1971-72, DREE contributed \$5.1 million; expenditures for 1972-73 are estimated at \$12.2 million.

The implementation of the agreement is the responsibility of the province under the management of the special areas joint liaison committee.

* This agreement has now been extended to March 31, 1974.

The following is the expenditure pattern of special areas and special highways agreements.

<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73 (estimated)</u>
(\$000's)	(\$000's)	(\$000's)	(\$000's)
1,107	33,469	20,180	25,303

FEDERAL-PROVINCIAL RURAL DEVELOPMENT AGREEMENT (1971-1975)

This agreement was signed in May 1971, under authority of the ARDA Act and covers the period of April 1971 to March 1975.

The main objectives are:

the development of employment opportunities and improved access to these opportunities for rural people of the region;

increases in the income of rural people who earn their income in primary activities;

the setting up of programs for rationalizing land utilization and for land and water conservation;

the development of tourism and recreation wherever these measures are included in an overall development plan for a region.

The program has been slow to start, but the pace is expected to pick up. Although only one project has been submitted and approved under the new agreement, many others are in different stages of formulation. The one approved project deals with the development and conservation of agricultural resources. DREE's contribution over the five years of the program will be \$1.2 million.

The other projects under study are in the areas of tourism (approximately \$1.0 million), community affairs (\$145,000),* resource industry development program (\$265,000),* Kent County planning (\$25,000) and program for the small business development for the Indians of New Brunswick (\$180,000).¹

* These projects have now been approved.

¹ All figures in brackets are DREE's share of 50 per cent of total cost, except for the last one, where it represents 100 per cent.

Only \$664,000, however, has been approved for the first three years of the program. Hardly \$100,000 will be spent in 1972-73 out of the \$200,000 originally planned.

The expenditure pattern under the Rural Development Agreement is:

<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73 (est.)</u>
(\$000's)	(\$000's)	(\$000's)	(\$000's)
722	707	513	1,806

FRED AGREEMENT ON NORTHEAST NEW BRUNSWICK

Recognizing that this region is one where employment opportunities are worse than elsewhere in the province, the federal and provincial governments agreed to make this region one where special measures would be taken. This was in order to rehabilitate the economy of this region and better prepare its population to adapt to new economic and social conditions.

The first agreement, based on the Fund for Rural Economic Development Act, was signed in September 1966. In September 1972 a revised agreement was signed. The principal focus of the revised program will be on economic development and social adjustment. Objectives of the economic development program include: improvement of the viability of existing industries and their expansion, and the development of new employment opportunities; the objectives of the social adjustment programs include: improvement of education system, strengthening adult training, development of an urbanization program to accommodate anticipated community growth, and improvement and expansion of social adjustment services.

More specifically the program calls for small industry incentives, industrial infrastructures, municipal infrastructure, school construction, tourist development and special housing assistance, etc.

Since 1969, DREE alone has contributed a sum of \$16.6 million to this plan. Since the beginning of the agreement the federal government as a whole has spent \$40.5 million to finance projects undertaken under this agreement. The plan calls for an additional expenditure of \$59.6 million in federal funds up to 1976. DREE's expenditure for this year is expected to be \$7.0 million.

FRED AGREEMENT ON THE MACTAQUAC AREA

Under the authority of the FRED Act, the original agreement was signed in 1966. In 1970, the agreement was revised. The program is expected to terminate in September 1976. DREE's commitments in this agreement are \$11.3 million.

The objectives of the agreement are:

the development of the resources of the area;

the attraction of private capital to develop recreational facilities and the forest product industry;

increased assistance for vocational and technical training to enable trainees to take fuller advantage of alternative employment opportunities;

assistance to industrial development, better educational facilities, shelter and other social amenities by promoting the creation and development of a new service centre community in the area on the north bank of the St. John River.

The expenditure pattern for both FRED programs in New Brunswick are:

<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73 (est.)</u>
(\$000's)	(\$000's)	(\$000's)	(\$000's)
4,485	6,898	4,618	8,416

Both FRED and ARDA agreements are implemented by federal-provincial management committees. The members report to their responsible Assistant Deputy Minister; the provincial members report to the minister in charge of the agreement concerned.

NEW BRUNSWICK MULTIPLEX CORPORATION LIMITED

This project was undertaken under the authority of the Government Organization Act, 1969. The agreement was signed on February 2, 1971. This corporation was given a mandate by the governments of Canada and New Brunswick: to develop preliminary plans for the establishment of a multiple industry complex and to promote such plans by discussions and negotiations with private industry; thereafter, if the multiple industry complex is shown to be feasible, to present a detailed plan and forecast of the expenses involved for the consideration of the two governments concerned.

If the detailed plan and the related costs are approved by the two governments, the future operations and financing of the corporation will be the subject of a further agreement to be negotiated between Canada and the province, at which time all arrangements, including cost-sharing and capitalization, would be subject to review.

Until March 31, 1971, the operational costs of this corporation were borne by Canada. From March 31, 1971 until March 31, 1973 all expenses of the corporation are to be shared equally between Canada and the Province of New Brunswick.

DREE expenditure pattern on this project:

<u>1971-72</u>	<u>1972-73</u>
\$151,000	\$1,000,000

It was expected that the initial or promotional phase of the project would take place during the period February 1, 1971 to July 1972, and that the implementation phase, if agreed to, would cover the period July 1972 to July 1976.

However, approval was given by an exchange of letters between the ministers, (March 29 and April 7, 1972) for an extension of the promotional phase to March 31, 1973. At the same time Treasury Board authority was requested for additional funding in the amount of \$300,000 to cover this department's share of the operating costs during the period of the extension August 1, 1972 to March 31, 1973.

THE NEW BRUNSWICK ACCELERATED MINERAL DEVELOPMENT AGREEMENT

This program was developed under the authority of the Government Organization Act, 1969.

The program covers the period from April 1970 to March 1973, and applies particularly to the northeastern and southern parts of the province. To date, the results appear promising. Potash deposits have already been identified in the Sussex area and there are strong indications of the existence of primary metal deposits in the Caledonia region. Discussions are under way already with respect to the development of the potash deposits. The program is entirely financed by DREE. \$1.1 million was pledged under the first agreement. A second agreement has been signed involving an additional contribution of \$2.8 million by DREE. The federal Department of Energy, Mines and Resources also participates in the project.

DREE expenditures to date are:

<u>1970-71</u>	<u>1971-72</u>
\$219,341	\$437,280

THE SAINT JOHN URBAN IMPACT STUDY AND COMPREHENSIVE REGIONAL PLAN

This is a three-way agreement; it involves a contribution by the city of Saint John in addition to that of the federal and provincial governments. It was undertaken under authority of the Government Organization Act, 1969, and extended over the period from January 1970 to December 1971.

The objectives of this agreement included identifying the effects of DREE programs on the Saint John metropolitan area; preparing an overall plan for the region through the preparation of specific plans for each urban area in the planning region; identifying the key elements of the urban and regional plan; and determining their relative importance in the success of the overall plan.

The financial contributions to this project were as follows:

City of Saint John	\$17,450
Province of New Brunswick	\$121,800
DREE	\$139,250

Actual expenditures have been:

<u>1970-71</u>	<u>1971-72</u>
\$117,050	\$22,200

PLANNING STUDY OF THE METROPOLITAN REGION OF MONCTON

This project is very similar to the one for Saint John; it is aimed at studying the developmental potential of Metropolitan Moncton, and outlining plans that would permit optimization of public services. The agreement was for the period April 1970 to August 1972 and implied expenditures of \$498,076, 50 per cent assumed by DREE.

Expenditures actually incurred to date:

<u>1970-71</u>	<u>1971-72</u>	<u>1972-73 (est.)</u>
\$103,422	\$96,992	\$48,922

NEW BRUNSWICK NEWSTART

New Brunswick NewStart was started under the Department of Manpower and Immigration in 1968 and transferred to the Department of Regional Economic Expansion in 1969. It was established as an independent corporation with a board of directors appointed by the federal and provincial governments. Funding was wholly provided by the government of Canada. The objective was research into the development of new methods for training and motivating disadvantaged people for stable employment. It also recommended and executed, on an experimental basis, solutions to employment problems including the recruitment of trainees, their motivation, counselling, training, placement, welfare and other related matters.

All activities of the corporation were conducted in New Brunswick in Kent County.

DREE spendings for this project were as follows:

<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
\$300,000	\$723,000	\$770,000	\$863,000

STUDY OF FOREST RESOURCES OF NEW BRUNSWICK

This study extends over the period of August 1, 1971, to September 1973, and will be financed from funds already allocated to ARDA.

The study will include:

Resources

- Forest resources administration
- Forest management
- Forest industry
- Cutting
- Industrial development
- Transportation
- Manpower
- Environmental effects and utilization of other resources
- Forest development policy

The cost of this study is \$800,000; it is shared equally between DREE and the province.

To date, expenditures are as follows:

<u>1971-72</u>	<u>1972-73(est.)</u>
\$83,583	\$220,000

FEDERAL-PROVINCIAL SURVEYING, MAPPING AND LAND REGISTRATION

Federal-Provincial agreements with the province of Nova Scotia, New Brunswick, and Newfoundland, covering surveying mapping, and land registration expired on March 31, 1972.

These agreements covered -

Phase I - coordinate system of central surveys

Phase II- large scale topographical mapping including aerial photography. Such large scale mapping will include resource, rural and urban mapping at suitable scales, and such property mapping as is approved in writing by the federal minister on the recommendation of the management committee.

Phase III

and IV - preparation for land registration and data bank and all other matters necessary to implement a land titles system of land registration, including the purchase of necessary equipment.

The program began in 1968 under the Atlantic Development Board. Phase I is scheduled for completion by 1978; Phase II is scheduled for completion by 1981; and Phase III is to begin in 1972.

Initial authority to enter into agreement was given on September 17, 1968. On April 8, 1970, T.B. approval was given to extend financial assistance for an additional two-year period 1970-72, at a level of \$4.975 million for the two years.

Nova Scotia and New Brunswick - Interim one year agreements to cover 1972-73 for \$1.742 million total cost for Phases I and II plus \$0.4 million for accommodation in New Brunswick and an amount in Nova Scotia to be estimated, but expected to be about \$0.4 million.

TABLE 8

OTHER DREE EXPENDITURES IN NEW BRUNSWICK

(ADB) Infrastructure (other than Highways)

	<u>Grants</u>	<u>Loans</u>
	(\$ millions)	
1969-70	8.4	0.2
1970-71	1.5	0.1
1971-72	0.4	-

APPDA (Atlantic Provinces Power Development)A) Loans (\$ millions)

1969-70	7.2
1970-71	1.5
1971-72	-

B) Grants - Coal

1969-70	1.9
1970-71	2.5 (applicable to the construction of power lines between Quebec and New Brunswick)

Northeast New Brunswick Transportation Study

This study, which is to determine priorities for public and private investment in an efficient transportation system, is a six-month project. The total cost of the study will be \$112,500 and is supported by DREE in the proportion of 75 per cent (\$90,000).

REGIONAL DEVELOPMENT INCENTIVES ACT

After discussions with the province in 1969, the whole of New Brunswick was declared a designated region for purposes of this act.

Since the inception of the program in 1969 to the end of December 1972, 139 offers have been accepted for projects in New Brunswick. The eligible capital costs of the assisted projects are estimated at \$71,714,633 and the amount of incentives offered is \$29.1 million. The projects are expected to generate 5,626 new direct jobs.

The expenditure pattern in New Brunswick for RDIA and ADIA has been:

<u>1969-70</u> (\$000's)	<u>1970-71</u> (\$000's)	<u>1971-72</u> (\$000's)	<u>1972-73 (est.)</u> (\$000's)
5,276	16,135	16,964	12,387

TABLE 9

DREE EXPENDITURES 1969-70 TO 1972-73 (ESTIMATE)

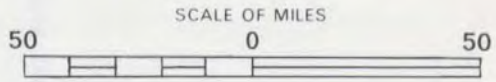
ACTIVITY	PROVINCE OF New Brunswick (\$000's)												Total		
	1969-70			1970-71			1971-72			1972-73			1969 - 73		
	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total
Planning & Technical Studies	5		5	525		525	808		808	1311		1311	2640		2649
Land Use Studies	46		46	329		329	975		975	945		945	2295		2295
SUB-TOTAL	51		51	854		854	1783		1783	2256		2256	4944		4944
A.D.I.A.	5676		5676	10685		10685	12393		12393	3572		3572	32326		32326
R.D.I.A.	-		-	5450		5450	4571		4571	8815		8815	18836		18836
Industrial Studies & Services	-		-	23		23	162		162	793		793	978		978
SUB-TOTAL	5676		5676	16158		16158	17126		17126	13180		13180	52140		52140
Infrastructure within Special Areas	-		-	12924	6864	19788	6706	5577	12283	5786	9530	15316	25416	21971	47387
Highways outside Special Areas	1107		1107	13681	-	13681	7897		7897	9987		9987	32672		32672
Power Development	1863	7166	9029	2500	1524	4024	-		-	-		-	4363	8690	13053
Other Infrastructure	8407	188	8595	1483	80	1563	416		416	493		493	10799	268	11067
SUB-TOTAL	11377	7354	18731	30588	8468	39056	15019	5577	20596	16266	9530	25796	73250	30929	104179
F.R.E.D.	4485		4485	6898		6898	4618		4618	8416		8416	24417		24417
A.R.D.A.	722		722	707		707	513		513	1806		1806	3748		3748
Manpower Corps & Other Social Adjustment	-		-	-		-	-		-	-		-	-		-
NewStart Corporations	300		300	723		723	770		770	863		863	2656		2656
Newfoundland Resettlement	-		-	-		-	-		-	-		-	-		-
Employment of Socially Disadvantaged	-		-	41		41	-		-	128		128	169		169
PFRA Operations and Overhead	-		-	-		-	-		-	-		-	-		-
PFRA Projects on Indian Lands	-		-	-		-	-		-	-		-	-		-
PFRA Capital Projects	-		-	-		-	-		-	-		-	-		-
SUB-TOTAL	5507		5507	8369		8369	5901		5901	11213		11213	30990		30990
TOTAL	22611	7354	29965	55969	8468	64437	39829	5577	45406	42915	9530	52445	161324	30929	192253



NEW BRUNSWICK

PROGRAMS

- Incentive Region A
- Special Areas
- N.E. N.B. FRED Area
- Mactaquac FRED Area...



QUEBEC

INTRODUCTION

The Department is responsible for four main programs in Quebec. These programs are carried out under the Agricultural and Rural Development Act, the Fund for Rural Economic Development, the Regional Economic Expansion Act, and the Regional Development Incentives Act (RDIA). The programs, except for RDIA, are governed by agreements between the two governments.

A joint committee, formed of representatives of DREE and of the province, administers each of the agreements operative in Quebec. This committee is the Development Committee, for the ARDA and Special Areas (General) Agreements; the Co-ordination Committee, for the Agreement on the Special Area of Ste.Scholastique; and the Liaison Committee for the FRED-Gaspé Agreement. Each of these joint committees has approximately the same membership and their terms of reference are also generally similar. Among other responsibilities, they direct the operation of the agreement for which they are responsible, and bring to the attention of the ministers suggested changes to be made.

Much of the territory of the province is at present covered by one or more agreements aimed at improving the economy and social system:

- the ARDA Agreement covers the regions of Saguenay-Lac-St-Jean and of North Western Quebec;
- the General Agreement on Special Areas covers the areas of Quebec City, Trois-Rivières, Sept-Iles, Port Cartier and Lac-St-Jean;
- the Agreement on the Special Area of Ste. Scholastique covers a large territory to the north of Montreal;
- the FRED Agreement on the Gaspé covers all the Eastern part of the Province from the County of Kamouraska.

Since its creation, DREE has spent \$377.2 million in the province of Quebec, on a wide variety of programs.

	<u>All Programs</u>		<u>ADIA/RDIA</u>		<u>Other Programs</u>	
	Total \$M	Per Capita	Total \$M	Per Capita	Total \$M	Per Capita
1969-70	25.5	4.24	12.9	2.15	12.6	2.10
1970-71	78.6	13.04	18.1	3.00	60.5	10.04
1971-72	113.9	18.80	29.7	4.90	84.2	13.90
1972-73 (est.)	139.1	22.96	54.4	8.98	84.7	13.98

CURRENT STATUS OF DREE PROGRAMS IN QUEBEC

As discussed above, except for RDIA/ADIA, each of the development programs of DREE is covered by an agreement with the province.

FEDERAL-PROVINCIAL RURAL DEVELOPMENT AGREEMENTS

Rural Development Agreement (ARDA) 1965-70

This agreement, which covered the period from 1965 to 1970, had as its main thrust the development of a system in Quebec of integrated regional development. Large sums were spent on production of development plans for given regions. The best known example is undoubtedly the BAEQ -- the Eastern Quebec Planning Bureau.

Implementation of programs for alternative and more effective utilization of agricultural land, both by farm consolidation and mechanization, has used the major part of the available money. The development to tourist sites also needed considerable expenditures. The following Table shows the total activities undertaken under the second ARDA Agreement with Quebec.

TABLE 10
Projects Undertaken Under the ARDA 11
Agreement According to Type of Project

<u>Type of Project</u>	<u>Number</u>	<u>Amount Spent</u>	<u>Percentage</u>
Flood control works	34	3.7	9
Farms	16	17.1	43
Fisheries	30	3.5	9
Blueberry patches	24	1.8	5
Forests	22	1.5	4
BAEQ (Lower St. Lawrence Dev.)	13	3.2	8
Tourism	46	6.0	15
Staff training	10	0.8	2
Miscellaneous	62	2.1	5
TOTAL	257	39.7 (1)	100

Source: Study made by the Office of the Assistant Deputy Minister, Central Region.

Rural Development Agreement (ARDA) 1970-75

On June 9, 1971, the province of Quebec and DREE signed the third ARDA agreement covering the period 1970-1975.

Unlike the previous agreements, this agreement did not contain a fixed sum to be spent over the course of the agreement. The money spent in ARDA 111 is a function of the programs approved by the two governments. Under this third agreement, the main thrust is to put into effect integrated programs of rural resource management. Articles 6 and 7 explain what is meant by an integrated program.

- "6. For each recommended program, there must be a precise delimitation of the rural region in which the program is to operate.
7. The Development Committee will demonstrate to the Ministers the way in which each recommended program, either by itself or in conjunction with other programs of the Government of Canada and the Government of Quebec, can aid the economic and social situation in the region where it operates".

Two priority regions have been selected in the province of Quebec: Saguenay-Lac-St-Jean and Abitibi-Temiscamingue.

The projects submitted since the signing of the third ARDA agreement in June 1971 fall into four main categories: agriculture, forestry, mines, tourism.

A summary of the present situation, for each of the major programs of the agreement, follows.

Agricultural Program: The agricultural program has got under way rather slowly. It is mostly concerned with the consolidation of private farms, and some delay must be expected as a result of individual negotiations. Some farmers are less ready than others to take part in the program, or only willing to do so under certain conditions.

Forestry Program: The principal projects in this sector are: access roads, silvicultural work and consolidation of farm woodlots.

Mineral Program: Although large amounts of money have been agreed to under this program, particularly in northwest Quebec, it is still too soon to judge the effects.

There are a number of exploration studies under way, but official conclusions have yet to be drawn. The people concerned are, however, optimistic. The mining sector is counted upon heavily as a growth factor for the north-western part of Quebec.

Tourist Program: There are many projects implemented in this sector: campgrounds, both provincial and municipal; zoos; the development of parks, both provincial and municipal; the establishment of tourist information booths; and planning studies for tourist developments.

Fundamentally, the ARDA program is trying to rationalize land use; to conserve and utilize the resources, both land and water, of the rural regions; to create new employment opportunities and better incomes; and generally to improve the standard of living of the rural population.

The approach used in the third ARDA agreement is that individual projects should be integrated into overall sectorial programs. The various projects submitted by the provincial government are evaluated against the background of the overall programs.

The following table shows the amount spent in Quebec by DREE on ARDA programs since the department was formed.

	<u>1969-70</u> (\$000's)	<u>1970-71</u> (\$000's)	<u>1971-72</u> (\$000's)	<u>1972-73 (est)</u> (\$000's)
ARDA	4,332	1,793	2,710	5,975

SPECIAL AREA AGREEMENT

The objective of this agreement is to facilitate economic expansion and social adjustment in special areas which are designated after consultation with the province. These areas are determined according to both existing needs and because of a recognized potential for growth.

In June 1970, the first agreement was signed to cover the Quebec, Trois-Rivières and Sept-Iles-Port Cartier areas. Lac St.-Jean was added in December of 1970 with the specific objectives of facilitating the exploitation of the forestry resources of that region. In February 1971, the New Montreal International Airport area (NMIA) was also designated as a special area in order to allow DREE to contribute to the exceptional expenditures which the province had to incur in providing the services required by the creation of the new airport. A separate agreement was made covering the implementation of projects in the New Montreal International Airport area.

On March 24, 1972, DREE and Quebec signed a second special area agreement, to cover the period of March 1972 to June 1973. This agreement provides for federal expenditures of some \$142.8 million out of which \$86.0 million are in grants and the balance in loans. This overall amount includes the sum of \$20 million (\$10 million in grants, \$10 million in loans) for the Ste. Scholastique special area.

On October 18, 1972, an agreement was signed, increasing DREE's commitment in the Ste. Scholastique area from \$20 million to \$40 million (\$30 million in grants and \$10 million in loans). In total, then, DREE is to spend the sum of \$162.8 million in the special areas of Quebec.

Though the general agreement in special areas will be in effect until June 1973, the Ste. Scholastique area agreement will extend until June 1974.

Quebec Special Area

Although the general objectives of the agreement are

identical for all the areas, i.e. to facilitate economic expansion and social adjustment, they vary significantly in their specific provisions for each particular area.

The Quebec Special Area, which is characterized by a lack of employment opportunities in the manufacturing sector and a relatively developed service sector, is suitable for a program to modify certain elements of the regional economic structure. The special area program is intended to facilitate the development of the secondary sector of the Quebec region and to intensify the growth of the service sector of the region.

Specific targets can be grouped under three headings:

To promote the creation of fast growing industries, and the ability of the economic environment to receive them.

The means used to attain this objective are:

Quebec Harbour Study - Because the greater development of the harbour could diversify industrial production, DREE has commissioned a detailed study by a consulting firm. It would, among other things, identify new industries likely to locate in the vicinity of a harbour capable of receiving ships of more than 100,000 tons.

The St. Augustin Industrial Park - To be served by an extensive highway network and have easy access to the harbour of Quebec, this industrial park is an important factor in the creation of new and dynamic industries. DREE contributes to the development of the park as well as to that of the highway network which will serve it. Expenditures of \$5 million are planned for this project over the life of the second agreement. DREE also contributes to a lesser extent to the development of industrial parks for various municipalities of the area.

The Quebec Industrial Research Centre - This research centre, was created in Ste Foy under the special area agreement, to facilitate the development of new products and modern production methods, and to cater particularly to the needs of small and middle-sized enterprises. DREE has allocated \$4.6 million to this project, of which \$1.0 million is in grants.

Urban Infrastructure - This includes projects such as the municipal underground parking lot and two pumping stations. Other projects include the capacity increase of the water treatment plant at Lauzon and the construction of a regional water treatment plant at Lévis, as well as DREE's contribution to an important residential construction project along the

St. Charles River.

Regional Development Plan - To better integrate these developmental measures, the agreement provides for a regional development plan to serve as a guideline for future action.

Improvement of Tourist Potential

Quebec City is a recognized popular tourist centre. The contribution of the tourist industry to the overall development of the region is important. DREE is contributing to a series of projects which will increase the tourist potential of the region and reduce the seasonal character of related activities. Among the main projects related to this objective are:

La Place Royale and the Seminary - The objective here is the restoration of an area of the old City of Quebec. This project was originally undertaken by the Department of Cultural Affairs of Quebec, but it is now part of the special area agreement. DREE's commitments to these projects have already reached \$8.1 million, of which \$1.9 million is for the restoration of the seminary.

Mont Ste Anne - To fully develop its potential, and to make it a year-round recreational centre, DREE is contributing \$7.5 million. This will be used to increase and diversify ski facilities; to develop such basic infrastructure as chalets, the water supply system and access roads, and to develop a golf course and recreation areas.

The St. Charles River - DREE has agreed to allocate \$450,000 in order to complete the work undertaken on the banks of the St. Charles River so as to make it a picturesque site, a centre of attraction.

Altogether, DREE commitments for projects related to the development of tourist industry amount to \$15 million.

Improvements to the Regional Highway System

A suitable highway system is essential for industrial and tourist development. Consequently, DREE is contributing to the improvement of the highway network of the Quebec area, particularly those parts related to the development of the port and the attraction of major industries to the Industrial Park at St. Augustin's.

The principal projects are:

A service road along the waterfront at Beauport, needed for

future expansion of port facilities (\$9.2 million are assigned to this project);

doubling of the metropolitan highway from the Henri Bourrassa Boulevard to Route 15, at a cost of \$1.8 million;

Henri IV Boulevard from the Metropolitan Highway to Route 2 and the Metropolitan Highway from Henri IV Boulevard to Bertrand Boulevard, at a cost of \$8.8 million;

improving the Vallon Road in Ste Foy, at a cost of \$1.6 million.

Highway projects in the Quebec special area will amount to \$22 million.

Special Area of Trois-Rivières

Situated midway between the metropolitan areas of Montreal and Quebec City, this special area is economically strong in manufacturing, particularly in pulp and paper, electro-metallurgy, and industrial chemical products. These industrial sectors started and sustained a rapid development of the area during the first half of the twentieth century, but there has been a marked slowdown in the rate of expansion. Since 1961 the population growth of the area has been less than that of the population of the province as a whole. The main objective of the special area agreement for Trois-Rivières is to provide the infrastructure needed to promote and strengthen the industrial sector.

Improvement of the Municipal and Regional Road System - Included here are roads such as the one linking Trois-Rivières to Shawinigan. A link Trans-Quebec Highway to the North Shore Autoroute is another major project. Other highway works undertaken in the principal towns of the special area also form an important part of the regional network and improve access to this network. These highway projects have been allotted \$14.2 million by DREE.

Industrial Parks - Development works in the Industrial Park at Trois-Rivières and the construction of a road from the Shawinigan Industrial Park to the Trans-Quebec Highway should help to attract new industries to the area. About \$1.3 million is allocated for the industrial park of Trois-Rivières.

Approximately \$800,000 is allocated for an increase in the capacity of the water filtration plant at Trois-Rivières.

Regional Development and Industrial Opportunities Studies -
These two studies should be useful both for government action and for attracting private entrepreneurs.

The total contribution of DREE in this special area during the course of this agreement will be \$21 million.

Special Area of Sept-Iles-Port Cartier

The special area of Sept-Iles-Port Cartier is currently undergoing a tremendous boom, thanks to its deepwater harbour, and to the movement of minerals from hinterland. The fact that Sept-Iles has become the Canadian port which handles the highest tonnage has given a tremendous push to both the economy and population of the special area. Port development alone has caused a significant growth in the amount of employment and this is expected to continue.

However, social problems are expected because economic growth has far surpassed the growth of the social, cultural and recreational facilities. Economic growth has been far faster than the capacity of the municipality to react to the new needs.

The prime objective of the agreement for the Sept-Iles special area is to build the municipal infrastructure needed to improve the living conditions of the population. \$23 million is being spent on this, through the building up of services needed for residential development, for urban renewal, for the improvement of the municipal and regional road network, for the installation of water and sewage systems, for the financing of a vocational training school, for the relocation of an important trailer park, and for the construction of a social and recreational centre.

The second objective is to facilitate the establishment of new industries. \$7 million has been committed to installing a water treatment system for the factory of Rayonnier Quebec, for constructing a forest access road for this company, and for the construction of a water supply system for the plant site.

The total DREE expenditures over tax of the agreement in the Sept-Iles Special Area will be about \$30 million.

Special Area of Lac-St-Jean

The designation of this special area has allowed DREE to make available the assistance offered under RDIA to activities which would not have been eligible under the regular program in designated regions. In particular, the objective was to assist the pulp and paper industry which

uses the most important resource of this region. The industrial park at Alma has been included in the agreement as a special project with financial assistance of \$1.1 million given by DREE.

Special Area of Ste Scholastique

The designation is the result of the federal government's decision to construct the New Montreal International Airport (NMIA). This new airport should be in operation in 1975. Since its construction will give rise to consideration expense by the province, DREE is sharing in the costs of the development.

The objectives for the special area are to assist in the rapid building of the regional road network and to improve municipal and regional infrastructure so that the airport will be serviced more effectively. From this point of view the department's most important contribution has been to assist in the building of the regional road network to meet future needs. Under the agreement, therefore, aid is being given to road projects undertaken as part of an overall plan. These road projects use 60% of the total money available under the second agreement.

Assistance for municipal infrastructure is another form of aid in this special area. About \$5 million has been earmarked for various projects in St. Jérôme, St. Eustache, and Deux-Montagnes; for the construction of a dam at Lachute; for a regional incinerator at Deux-Montagnes; for the renewal of the urban centres of Ste Thérèse and Lachute; for municipal services, and for the development of industrial parks. The municipalities will receive 29% of the money allocated by DREE in the Ste Scholastique Special Area, for these projects.

These two types of agreement on special areas (the first concerned with Quebec, Trois-Rivières, Sept-Iles - Port Cartier and Lac-St-Jean, and the second concerned with the special area of Ste Scholastique) are operated by joint committees called "Development" in the first and "Co-ordination" in the second. These joint committees are assisted by joint management committees with responsibility for a day to day management of the projects in the agreements.

Since the start of these agreements on special areas, DREE has spent, in the province of Quebec, a total of \$154.9 million, as shown below:

<u>1970-71</u>	<u>1971-72</u>	<u>1972-73 (est)</u>
(000's)	(000's)	(000's)
45,860	51,457	49,438

FRED-GASPE AGREEMENT

Following the plan prepared by the BAEQ (Eastern Quebec Planning Bureau), for the region of the Lower St. Lawrence, the Gaspé, and the Madeleine Islands, this agreement was first signed in May 1968 for the period extending to March 31, 1973. The agreement was revised in September 1971 extending the period covered to 1976. The agreement covers total funds of \$411.3 million, of which \$113.6 million are provided by the province of Quebec. Of the \$297.7 million provided by the federal government, the direct contribution of DREE is \$153.2 million. The maximum annual amount which DREE is committed to provide is \$30 million.

The main thrust of this agreement is to put into operation the plan for the development of Eastern Quebec. This main thrust includes the following objectives:

to modernize the traditional primary industries (agriculture, forestry, fisheries), so that the workers in these sectors can obtain stable employment and, as far as possible, are as well paid as those in the same sectors elsewhere in the province;

to create viable activities (in the industrial, mining and tourist sectors) capable of absorbing, as far as possible, the labour force which will be freed by the modernization of the traditional sector;

to launch a massive program for retraining the labour force so that it can have the occupational and the geographical mobility that is now necessary;

to speed the rural-urban shift and regroup the population in properly serviced urban centres;

to put in place the equipment and infrastructure necessary to the success of the plan;

to establish an institutional framework capable of both adhering and adapting to an overall development policy for the region.

The agreement calls for a great effort to create the dynamic growth necessary to bring about the self-sustaining development of the region. It has also put into place a unique system of operation which includes inter-departmental co-ordination machinery: the Regional Administrative Conference for the Quebec Ministries, and the Regional Programming

Conference for the Federal government Departments.

Since the creation of DREE, \$78.8 million have been spent by the Department on the programs implemented under the plan:

<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73 (est)</u>
\$M	\$M	\$M	\$M
7.3	12.1	29.4	29.1

The projects can be grouped into four major categories:

aid for the modernization and development of primary resources and the creation of new activities: agriculture, forestry, fisheries, mines, recreation, tourism and cultural development, and business development;

spatial management, i.e. urban planning and transport;

social development, adult training and mobility;

administration and participation.

REGIONAL DEVELOPMENT INCENTIVES ACT

Under the Regional Development Incentives Act, incentive grants and loan guarantees are available throughout most of Quebec for the establishment of manufacturing or secondary processing facilities and or the expansion or modernization of existing facilities. Loan guarantees are also available for certain types of commercial facilities. In designated region "C", which includes the southwestern portion of Quebec including Hull and Montreal, the maximum incentive available is lower than elsewhere in the province and the facilities must be in commercial production by December 1, 1973. The incentives offered in this region cannot exceed 10% of approved capital costs plus \$2,000 for each new direct job created. Elsewhere in the designated regions of Quebec, the maximum incentives are 25% of the approved capital costs, plus \$5,000 for each new job directly created.

Since the inception of the program in 1969 to the end of December 1972, 1,192 offers have been accepted for projects in Quebec. The eligible capital costs of the assisted projects are estimated at \$843,878,483 and the amount

of incentives offered is \$149.6 million. The projects are expected to generate 49,151 new direct jobs.

The money expended by DREE under both programs of assistance (ADIA and RDIA) amount to the following:

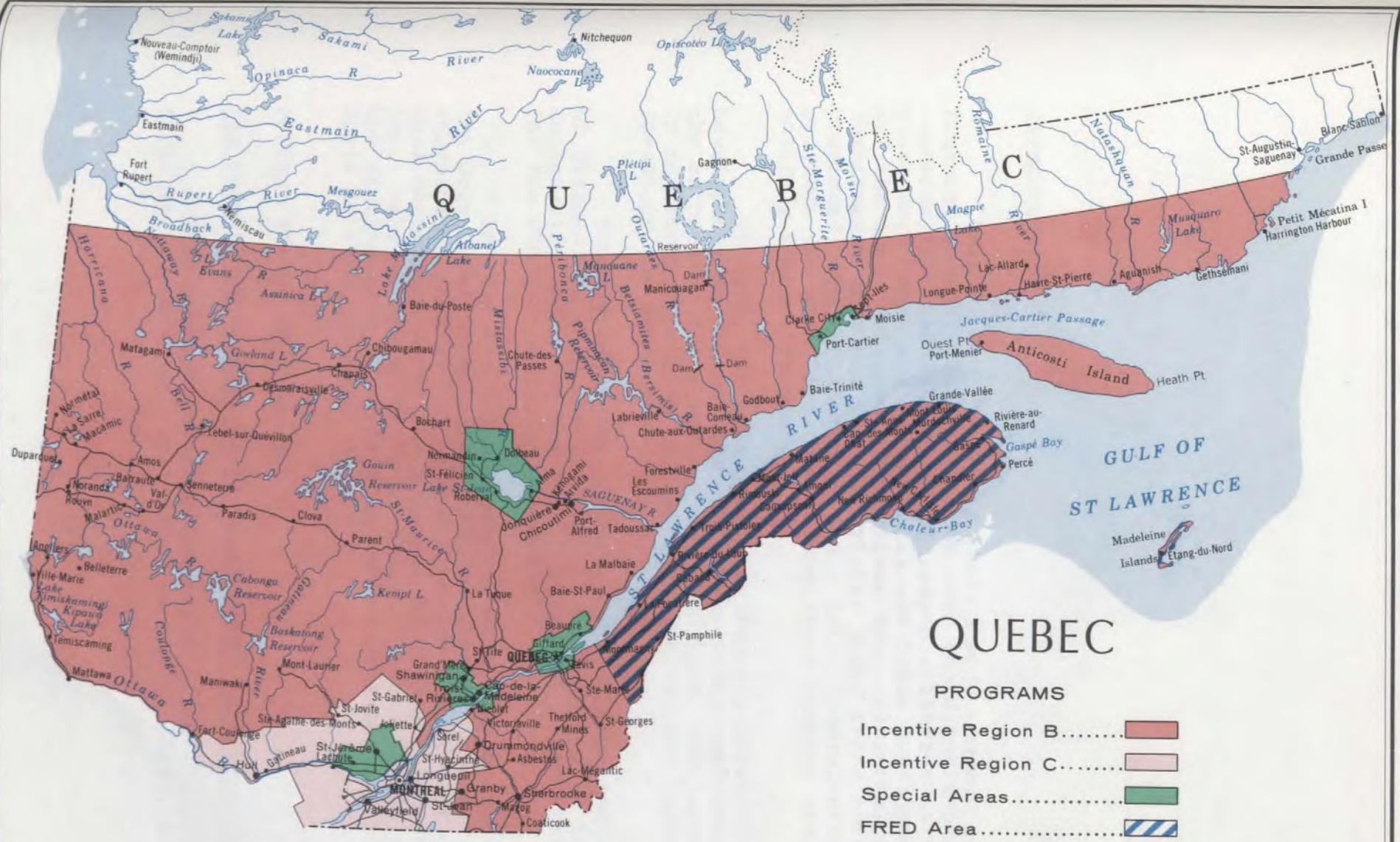
<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73 (est.)</u>
\$M	\$M	\$M	\$M
12.9	18.1	29.7	54.4

TABLE 11

DREE EXPENDITURES 1969-70 TO 1972-73 (ESTIMATE)

PROVINCE OF QUEBEC (\$000's)

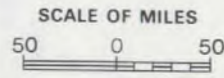
ACTIVITY	PROVINCE OF QUEBEC (\$000's)												Total		
	1969 - 70			1970 - 71			1971 - 72			1972 - 73			1969 - 73		
	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total	Budgetary	Non Budgetary	Total
Planning & Technical Studies	48		48	11		11	65		65	64		64	182		182
Land Use Studies	650		650	667		667	389		389				1,706		1,706
SUB-TOTAL	698		698	678		678	454		454	64		64	1,894		1,894
A.D.I.A.	12,965		12,965	14,069		14,069	12,882		12,882	4,700		4,700	44,616		44,616
R.D.I.A.	-		-	4,029		4,029	16,792		16,792	49,672		49,672	70,493		70,493
Industrial Studies & Services	-		-	-		-	-		-	-		-	-		-
SUB-TOTAL	12,965		12,965	18,098		18,098	29,674		29,674	54,372		54,372	115,109		115,109
Infrastructure within Special Areas				24,511	21,349	45,860	38,353	13,104	51,457	30,756	18,682	49,438	93,620	53,135	146,755
Highways outside Special Areas				-		-	-		-			-			-
Power Development				-		-	-		-			-			-
Other Infrastructure				-		-	-		-			-			-
SUB-TOTAL				24,511	21,349	45,860	38,353	13,104	51,457	30,756	18,682	49,438	93,620	53,135	146,755
F.R.E.D.	7,306		7,306	12,145		12,145	29,432		29,432	29,138		29,138	78,021		78,021
N.R.D.A.	4,332		4,332	1,793		1,793	2,710		2,710	5,975		5,975	14,810		14,810
Manpower Corps & Other Social Adjustment	-		-	-		-	-		-	-		-	-		-
NewStart Corporations	-		-	-		-	-		-	-		-	-		-
Newfoundland Resettlement	-		-	-		-	-		-	-		-	-		-
Employment of Socially Disadvantaged	201		201				136		136	149		149	486		486
PFRA Operations and Overhead	-		-	-		-	-		-	-		-	-		-
PFRA Projects on Indian Lands	-		-	-		-	-		-	-		-	-		-
PFRA Capital Projects	-		-	-		-	-		-	-		-	-		-
SUB-TOTAL	11,839		11,839	13,938		13,938	32,278		32,278	35,262		35,262	93,317		93,317
TOTAL	25,502		25,502	57,225	21,349	78,574	100,759	13,104	113,863	120,454	18,682	139,136	303,940	53,135	357,075



QUEBEC

PROGRAMS

- Incentive Region B.....
- Incentive Region C.....
- Special Areas.....
- FRED Area.....



Regional Expansion
Économique Régionale



ONTARIO

INTRODUCTION

When it was formed in 1969, the Department of Regional Economic Expansion took over the direction of two agencies that had developmental responsibilities in Ontario. These were under the Agricultural and Rural Development Act, and the Area Development Incentives Act. Financial and program commitments that had been undertaken under these acts were continued. The ARDA program was a joint federal-provincial program; the Area Development Incentives program was an entirely federal program.

In 1969, one agreement, the Federal-Provincial Rural Development Agreement (1965-1970) was being implemented under the authority of the Agricultural and Rural Development Act. In addition, a program of land use studies, the Canada Land Inventory was under way.

Shortly after the formation of the Department, a round of discussions with the province of Ontario led to the designation under the Regional Development Incentives Act for the whole of mid-northern Ontario.

In 1970 the Renfrew special area was designated under the Government Organization Act, and in 1971 the counties of Stormont, Glengarry and Prescott around the city of Cornwall were designated under the Regional Development Incentives Act. Discussions with the province of Ontario also resulted in the signing of a third ARDA agreement covering the period from April 1, 1970, to March 31, 1975.

CURRENT STATUS OF PROGRAMS

The Federal-Provincial Rural Development Agreement (1970-1975)

This agreement, under authority of the Agricultural and Rural Development Act, was signed on May 12, 1970, and covers

the period April 1, 1970 to March 31, 1975. Projects approved before March 31, 1975, may run for a longer period of time. Under the agreement, costs of projects are shared on a 50/50 basis between Canada and Ontario. The total allotment from Canada "shall not be less than \$30,000,000 plus the revenue from all projects and programs under this Agreement or any previous ARDA agreement which were refunded by Ontario to Canada during the first four years of this (Third) Agreement." It is estimated that \$3.4 million of revenues from earlier ARDA projects, mostly of farm rehabilitation and land assembly, will therefore be added to the \$30,000,000 to be contributed by Canada. Ontario may apply ARDA programs to Indian lands and Indian people. If Indians are involved in a program, Canada will negotiate special cost-sharing arrangements to the extent of Indian involvement. Payments by Canada under such additional cost-sharing arrangements do not constitute part of the annual or total allotments available to Ontario. These are now included under the heading of "Employment of Socially Disadvantaged" in the table on page 75.

The categories of activities comprising the program are described in the following paragraphs.

Research. The purpose of this part of the agreement is to enable Canada and Ontario to undertake jointly, physical, social and economic research concerning many of the projects or programs under this agreement. For programs or projects under this part, the shareable cost may be 100 per cent of the total cost and may include the salaries and expenses of employees of Ontario and agencies who are specifically and directly engaged on approved projects or programs for a continuing period of over one month.

Land Use and Farm Adjustment. The object of this program is to enlarge uneconomic farm units to a size that will give their operators enough in the way of net income to make farming an attractive proposition. As farm land is vacated by those who leave agriculture, it is regrouped, developed and made available to farmers who have demonstrated a degree of competence and managerial ability. Farmers who thus expand their holdings lease, as a rule, with a ten year option to buy, the land purchased by ARDA. Land unsuitable for agriculture is turned over to the Ontario Department of Lands and Forests to be converted to other uses such as forestry, recreation or wildlife conservation.

Some of the land thus acquired is developed as community pastures, particularly in the Georgian Bay Peninsula area. The ARDA program is also being used to assist the construction of agricultural drainage outlets built under the Drainage Act of Ontario, where drainage is a major limiting factor in crop

production, e.g. eastern Ontario and Bruce, Grey and Dufferin counties.

Rehabilitation. Assistance in moving, to people who leave farming, will include:

special assistance for people who are age 55 years and over or physically infirm;

special allowances or grants, not to exceed \$2,500 per family, when the price raised by a farm does not allow the rehabilitation and relocation of the family in an area where employment is available;

special allowances for those participating in group counselling, social development orientation courses, etc.;

special assistance for persons moving their families and effects where the moves cannot be authorized under the Manpower Mobility Program.

For all projects under this section, the full provisions of the Federal Manpower programs will be available, and must be taken into account.

Rural Development Field Service. Counselling must be available to the people directly affected by general ARDA activities, to help them realize it is in their best interests to make adjustments. This is being made available through the Rural Development Field Services of the province of Ontario for projects and programs under this part of the agreement. Shareable costs may be 100 per cent of total cost.

Alternative Employment and Income Opportunities. This part of the ARDA agreement with Ontario allows joint contributions for: the establishment, expansion or modernization of processing or manufacturing facilities utilizing renewable natural resources; and for the establishment or expansion of facilities or services deemed necessary for the additional or new production of selected primary and secondary products.

Projects can include public tourist operations, and the carrying out of forest stand improvement operations on Crown or public-owned lands. Projects and programs with a total cost in excess of \$100,000 must be subject to an economic analysis. The contribution by Canada during the first two years of the agreement could not exceed 15 per cent of the respective annual allotments to Ontario and is only available in selected rural areas of Ontario; this effectively includes most of Northern Ontario including the Georgian Bay area.

This miniature incentives program involved, up to the end of August 1972, 46 projects with a total capital cost of just under \$9.5 million; including ARDA grants of \$2,275,909 or 24 per cent of the total capital cost. Estimates of jobs created vary between 465 and 694; the capital cost per job is therefore somewhere between \$3,000 - \$5,000. Because most of the projects are in the processing of primary raw materials, they normally lead to increased opportunities for income for such primary producers as farmers and fishermen.

Public Information Services. A limited program of public information explaining the Canada ARDA Agreement is provided for under this section.

Specifically Indian Projects. There is specific provision in the general ARDA agreement for projects to aid Indians. Expenditure under this program in 1971-72 was \$296,000 and is expected to be more than \$½ million in 1972-73, and is projected to rise to about \$1,000,000 by 1974-75. Specific projects have included a development of a 20-acre cranberry marsh on the Gibson Indian Reserve at Bala, the establishment of a 40-acre wild rice plantation near Rainy River, and the expansion and development of ski facilities on Mount McKay on the Fort William Indian Reserve near Thunder Bay.

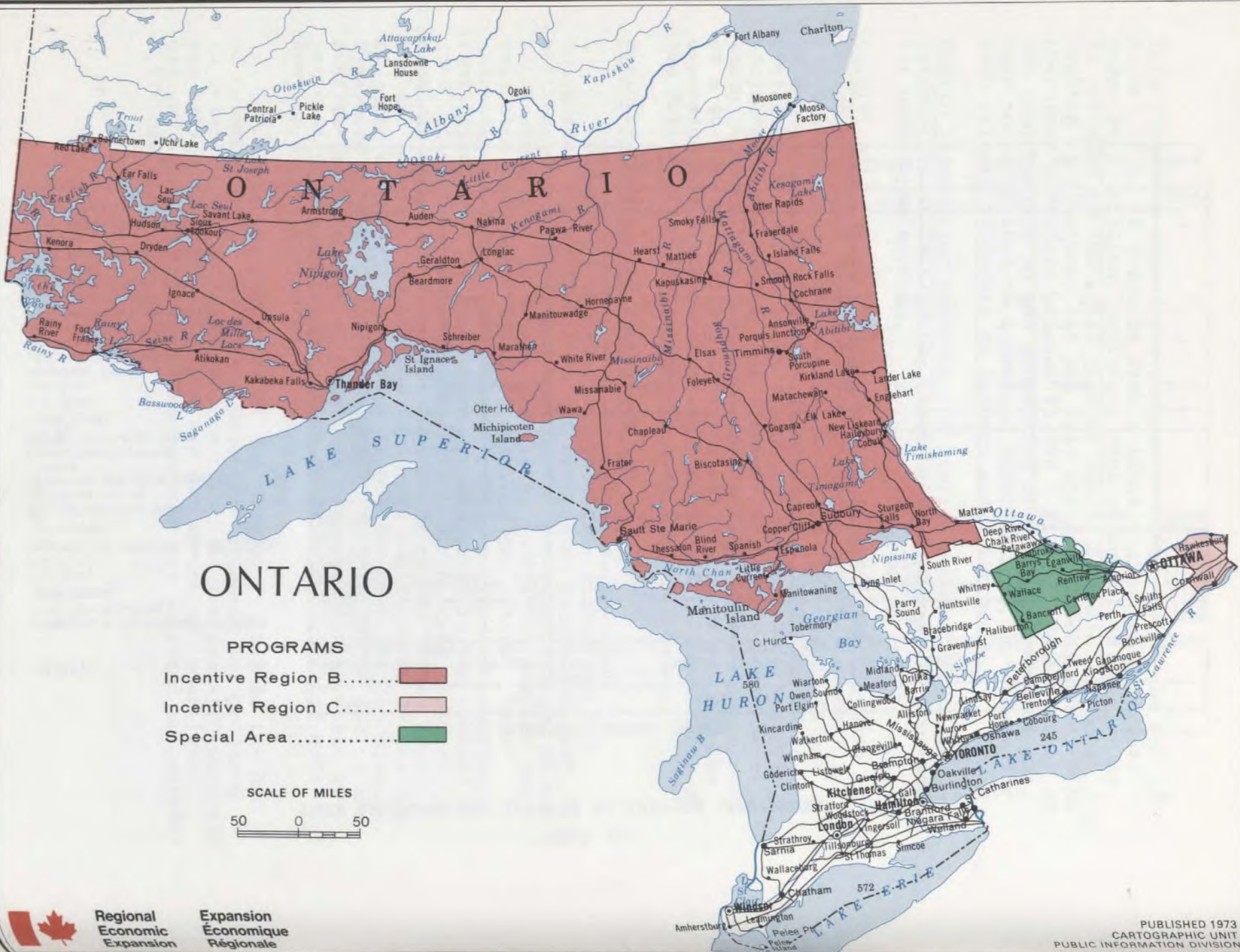
Regional Development Incentives Act

Under this legislation, incentive grants and loan guarantees are available in the designated regions of mid-northern and southeastern Ontario for the establishment of new manufacturing or secondary processing facilities and for the expansion or modernization of existing facilities. Loan guarantees are also available for certain types of commercial facilities. Similar incentives are available in the special area of Renfrew-Pembroke under the Department of Regional Economic Expansion Act. For designated region 'C' in southeastern Ontario, the maximum incentive available is 10 per cent of approved capital costs plus \$2,000 for each new job created. Elsewhere in the designated regions of the province and in the Renfrew-Pembroke special area, the maximum incentives are 25 per cent of the approved capital costs plus \$5,000 for each new job directly created.

Since the inception of the program in 1969 to the end of December 1972, 113 offers have been accepted for projects in Ontario. The eligible capital costs of the assisted projects are estimated at \$234,091,017 and the amount of incentives offered is \$39.5 million. The projects are expected to generate 6,775 new direct jobs.

TABLE 12
DREE EXPENDITURES 1969-70 to 1972-73 (ESTIMATE)

ACTIVITY	PROVINCE OF ONTARIO (\$'000's)												TOTAL		
	1969 - 70			1970 - 71			1971 - 72			1972 - 73			1969 - 73		
	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total
Planning & Technical Studies	-		-	74		74	-		-	30		-	104		104
Land Use Studies	550		550	355		355	243		243			30	1148		1148
SUB-TOTAL	550		550	429		429	243		243	30		30	1252		1252
A.D.I.A.	10202		10202	6456		6456	7881		7881	1560		1560	26099		26099
R.D.I.A.	-		-	577		577	2363		2363	9126		9126	12066		12066
Industrial Studies & Services	-		-	-		-	6		6	-		-	6		6
SUB-TOTAL	10202		10202	7033		7033	10250		10250	10686		10686	38171		38171
Infrastructure within Special Areas															
Highways outside Special Areas															
Power Development															
Other Infrastructure															
SUB-TOTAL															
F.R.E.D.	-		-	-		-	-		-	-		-	-		-
A.R.D.A.	8927		8927	4889		4889	6148		6148	5975		5975	25939		25939
Manpower Corps & Other Social Adjustment	-		-	-		-	-		-	-		-	-		-
NewStart Corporations	-		-	-		-	-		-	-		-	-		-
Newfoundland Resettlement	-		-	-		-	-		-	-		-	-		-
Employment of Socially Disadvantaged	80		80	61		61	296		296	333		333	770		770
PFRA Operations and Overhead	-		-	-		-	-		-	-		-	-		-
PFRA Projects on Indian Lands	-		-	-		-	-		-	-		-	-		-
PFRA Capital Projects	-		-	-		-	-		-	-		-	-		-
SUB-TOTAL	9007		9007	4950		4950	6444		6444	6308		6308	26709		26709
TOTAL	19759		19759	12412		12412	16937		16937	17024		17024	66132		66132



MANITOBA

INTRODUCTION

With its formation in 1969, the Department of Regional Economic Expansion took over the responsibility and direction of several independent agencies, programs or acts in Manitoba. Among these were the Agricultural and Rural Development Act, the Prairie Farm Rehabilitation Act, the Fund for Rural Economic Development Act, the Area Development Incentives Act and NewStart. Financial and program commitments that had been undertaken by these agencies were continued. Some of the programs were joint federal-provincial programs and some were entirely federal programs.

In addition, a program of land use studies, the Canada Land Inventory, was under way.

Shortly after the formation of the department, discussions with the province of Manitoba led to the designation of southern Manitoba under the Regional Development Incentives Act. The special area of The Pas was designated under the Government Organization Act for infrastructure and social adjustment as well as incentives assistance. Discussions with the province of Manitoba also resulted in the signing of a third ARDA agreement on June 9, 1971, and the signing of the special ARDA Agreement on July 20, 1971. The agreement for Gimli covers the period July 1, 1971 - June 30, 1976.

An agreement of June 17, 1971, covering the provision of water and sewage services for Brandon under a 50-50 cost sharing basis was a precursor of a broader program of such assistance to selected agricultural service centres. An agreement for this broader program was signed August 1, 1972.

The expenditure pattern for all programs in Manitoba since the formation of the department in 1969, including the estimated 1972-73, is:

	<u>All Programs</u>		<u>ADIA/RDIA</u>		<u>Other Programs</u>	
	<u>Total</u>	<u>Per Capita</u>	<u>Total</u>	<u>Per Capita</u>	<u>Total</u>	<u>Per Capita</u>
	<u>\$ M</u>	<u>\$</u>	<u>\$ M</u>	<u>\$</u>	<u>\$ M</u>	<u>\$</u>
1969-70	16.1	16.38	5.0	5.09	11.1	11.29
1970-71	16.3	16.50	4.1	4.15	12.2	12.35
1971-72	17.9	18.04	4.9	4.94	13.0	13.11
1972-73 (est.)	22.9	23.09	7.1	7.16	15.8	15.93

CURRENT STATUS OF PROGRAMS

THE PAS SPECIAL AREA

The original agreement under the Government Organization Act, 1969, was signed on May 11, 1970. The provisions of this agreement were incorporated in a second agreement signed on August 26, 1971, which covers the period April 1, 1971 to March 31, 1975. An amendment adding new projects was signed on March 13, 1973. The general objectives of the agreement are:

the development of a complex at The Pas of sufficient size and diversity of facilities and services to attract and sustain the high population growth of the area;

the creation of sufficient diversity of the economic base in the area, especially in The Pas, so that any shock of economic adjustment rendered necessary by changes in technology and markets, will be absorbed;

social adjustment measure to help the people of The Pas and its hinterland adapt and adjust to industrialization and urbanization;

social development sufficient to permit collective problem solving by local people, groups, communities and governments;

strengthening and improvement of The Pas as a transition centre;

rationalization of the hinterland so that those who remain would have an adequate standard of living.

General Strategy. The Canada-Manitoba joint planning committee which devotes its attention to The Pas special area has come to the conclusion that the key goal for the area, given its prospects and problems, must be to enhance the economic and social situation of the people in the area and to ensure that they have access to employment opportunities. An integrated forest industry complex has started production near the town of The Pas. This facility should provide an opportunity to help solve many of the problems associated with the area's previous modest growth rate.

Indian and Metis People. Of particular importance to the disadvantaged people of the special area, many of whom are of Indian or Metis ancestry, are the social adjustment programs provided in the agreement. The information-communication program is designed to make residents of the special area aware, and better able to take advantage, of such opportunities as jobs, training and housing available to them. The Manpower Corps program is designed to identify, recruit and counsel persons who have little or no previous work experience and to supplement on-the-job training with classroom training. These programs are designed to overcome many of the training and social problems of isolated and disadvantaged people who have little experience in a modern work force encountered when moving to a more urban area and taking part in full time employment in occupations which are part of the modern rather than the traditional sector. These programs are cost-shared 50-50 with the province and provision is made for them to operate until March 31, 1975.

Programs. The agreement covers three broad types of programs:

Social Adjustment Programs: A Manpower Corps has been established to provide on-the-job experience and associated educational counselling and training prior to full employment; and an Information-Communication Program has been designed to make people aware of their opportunities for jobs, training, housing, and to communicate to public agencies the needs of local people.

Infrastructure Assistance: The town of The Pas is being assisted in providing certain sewer and water facilities to accommodate and service industrial and residential growth. Primary, secondary and vocational educational facilities are being expanded to help the town of The Pas serve its immediate and surrounding

populations. A road is being constructed to provide better access from the surrounding area. DREE is assisting in the removal of sub-standard houses. New units are being provided through CMHC and the Manitoba Housing and Renewal Corporation. A Friendship Centre has been constructed to assist the social adjustment of local and incoming disadvantaged people of Indian ancestry. Other infrastructure assistance includes a civic centre complex, fire protection and services for industrial land.

Regional Development Incentives: The Department has made industrial incentives available for new industries that will contribute effectively to the economic expansion of the special area; and a grant of up to \$12 million has been offered in connection with a forestry industry complex near The Pas. This assistance, under the Department of Regional Economic Expansion Act, is in lieu of grants offered earlier under the Area Development Incentives Act to the original private companies involved. These companies have been placed in bankruptcy, but four plants have gone into commercial production and are being operated through a court-appointed Receiver. In the circumstances, the department has offered its assistance to a new provincial crown corporation, Manitoba Forestry Resources Inc. The initial \$9.6 million payment on the grant has already been made into trust and will become payable to the new corporation when all legal complications are resolved and it has acquired clear legal title to, and is operating, the complex.

Current Status. The infrastructure projects are completed, or for the most part, in an advanced construction phase. Under the amendment another group of projects will be constructed over the next two years. Social development activities are organized and are being implemented.

Implementation Procedure. A federal-provincial joint planning committee is responsible for the development of strategies and programs under The Pas Special Area Agreement. This committee also advises the federal and provincial ministers on these developments.

A sub-committee of federal and provincial officials appointed jointly by the co-chairman of the joint planning committee and a liaison committee is responsible for studying and determining the feasibility of proposed projects and for directing these studies. It also advises the joint planning committee on the feasibility of the projects.

A federal-provincial liaison committee composed of equal numbers of representatives of the two levels of government is responsible for monitoring and reporting on all stages of the planning, design and construction or implementation of the

projects and programs approved.

The estimated DREE contributions under the special area agreement are \$8,820,000 for contributions and \$6,100,000 for loans, making a total of \$14,920,000. The province anticipates that it will contribute as its share of the project costs \$2,150,000 in the period April 1, 1971 to March 31, 1975.

Financial Summary Commitments

Total funds committed:	Grants:	\$ 8,820,000
Canada (DREE)	Loans:	6,100,000
	Total:	14,920,000

Expenditures

1970/71	Grants:	\$ 1,547,000
	Loans:	1,214,000
	Total:	2,761,000
1971/72	Grants:	\$ 751,000
	Loans:	705,000
	Total:	1,456,000
1972/73 (estimated)	Grants:	\$ 755,000
	Loans:	1,260,000
	Total:	2,015,000

(Provincial and municipal expenditures for incremental programs during 1971/72 were expected to amount to some \$3,800,000).

THE GIMLI AGREEMENT

The agreement covers the period from July 1, 1971, to July 1, 1976, and was signed on September 1, 1971. The general objective of the agreement is to offset the adverse economic impact on the Gimli area of the closure of the Canadian forces base at Gimli, Manitoba. To this end, federal assistance was provided to the province of Manitoba to enable it to transform the base into an industrial park; and to undertake the development of a major recreational complex in the town of Gimli.

Industrial Park. Canada has transferred to Manitoba, at no cost to Manitoba, the administration and control of all lands and premises formerly part of the Canadian forces base, Gimli. Further, Canada has paid Manitoba the sum of \$1,628,000 to assist Manitoba in meeting the operating and capital cost expected to be incurred in the first five years in the adaptation and development of the base as an industrial park.

Regional Development Incentives. Gimli is in the designated region and incentives apply as elsewhere in the area. The Canadian forces base has proven attractive to businessmen and already three firms have located there with incentives assistance and another one in the town. In addition, two service operations have been established at the base and several training institutions. Total employment of local people on the base is now greater than it was when it was a Canadian forces base.

Recreation Complex. DREE has agreed to contribute to Manitoba 75 per cent of the \$1,467,000 estimated total cost of constructing a major recreational complex in the Gimli area including a marina complex, a fishing village, a trailer park, and improved lake front facilities and complementary recreational facilities.

THE FRED (FUND FOR RURAL ECONOMIC DEVELOPMENT) INTERLAKE AGREEMENT.

This agreement, under the Fund for Rural Economic Development Act, was signed on May 16, 1967, amended on October 12, 1972, and covers the decade from April 1, 1967 to April 1, 1977. The Interlake area includes approximately 10,000 square miles of land between Lake Manitoba and Lake Winnipeg and about 50,000 residents. The people of this area depend for their livelihood on agriculture, the fisheries and service industries, and on limited numbers of jobs in the manufacturing and construction fields. However, for years the area was depressed, with income levels well below and unemployment substantially above the national average. In 1967 the federal and provincial governments signed a comprehensive development agreement under the FRED Act designed to invest \$85,085,000 in the area's economy over a ten-year period. Of this amount some \$30,000,000 was to be provided by the federal government through DREE, \$19,000,000 by the federal government through the Department of Manpower and Immigration, and some \$37,000,000 or just over 42 per cent by the provincial government.

Mid-Agreement Revisions. On October 2, 1972, the federal and provincial ministers signed an amendment to the original agreement based on a joint review of the first five years of the operation of the plan. This review indicated that livestock and recreation were the economic sectors which offered the greatest prospects for generating new jobs and increased incomes for people of the area. Under the revisions there is no change in the planned level of spending, and the overall cost sharing arrangements will also remain the same. However, funds have been shifted within the agreement to delete certain

programs and reduce others so as to permit the introduction of four new programs and to increase spending on recreation development and on the Manpower Corps Training Program for disadvantaged people, particularly those of Indian and Metis origin.

Farm Development (\$3,000,000). This program offers direct government grants of up to \$2,000 to help eligible farmers in lower and middle income (to acquire permanent livestock feeding and handling facilities). In addition, the provincial loans program of up to \$10,000 for each eligible farmer will be available for capital purchases of assets such as cattle. The program includes pasture improvement as well as on-farm advisory service and other management and technical assistance to improve livestock production.

Farm Water Services (\$420,000) This program will provide grants up to \$300 and technical and advisory services to help farmers establish or improve farm water and sewer systems. Farmers can also obtain materials at reduced cost through a provincial volume purchasing scheme.

Veterinary Clinics (\$150,000). This program, which is now province-wide, will be extended in the FRED area under the FRED Agreement, and provides for the construction of veterinary clinics at Selkirk, Lundar, Ashern, Arborg and one other location.

Fishermen Management Development (\$698,000). This program will provide management services, small group workshops, and demonstration projects on improved gear and equipment for about 300 fishermen on Lakes Manitoba, Winnipeg, Winnipegosis, Waterhen and St. Martin.

Recreation (\$1,000,000 additional). The total allocation for this program has been brought up to \$3.9 million. Particular attention will be devoted to the Hecla Island Provincial Park. This will help create an estimated 50 construction jobs over the next 5 years and some 40 seasonal and 20 permanent jobs when it is completed.

Manpower Corps (\$4,552,000). As in The Pas special area, the Manpower Corps Program provides basic training and work orientation, including work experience so as to prepare trainees for further vocational skills training or for regular employment. It is particularly intended for disadvantaged people of Indian and Metis origin.

Source of Funds. Funds for the new programs (which are largely similar to those provided elsewhere under the federal-provincial ARDA agreement) will be made available by the termination of the

earlier agricultural programs of land clearing and resources management. The fisheries development program will replace the former fisheries adjustment program and the proposed Lake St. Martin control dam. There will be slight reductions in allocations for the programs of land adjustment, general counsellors, community affairs and administration.

Current Status. The drainage program (which cost \$7,000,000), the roads program (\$8,900,000), the training-in-industry program (\$500,000), and the Selkirk Industrial Park project (\$400,000), have all either been completed or are nearing completion.

Associated Programs. Federal manpower programs (\$15.8 million) which include academic upgrading, training for farm managers and fishermen, and general skills training will also continue along with the provincial education program (\$23.7 million) for the building of elementary and high schools. These represent a major adjustment in the education system in the Interlake.

MANITOBA GENERAL ARDA AGREEMENT

This agreement, under the authority of the Agricultural and Rural Development Act, was signed May 26, 1971, and covers the period from April 1, 1970 to March 31, 1975. Projects approved before March 31, 1975, may run to March 31, 1977. The current third ARDA agreement continues to assist in the alleviation of the social and economic problems identified under the first and second ARDA agreements. Under the general agreement, specific programs are directed at the problems of low income rural people. Particular emphasis is placed on extension of, or conversion, to livestock production. The total cost is projected to be in excess of \$23,000,000 with a Federal share slightly more than \$11.5 million. Programs and funding have been approved through the 1970-75 fiscal years.

In Manitoba the projects undertaken include farm diversification, farm water services, community affairs, groundwater services, comprehensive soil and water programs and veterinary clinics.

<u>Financial Summary Commitments</u>	<u>\$(000's)</u>
Funds committed (Canada)	\$ 7,140
1970-71	100
1971-72	150
1972-73	6,890
Expenditure ¹	
1969-70	\$ 1,073
1970-71	1,296
1971-72	874
1972-73 (estimate)	2,204

¹includes expenditure under the ARDA II Agreement.

SPECIAL ARDA AGREEMENT

This agreement, under authority of the Agricultural and Rural Development Act, was signed with Manitoba on July 20, 1971, and covers the period from April 1, 1971 to March 31, 1975. Under this agreement Canada may assist various types of projects which will improve employment and earning opportunities for people of Indian ancestry living in rural areas of Manitoba.

The activities which may be assisted under the program are:

primary producing- groups of persons already engaged in such primary producing activities such as fishing, trapping, harvesting trees and agriculture products may be assisted in purchasing equipment in order to significantly improve their marginal incomes;

counselling and training of persons in order to prepare them for job opportunities;

incentives for commercial enterprises involved in establishment, expansion or modernization of business in the fields of manufacturing, processing, utilization of primary resources, and provision of services. There is a requirement that the client must contribute at least 20 per cent of the total capital cost of the project with DREE's maximum contribution being 50 per cent of such costs.

In order to reduce the isolation and provide access to job opportunities, additional activities particularly for Northern communities can be assisted. These are:

communication and transportation in projects which will provide access to or information about possible job opportunities;

community recreation projects which will improve the standard of living and job opportunities in the community.

DREE assistance to the above activities is limited to a maximum of \$30,000 for each job created. The assistance must not replace any other assistance which may be available from other provincial and federal programs. Two-thirds of the total number of persons benefitting directly from a project must be disadvantaged persons of Indian ancestry and assistance is limited to projects in the rural and northern areas of the province where native people form a significant proportion of the population.

The expenditures so far have been relatively small. 263 persons will benefit from commitments made to date with a total possibility of over 1,200 persons benefitting this fiscal year. Commitments for the future are much larger as indicated by the following:

Financial Summary Commitments

Funds committed (Canada)	Nil
1971-72	\$ 22,800
1972-73 (to date)	\$ 1,250,100
1972-73 (estimated)	\$ 2,727,100

Expenditures

DREE expenditures

Prior years	Nil
1971-72	\$ 5,000
1972-73 (to date)	\$ 105,000
1972-73 (estimated)	\$ 2,140,000

Included in the financial commitments is assistance that has been recommended to fish packing plants, tourist facilities, custom abattoirs, manufacturing plants and to groups of people involved in fishing and trapping.

NEWSTART

NewStart, undertaken originally by the Department of Manpower and Immigration, and transferred to the Department of Regional Economic Expansion when it was formed in 1969, was an experimental research investigation in the method of training and equipping people for employment. It was undertaken through a private provincial corporation with a board of directors jointly appointed by the federal and provincial ministers. The operation was funded 100 per cent by the federal government. This program has now been terminated. The expenditure pattern for NewStart since it became part of the Department of Regional Economic Expansion was:

1969-70	\$	250,000
1970-71		1,000,000
1971-72		375,000
1972-73 (estimate)		242,000

REGIONAL DEVELOPMENT INCENTIVES ACT

This program provides for the offer of incentive grants and loan guarantees for the establishment, expansion and modernization of manufacturing facilities or secondary processing facilities in designated regions. Loan guarantees are also available for certain types of commercial facilities. Maximum incentives offered under the program in Manitoba are 25 per cent of the approved capital costs plus up to \$5,000 for each new direct job created. The designated region includes the whole of southern Manitoba. This region was designated by the government of Canada after consultations with the province in 1969.

Since the inception of the program in 1969 to the end of December 1972, 174 offers have been accepted for projects in Manitoba. The eligible capital costs of the assisted projects are estimated at \$65,354,262 and the amount of incentives offered is \$17.1 million. The projects are expected to generate 5,964 new direct jobs.

PRAIRIE FARM REHABILITATION ACT

This program was transferred from the Department of Agriculture to the Department of Regional Economic Expansion in 1969. The program had been undertaken in the late 1930's to help prairie farmers overcome severe drought problems that occurred.

In Manitoba the Prairie Farm Rehabilitation Administration is responsible for the operation of the water conservation and development program, the development and operation of community pastures and the federal input into the Assiniboine River Development project. Construction of the Shellmouth Dam, the major project, was essentially completed in 1970 at a cost of approximately \$29,000,000. The Prairie Farm Rehabilitation Administration continues the operation of the project. PFRA also provides the technical and supervisory expertise for certain infrastructure programs in Manitoba. Since 1963, PFRA has operated a Tree Nursery at Indian Head, Saskatchewan, which distributes some 7,000,000 tree seedlings in the prairie provinces each year. The largest number of these seedlings go to individual farmers for use as shelterbelts for farm homes and fields. Many, however, are used in connection with soil and water conservation projects or for beautification of federal or provincial projects. Last year some 1.5 million seedlings were distributed in Manitoba.

THE BRANDON AGREEMENT

The Brandon Agreement was signed on June 17, 1971, and covers the period from November 18, 1970 to March 31, 1974. The agreement is with the province, which in turn has made an agreement with the city of Brandon. Under the agreement PFRA constructs water, sewer and storm drainage systems which will accommodate new growth and aid the orderly development of the city, contribute to economic expansion and social adjustment, and offer greater economic security to those in the agricultural areas served by Brandon. Under the agreement PFRA lets out construction contracts for the project and the costs are covered half by grants and half by loans. Upon completion the project is to be turned over to the province for operation.

Financial Summary

Commitments:	<u>Grants</u>	<u>Loans</u>	<u>Total</u>
DREE	\$1,200,000	\$1,200,000	\$2,400,000
Expenditures			
DREE			
1971/72	250,000	250,000	500,000
1972/73 (est.)	700,000	700,000	1,400,000

MANITOBA AGRICULTURAL SERVICES CENTRES AGREEMENT

This agreement was signed on August 1, 1972, and covers

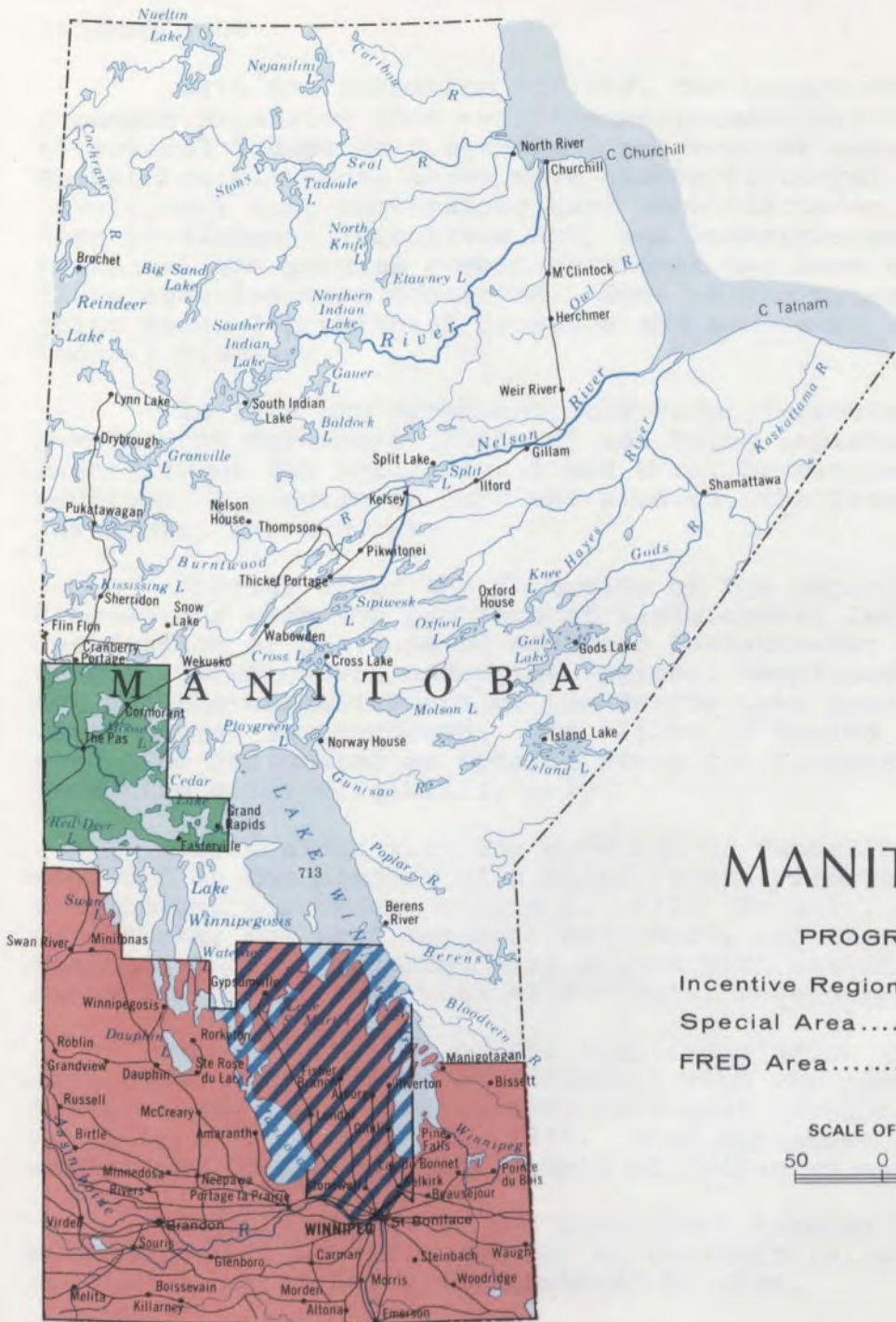
the period from August 1, 1972 to August 1, 1977. Under the agreements, PFRA will construct water and sewer facilities in agricultural service centres in Manitoba on the basis of 50 per cent to the province in loans and 50 per cent in contributions. The maximum commitment by Canada is \$10,000; of this amount \$2.4 million is committed for the city of Brandon under the Brandon Agreement, which was the forerunner of the agreement.

The object of the agreement is to assist with economic and social changes now taking place in rural areas of Manitoba and the other prairie provinces by providing for the construction of water supply and waste disposal facilities for selected communities which are important service centres for the agricultural industry. The criteria for the selection of the centres are that they should be outside metropolitan areas; located in the special area of The Pas; capable of providing an adequate level and range of services for growing agricultural service areas; have population characteristics with demonstrated growth potential; have significant potential for non-agricultural employment; have prime access to principal transportation facilities; and have an infrastructure base which can be readily expanded to accommodate future growth. The cities and towns of Manitoba which are covered by the agreement are listed below:

Altona, Beausejour, Brandon, Carman, Dauphin, Gimli, Killarney, Minnedosa, Morden, Neepawa, Portage la Prairie, Selkirk, Steinback, Swan River, Virden and Winkler.

TABLE 13
DREE EXPENDITURES 1969-70 TO 1972-73 (ESTIMATE)

ACTIVITY	PROVINCE OF MANITOBA (\$000's)												TOTAL		
	1969 - 70			1970 - 71			1971 - 72			1972 - 73			1969 - 73		
	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total
Planning & Technical Studies	119		119	24		24	15		15	30		180	338		338
Land Use Studies	454		454	409		409	345		345	-		-	1208		1208
SUB-TOTAL	573		573	433		433	360		360	180		180	1546		1546
A.D.I.A.	4965		4965	3178		3178	1831		1831	1730		1730	11704		11704
R.D.I.A.	34		34	971		971	3134		3134	5392		5392	9531		9531
Industrial Studies & Services	-		-	-		-	2028		2028	793		793	2921		2921
SUB-TOTAL	4999		4999	4149		4149	6993		6993	7915		7915	24056		24056
Infrastructure within Special Areas				1547	1214	2761	751	705	1456	755	1260	2015	3053	3179	6232
Highways outside Special Areas				-		-	-		-			-	-		-
Power Development				-		-	-		-			-	-		-
Other Infrastructure				-		-	-		-			-	-		-
SUB-TOTAL				1547	1214	2761	751	705	1456	755	1260	2015	3053	3179	6232
F.R.E.D.	3780		3780	4452		4452	5182		5182	4469		4469	17883		17883
A.R.D.A.	1073		1073	1296		1296	874		874	2204		2204	5447		5447
Manpower Corps & Other Social Adjustment	-		-	80		80	437		437	688		688	1205		1205
NewStart Corporations	250		250	1000		1000	375		375	242		242	1867		1867
Newfoundland Resettlement	-		-	-		-	-		-			-	-		-
Employment of Socially Disadvantaged	61		61	-		-	5		5	1941		1941	2007		2007
FFRA Operations and Overhead	842		842	1198		1198	1223		1223	1221		1221	4484		4484
FFRA Projects on Indian Lands	-		-	-		-	83		83	52		52	135		135
FFRA Capital Projects	4553		4553	970		970	649	217	866	804	1200	2004	6976	1417	8393
SUB-TOTAL	10559		10559	8996		8996	8828	217	9045	11621	1200	12821	40004	1417	41421
TOTAL	16131		16131	15125	1214	16339	16932	922	17854	20471	2460	22931	68659	4596	73255

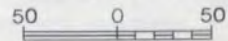


MANITOBA

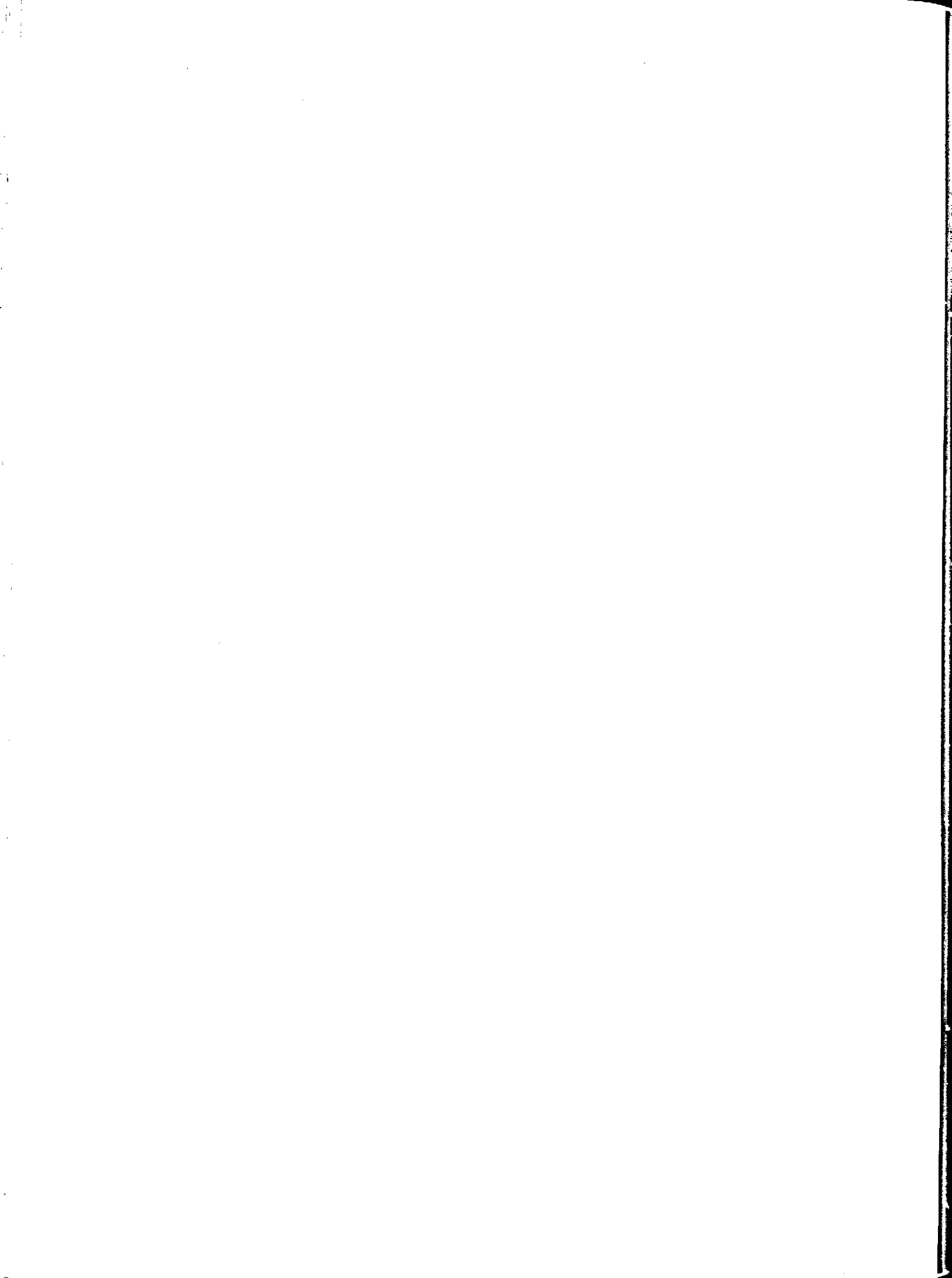
PROGRAMS

- Incentive Region B
- Special Area
- FRED Area

SCALE OF MILES



Regional Expansion
Economic Expansion
Économique Expansion
Régionale



SASKATCHEWAN

INTRODUCTION

With its formation in 1969, the Department of Regional Economic Expansion took over the responsibility and direction of several independent agencies, programs or acts, in Saskatchewan. Among these were the Agricultural and Rural Development Act, the Prairie Farm Rehabilitation Act, the Area Development Incentives Act, and Saskatchewan NewStart. Financial and program commitments that had been undertaken by these agencies were continued. Some of the programs were joint federal-provincial programs and some were entirely federal programs.

In 1969 one agreement, the Federal-Provincial Rural Development Agreement (1965-70) was being implemented under authority of the Agricultural and Rural Development Act. In addition, a program of land use studies, the Canada Land Inventory, was underway.

Shortly after the formation of the department, discussions with the province of Saskatchewan led to the designation of portions of southern Saskatchewan and east central Saskatchewan under the Regional Development Incentives Act and the establishment of the Meadow Lake Special Area in west central Saskatchewan. The cities of Regina and Saskatoon were also designated as special areas for purposes of incentive grant eligibility only.

Discussions with the province of Saskatchewan also resulted in the signing of a third Federal-Provincial Rural Development Agreement on June 8, 1971. As well, two other agreements, the Last Oak Park Agreement, and the Cutbank Training Center Agreement were signed with Saskatchewan under authority of the Agricultural and Rural Development Act.

Under authority of the same legislation (ARDA), the department entered into an agreement with the province of Saskatchewan for a Special ARDA Agreement covering the period April 1, 1971 to March 31, 1975. This agreement provides for assistance to projects for people of Indian ancestry.

On July 31, 1972, the department entered into an agreement with Saskatchewan for an agricultural service centres program which is being administered by PFRA.

The Saskatchewan NewStart Corporation, centred on Prince Albert, was transferred from the Department of Manpower and Immigration in 1969, and terminated August 31, 1972. The

assets have been transferred to the Department of Manpower and Immigration which will operate the facility as a training, research and development station.

PFRA continued to maintain its regular program activity.

The expenditure pattern including contributions and loans for all programs (including ADIA, RDIA, NewStart, ARDA, CLI, special areas, and PFRA) in Saskatchewan since the formation of the department in 1969 including the estimated 1972-73 is:

	<u>All Programs</u>		<u>ADIA/RDIA</u>		<u>Other Programs</u>	
	Total \$M's	Per Capita \$	Total \$M's	Per Capita \$	Total \$M's	Per Capita \$
1969-70	14.8	15.72	1.5	1.59	13.3	14.13
1970-71	17.0	18.36	2.0	2.16	15.0	16.20
1971-72	18.1	19.76	4.0	4.37	14.1	15.39
1972-73 (est.)	19.2	20.96	3.1	3.38	16.1	17.58

CURRENT STATUS OF PROGRAMS

The Meadow Lake Special Area Agreement

This agreement, recently amended, covers the period April 1, 1970 to December 31, 1973 and was undertaken under authority of the Government Organization Act 1969 (now the Department of Regional Economic Expansion Act). The general objectives of the agreement are to encourage job creation by providing incentives to new or expanding industry in the area; to help prepare the local population to adapt to economic change through training and other social adjustment programs; and to provide infrastructure assistance for the town of Meadow Lake.

The agreement calls for an expenditure of \$4,744,000 by the Department of Regional Economic Expansion over the life of the agreement. Of this, \$2,796,000 will be in contributions and \$1,948,000 in loans. These expenditures are for social adjustment programs and an infrastructure assistance program.

The social adjustment program provides for a training opportunity program to provide on-the-job experience prior to employment and a preventive health care program, in the

northern part of the special area, that provides assistance for medical supplies and qualified staff.

The infrastructure assistance program provides for access roads and utilities for an industrial park, natural gas, and water and sewage systems for the town of Meadow Lake. Training facilities are being improved with the construction of a new junior high school and a training centre. Portable training units are provided for in the more remote areas.

In addition to the programmed expenditure the special area is eligible for incentives for commercial undertakings. To September 30, 1972, one offer had been accepted for a sawmill. This will provide a grant of \$1.5 million for 80 jobs and eligible capital costs of \$5 million. At the present time there are 110 people working in the sawmill.

The federal and provincial governments are advised by a Canada-Saskatchewan joint planning committee which plans, evaluates, and revises programs for the duration of the agreement. The day to day management of the implementation of the agreement is under a joint federal-provincial liaison committee which coordinates, monitors and reports on all stages of the projects.

The expenditure pattern has been:

	<u>1970/71</u>	<u>1971/72</u>	<u>1972/73</u> (Est.)
Grants	627,000	424,000	818,000
Loans	<u>675,000</u>	<u>442,000</u>	<u>370,000</u>
	1,302,000	876,000	1,188,000

Federal-Provincial Rural Development Agreement (1971-75)

This agreement covering the period April 1, 1970 to March 31, 1975 provides for Canada to pay 50 per cent of the shareable costs of projects and programs approved under the agreement under three main groups:

Part I (general) provides for specific research to test new program approaches for the improvement of rural incomes and employment opportunities or to identify and formulate programs or projects for approval as well as to provide public information and to evaluate programs or projects;

Part II (alternative uses of land) provides for projects whose objective is to improve income and employment

opportunities for rural people; to assist rural people to make adjustment to take advantage of income and employment opportunities by the acquisition and/or development of land of low capability and for its conversion to more effective uses. It also provides for financial or other assistance to farm or woodlot owners or operators to convert marginal farmlands to other uses or to improve woodlots. Assistance may also be provided to assist rural people affected by programs and projects under this part to reestablish themselves in a new location;

Part III (soil and water conservation) to advance soil and water conservation in Saskatchewan when such projects cannot be done under federal or federal-provincial programs. Eligible under this part are comprehensive watershed projects involving multiple purpose undertakings, water conservation and development projects or land conservation and improvement projects.

Under the Federal-Provincial Rural Development Agreement (1965-70), the major thrust in Saskatchewan was towards the establishment or expansion of provincially-owned community pastures, irrigation and drainage projects, provincial parks and recreation, on-farm water supply, and surface and ground water research. Many programs were undertaken to help Indian people through farming on reserves, the development of wild rice stands, handicraft production, guiding and outfitting, and from improvements in the traditional fishing industry. As well, feasibility studies for additional projects were undertaken. These programs were financed 100 per cent for the portions of them that applied to Registered Indians. Expenditures for Registered Indians were in addition to the total allotment of funds available to the province under the 1965-70 agreement.

No projects or programs have yet been advanced by the province for approval under the new 1971-75 agreement. The province of Saskatchewan is now engaged in the formulation of a development strategy which it is expected will lead to proposals being made under this agreement in the near future. The 1971-75 agreement does not provide for any annual or total limit on federal contributions during the period covered.

Special ARDA Agreement

This agreement, under authority of the Agricultural and Rural Development Act, was signed with Saskatchewan on December 2, 1971 and covers the period to March 31, 1975. Under this agreement Canada may assist various types of projects which will improve employment and earning opportunities for people of Indian ancestry living in rural areas of Manitoba.

The activities which may be assisted under the program are:

primary producing - groups of persons already engaged in such primary producing activities such as fishing, trapping, harvesting trees and agriculture products may be assisted in purchasing equipment in order to significantly improve their marginal incomes;

counselling and training of persons in order to prepare them for job opportunities;

incentives for commercial enterprises involved in establishment, expansion or modernization of business in the fields of manufacturing, processing, utilization of primary resources, and provision of services. The client must contribute at least 20 per cent of the total capital cost of the project with DREE's maximum contribution being 50 per cent of such costs.

In order to reduce the isolation and provide access to job opportunities, additional activities particularly for northern communities can be assisted. These are:

communication and transportation in projects which will provide access to or information about possible job opportunities;

community recreation projects which will improve the standard of living and job opportunities in the community.

DREE assistance to the above activities is limited to a maximum of \$30,000 for each job created. The assistance must not replace any other assistance which may be available from other provincial or federal programs. Two-thirds of the total number of persons benefitting directly from a project must be disadvantaged persons of Indian ancestry; assistance is limited to projects in the rural and northern areas of the province where native people represent a significant proportion of the population.

To December 30, 1972, 82 applications for assistance have been received. Twenty seven offers have been made which would involve approximately 350 jobs, \$1,600,000 in capital costs, \$639,000 in DREE grants, and \$58,000 in provincial grants. These applications include woods operations, dry-walling contractor, service stations, fish-receiving stations,

handicraft training, tourist outfitting, furniture manufacturing, cattle ranching, and taxi business. Studies have also been approved to examine the feasibility of other projects. One landing strip has been approved in a remote rural community.

Saskatchewan Newstart

Saskatchewan Newstart was originally undertaken by the Department of Manpower and Immigration and transferred to the Department of Regional Economic Expansion when this department was formed in 1969. Newstart was established as an independent corporation with a Board of Directors appointed jointly by the Federal and Provincial governments. Funding was wholly provided by the federal government. The Saskatchewan Newstart corporation, situated in Prince Albert, was established as an experimental investigation into methods of training and equipping people for employment. The corporation was established for a specified period of time and activities were terminated, under its operation, as of August 31, 1972.

DREE spending on the Saskatchewan Newstart is as follows:

<u>1969-70</u>	<u>70-71</u>	<u>71-72</u>	<u>72-73</u>
900	1,186	952	288

Cutbank Training Centre Agreement

Under this agreement, Canada agreed to turn over to the province land, buildings and equipment at Cutbank, Saskatchewan, that had been the construction headquarters for PFRA for the Gardiner Dam. This community was to be turned into a training centre for Indian and Metis people of Saskatchewan. The agreement provided financial support to the province to enable it to establish and operate a training centre that would provide academic upgrading, occupational training, work experience and social adjustment programs to disadvantaged Indian and Metis people of Saskatchewan.

This operation ran for a short period of time and then was closed down. The province has decided not to continue participation in the program and arrangements are now being made to dispose of the assets. The agreement provided for a federal commitment of \$1,420,000 which included the \$265,000 value of the townsite, and a provincial commitment of \$1,415,759.

DREE expenditures to date have been:

<u>1970/71</u>	<u>1971/72</u>	<u>1972/73</u>
\$50,000	\$100,000	Nil

Last Oak Park, Saskatchewan Agreement

This agreement under the authority of the Agricultural and Rural Development Act covers the period December 31, 1970 to March 31, 1974. It provides for the establishment of a recreational project owned and operated by Indian people on four adjoining Indian reserves approximately 110 miles east of Regina. It will provide income and employment opportunities in the immediate area and will provide an opportunity for the reserve population to upgrade their educational and social skills to enable them to find employment elsewhere.

The agreement provides for a Department of Regional Economic Expansion contribution of \$940,000 for Phase I. In addition, provision is made to enable further phases to be undertaken if a review of Phase I warrants it. Phase I provides for a ski area, a golf course, campground, beach and picnic area facilities, access roads and a cottage subdivision. Maintenance and equipment costs, as well as training and administration, are included.

The four Indian bands formed The Last Oak Park Corporation to plan, construct and operate this project. The province has general management responsibility for the project. The actual construction and establishment of the facilities is the responsibility of the Last Oak Park Corporation through an agreement between the corporation and the province of Saskatchewan. Substantial progress has been made on this project with the ski hill and tows being opened during the winter of 1971-72. Good progress is being made on the golf course, campground, picnic area and cottage subdivision.

The funds provided for Phase I are 100 per cent by the federal government. DREE expenditures to date have been:

<u>1971/72</u>	<u>1972/73 (est.)</u>
\$550,000	\$220,000

Agricultural Service Centres Agreement

This agreement signed on July 31, 1972, covers the period July 31, 1972 to July 31, 1977 and applies to a list of agreed to cities and towns in Saskatchewan.

The general objectives are that the construction and financing of water supply and/or waste disposal facilities for the twenty-five selected agricultural centres will accommodate new growth and aid the orderly development of these centres; will contribute to economic expansion and social adjustment in Saskatchewan; and will afford greater economic security to people in the agricultural areas served by these centres.

The agreement provides for a maximum DREE financial input of \$10.0 million of which 50 per cent will be in loans and 50 per cent in contributions. The loans will be made to the province. No one centre may receive more than \$2.5 million. Individual agreements for Weyburn and Swift Current have now been concluded.

Prairie Farm Rehabilitation Act

In Saskatchewan, the Prairie Farm Rehabilitation Administration is responsible for the operation of PFRA pastures, the provision of assistance to farmers for on-farm water supply and for the conservation and development of community water supplies. In addition, it is responsible for the operation of irrigation systems that it has established. Over the years, PFRA has also undertaken the construction of a number of major water projects for the conservation and development of water resources. In Saskatchewan, the South Saskatchewan River Project (Gardiner Dam) is an example of this activity.

The revenue and expenditure pattern for PFRA in Saskatchewan, including capital and operating costs has been;

	<u>1969/70</u>	<u>1970/71</u>	<u>1971/72</u>	<u>1972/73</u> (est.)
Expenditure (C and O)	\$ 8.9 M	\$ 9.5 M	\$ 9.1 M	\$ 9.7 M
Revenue (approx.)	\$ 2.5 M	\$ 3.0 M	\$ 2.7 M	\$ 2.3 M

Regional Development Incentives Program

This program provides for the offer of incentive grants and loan guarantees for the establishment, modernization or expansion of manufacturing or secondary processing facilities in designated regions. Loan guarantees are also available for certain types of commercial facilities. The program applies to a portion of southern Saskatchewan and east central Saskatchewan that was designated under the Act. In addition, the cities of Regina and Saskatoon were designated special areas for the

purposes of receiving industrial incentives. Since the inception of the program in 1969 to the end of December 1972, 47 offers have been accepted for projects in Saskatchewan. The eligible capital costs of the assisted projects are estimated at \$31,415,274 and the amount of incentives offered is \$7.3 million. The projects are expected to generate 2,344 new direct jobs.

The DREE expenditure pattern to date on RDIA and ADIA including the special areas of Regina, Saskatoon and Meadow Lake has been:

<u>1969/70</u>	<u>1970/71</u>	<u>1971/72</u>	<u>1972/73 (est.)</u>
\$ 1.5 M	\$ 2.0 M	\$ 4.0 M	\$ 3.1 M

TABLE 14
DREE EXPENDITURES 1969-70 TO 1972-73 (ESTIMATE)

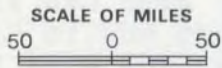
PROVINCE OF SASKATCHEWAN (\$000's)

ACTIVITY	1969 - 70			1970 - 71			1971 - 72			1972 - 73			TOTAL 1969 - 73		
	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total
Planning & Technical Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Use Studies	358	-	358	204	-	204	220	-	220	64	-	64	846	-	846
SUB-TOTAL	358	-	358	204	-	204	220	-	220	64	-	64	846	-	846
A.D.I.A.	1543	-	1543	1849	-	1849	1264	-	1264	226	-	226	4882	-	4882
R.D.I.A.	-	-	-	148	-	148	2737	-	2737	2904	-	2904	5789	-	5789
Industrial Studies & Services	-	-	-	-	-	-	8	-	8	-	-	-	8	-	8
SUB-TOTAL	1543	-	1543	1997	-	1997	4009	-	4009	3130	-	3130	10679	-	10679
Infrastructure within Special Areas	-	-	-	627	675	1302	424	442	866	818	370	1188	1869	1487	3356
Highways outside Special Areas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Power Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL	-	-	-	627	675	1302	424	442	866	818	370	1188	1869	1487	3356
F.R.E.D.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.R.D.A.	2613	-	2613	2125	-	2125	2255	-	2255	2603	-	2603	9596	-	9596
Manpower Corps & Other Social Adjustment	-	-	-	-	-	-	30	-	30	688	-	688	718	-	718
NewStart Corporations	900	-	900	1186	-	1186	952	-	952	288	-	288	3326	-	3326
Newfoundland Resettlement Employment of Socially Disadvantaged	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FFRA Operations and Overhead	528	-	528	730	-	730	574	-	574	1424	-	1424	3256	-	3256
FFRA Projects on Indian Lands	7161	-	7161	7910	-	7910	7997	-	7997	8373	-	8373	31441	-	31441
FFRA Capital Projects	-	-	-	-	-	-	144	-	144	122	-	122	266	-	266
SUB-TOTAL	1731	-	1731	1556	-	1556	1079	-	1079	1290	-	1290	5656	-	5656
SUB-TOTAL	12933	-	12933	13507	-	13507	13031	-	13031	14788	-	14788	54259	-	54259
TOTAL	14834	-	14834	16335	675	17010	17684	442	18126	18800	370	19170	67653	1487	69140

SASKATCHEWAN

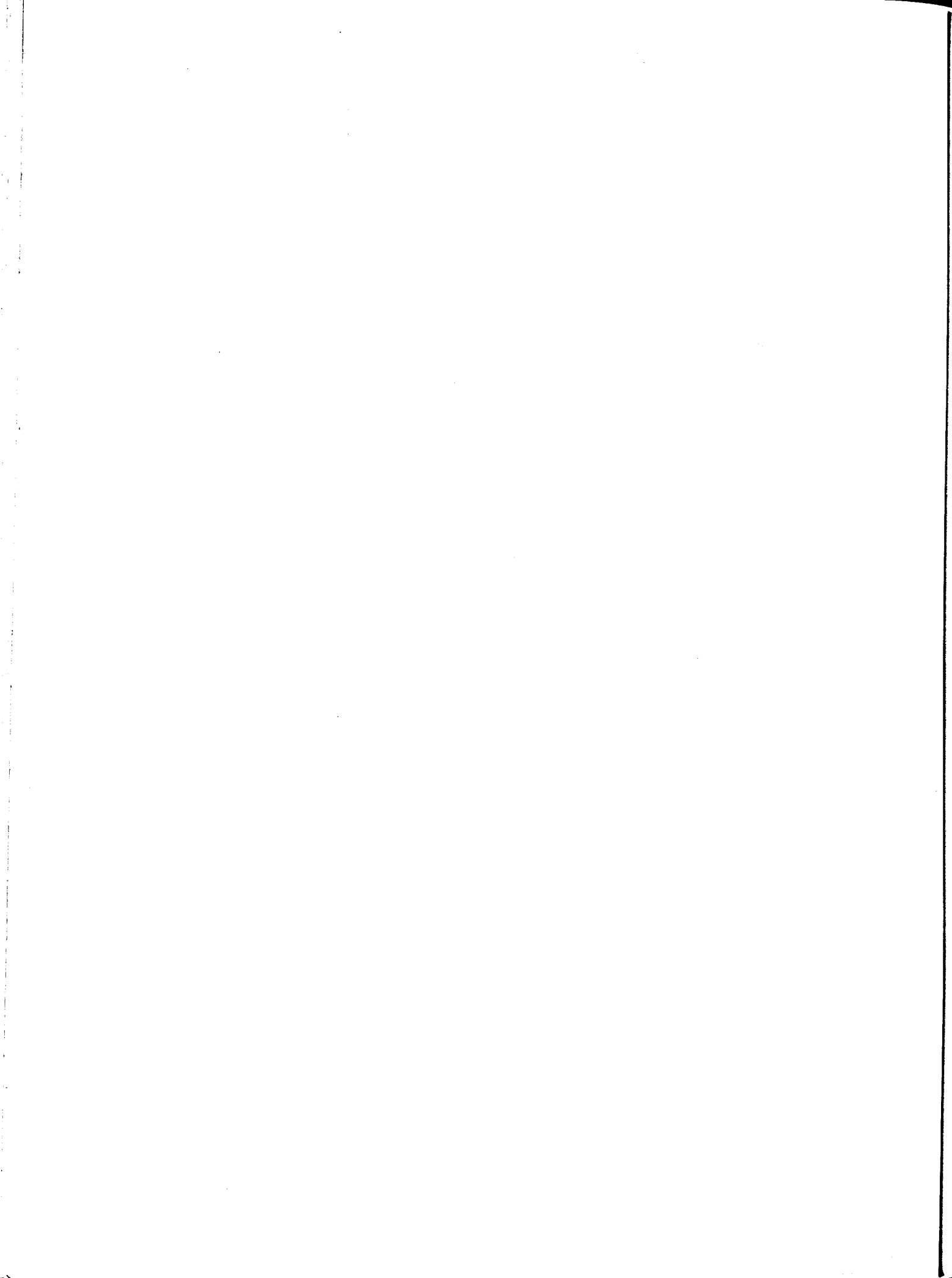
PROGRAMS

- Incentive Region B.....
- Special Areas.....



Regional Economic Expansion
Économique Régionale

PUBLISHED 1973
CARTOGRAPHIC UNIT
PUBLIC INFORMATION DIVISION



ALBERTA

INTRODUCTION

With its formation in 1969, the Department of Regional Economic Expansion took over the responsibility and direction of several independent agencies, programs or acts in Alberta. Among these were the Agricultural and Rural Development Act, the Prairie Farm Rehabilitation Act, the Area Development Incentives Act and Newstart. Financial and program commitments that had been undertaken by these agencies were continued. Some of the programs were joint federal-provincial programs and some were entirely federal programs.

In 1969, the Federal-Provincial Rural Development Agreement (1965-70) was being implemented under authority of the Agricultural and Rural Development Act. In addition, a program of land use studies, the Canada Land Inventory, was under way. This program was transferred to the Department of the Environment in 1971.

Shortly after the formation of the department, a round of discussion with the province of Alberta led to the designation of a portion of southern Alberta for purposes of the Regional Development Incentives Act and the establishment of the Lesser Slave Lake special area in north central Alberta. Discussions with the province of Alberta also resulted in the signing of a third ARDA agreement on August 11, 1971 and the signing of the Special ARDA Agreement on September 17, 1971.

The expenditure pattern for all programs including ADIA and RDIA in Alberta since the formation of the Department of Regional Economic Expansion including the estimated for 1972-73 is:

	<u>All Programs</u>		<u>ADIA/RDIA</u>		<u>Other Programs</u>	
	Total per Capita		Total per Capita		Total per Capita	
	\$M		\$M		\$M	
1969-70	16.2	10.16	8.2	5.14	8.0	5.02
1970-71	13.1	8.05	3.0	1.84	10.1	6.20
1971-72	9.0	5.44	1.3	.79	7.7	4.65
1972-73 (est.)	32.5	19.64	9.7	5.86	22.8	13.78

CURRENT STATUS OF PROGRAMS

LESSER SLAVE LAKE SPECIAL AREA

The original agreement under authority of the Government Organization Act, 1969, covered the period April 1, 1970 to June 30, 1972. The provisions of this agreement were incorporated in an expanded second agreement that was signed on September 1, 1971 and covered the period April 1, 1971 to March 31, 1975. An amendment to this second agreement is now before the provincial government for signature. The general objectives of the agreement are:

to encourage the creation of new jobs by providing incentives to companies locating, expanding or modernizing in the area;

to ensure that new employment in the special area is readily accessible to the many severely disadvantaged people of the area;

to enable growing centres (particularly the towns of Slave Lake and High Prairie) to accommodate the expected influx of people and industries.

The agreement covers three broad types of programming which corresponds to these objectives:

Regional Development Incentives

The Department of Regional Economic Expansion makes industrial incentives available for industrial projects to the full extent that they will contribute effectively to job creation in the special area. This was included in the special area agreement since the special area does not fall within the region designated for purposes of the Regional Development Incentives Act.

Social Adjustment Programs

Programs have been introduced to assist local people to move into new jobs in the area. These programs assist local people, both workers and their families, to become aware of new jobs, to become familiar with the surroundings in growth areas, to obtain knowledge and skills required for the new jobs and for life in the growth centres.

Infrastructure Assistance

Slave Lake and High Prairie are being assisted in

providing certain sewer and water facilities to accommodate and service industrial and residential growth. Educational facilities have been expanded to help the town of Slave Lake serve its immediate and surrounding populations. A northern industrial road stretching 154 miles north from the town of Slave Lake is being constructed to permit access to the natural resources and people living in isolated conditions in the northern part of the special area. Low-cost housing for incoming disadvantaged people who wish to take advantage of the new employment opportunities is being provided. A heavy and a light industrial park have been established in Slave Lake as well as a bypass road around the town of Slave Lake.

The Canada-Alberta Joint Planning Committee which devotes its attention to the Lesser Slave Lake special area has come to the conclusion that the key goal for the area, given its prospects and problems, must be to enhance the economic and social situation of the people in the area and to ensure that they have access to employment opportunities. The Mitsue Lake Industrial Park established under the agreement combined with the special incentives, the manpower corps program and the natural forest and petroleum resources of the area, have combined to open up a substantial number of jobs around the town of Slave Lake. The water and sewer program, and provision of educational facilities, ensure that the incoming disadvantaged people who will take advantage of the new employment opportunities have adequate facilities.

Of particular importance to the disadvantaged people of the special area, many of whom are of Indian ancestry, are the six social adjustment programs provided for in the agreement. These are Outreach and General Guidance, Opportunity Corps, Upgrading and Training, Family Opportunity Investigations, Productivity Upgrading, and Retention. These programs are designated to overcome many of the training and social problems that isolated and disadvantaged people who have little experience in the work force encounter in moving to a more urban area and taking part in full-time employment.

The Opportunity Corps Program has been in operation since December 1970. The projects are carried out in cooperation with various federal and provincial departments such as the Department of Health and Social Development, the Department of Highways and Transport, the Department of Lands and Forests, the Department of Manpower and Immigration, the Department of Indian and Northern Affairs and others. Basically, the program consists of intensive counselling coupled with exposure of the clients to a work discipline and a variety of basic work skills. Practically all of the clients to date have a history as recipients of public assistance.

Statistically to Date

Total number through Corps	314
Presently on Corps	62
Total number to employment	148
Total number to school	73
Dropouts and terminations	41

The expenditure pattern for this program is:

<u>1970/71</u>	<u>1971/72</u>	<u>1972/73 (est.)</u>
\$158,000	\$699,000	\$459,000

These six programs are cost-shared on a 50/50 basis with the province and provision is made for them to operate until March 31, 1975.

The infrastructure projects are, for the most part, either completed or in construction stage.

The Lesser Slave Lake Special Area Agreement has been implemented by the province under the management of a Canada-Alberta liaison committee. Planning and negotiations were carried out through a Canada-Alberta joint planning committee basically responsible for the development of strategies and programs for the Lesser Slave Lake special area.

A proposed amendment to the agreement would add \$1.8 million to the federal input. Approximately half would be in loans and half in contributions. This additional money would be used essentially to complete the infrastructure requirements in the area such as airport extension and re-development in Slave Lake, relocation of services due to the airport extension, servicing of light industrial land in Slave Lake and water reservoir construction in High Prairie, and communications equipment to be purchased for use in the social adjustment programs.

The estimated DREE contributions under the special area agreement as amended would be \$7.1 million and loans \$4.5 million.

The expenditure pattern is:

<u>1970-71</u>	<u>1971-72</u>	<u>1972-73 (est.)</u>
\$ 1.225 M.	\$ 2.016 M	\$ 0.964 M

ALBERTA GENERAL ARDA AGREEMENT

This agreement, under authority of the Agricultural and Rural Development Act, was signed August 11, 1971 and covers the period April 1, 1970 to March 31, 1975. Projects approved before March 31, 1975 may run for a longer period of time. The agreement does not establish any annual or total agreement allotment of funds as did previous agreements.

Programs approved under this agreement are aimed at two objectives:

to encourage diversification in the agricultural sector in favour of the establishment or expansion of viable livestock enterprises;

to encourage the conversion of marginal lands to uses which are compatible with their inherent capacity.

The approved programs include improvement of native ranges, the improvement of grazing reserves, the improvement of forage crops, the development of livestock water supplies, acquisition and conversion of low capability lands, reforestation, marketing research, and a rural information scheme.

While the total federal contribution for these programs through to 1976-77 is estimated at \$9.6 million, approval to proceed has been given only to March 31, 1975 at a total federal cost of \$6.6 million. In 1974-75, these programs will be jointly evaluated before proceeding further.

The expenditure pattern for agreements under the Agricultural and Rural Development Act have been:

<u>1969/70</u>	<u>1970/71</u>	<u>1971/72</u>	<u>1972/73 (est.)</u>
\$2.396M	\$3.855M	\$0.396M	\$1.992M

SPECIAL ARDA AGREEMENT

This agreement was signed under the authority of the Agricultural and Rural Development Act with Alberta on September 17, 1971 and covers the period to March 31, 1975. However, the agreement, under which Canada would be able to assist various types of projects which will improve employment and earning opportunities for people of Indian ancestry living in rural areas of Alberta, has not been implemented.

Under the terms of the agreement, the activities which might be assisted are:

Primary producing - groups of persons already engaged in such primary producing activities such as fishing, trapping, harvesting trees and agriculture products may be assisted in purchasing equipment in order to significantly improve their marginal incomes;

Counselling and training of persons in order to prepare them for job opportunities;

Incentives for commercial enterprises involved in establishment, expansion or modernization of business in the fields of manufacturing, processing, utilization of primary resources, and provision of services. The client must contribute at least 20 per cent of the total capital cost of the project with DREE's maximum contribution being 50 per cent of such costs.

In order to reduce the isolation and provide access to job opportunities, additional activities particularly for northern communities can be assisted. These are:

communication and transportation projects which will provide access to or information about possible job opportunities;

community recreation projects which will improve the standard of living and job opportunities in the community.

DREE assistance to the above activities is limited to a maximum of \$30,000 for each job created. The assistance must not replace any other assistance which may be available from other provincial or federal programs. Two-thirds of the total number of persons benefitting directly from a project must be disadvantaged persons of Indian ancestry, and assistance is limited to projects in the rural and northern areas of the province where native people represent a significant proportion of the population.

The expenditure under this program had been estimated at approximately \$1.5 million per year initially.

ALBERTA NEWSTART

Alberta NewStart, undertaken originally by the Department

of Manpower and Immigration, and transferred to the Department of Regional Economic Expansion when it was formed in 1969, was an experimental investigation into methods of training and equipping people for employment. It was undertaken through a private corporation with a board of directors of federally and provincially appointed people. The operation was funded 100 per cent by the federal government. The Alberta operation was centered in an area around Lac la Biche in northeastern Alberta. The corporation was formed for a specific period of time and the Alberta operation was terminated as of August 31, 1972. The transfer of the assets of the corporation from Canada to the province of Alberta has now been completed.

The expenditure pattern for Alberta NewStart since it became part of the Department of Regional Economic Expansion was:

<u>1969/70</u>	<u>1970/71</u>	<u>1971/72</u>	<u>1972/73 (est.)</u>
\$2.566 M	\$1.214 M	\$.657 M	\$.333 M

REGIONAL DEVELOPMENT INCENTIVES ACT

This program provides for the offer of incentive grants and loan guarantees for the establishment, modernization or expansion of manufacturing or secondary processing facilities in designated region. Loan guarantees are also available for certain types of commercial facilities. Southern Alberta has been designated by the government of Canada after discussions between the Department of Regional Economic Expansion and the province of Alberta in 1969.

Since the inception of the program in 1969 to the end of December 1972, 47 offers have been accepted for projects in Alberta. The eligible capital costs of the assisted projects are estimated at \$139,882,388 and the amount of incentives offered is \$25.4 million. The projects are expected to generate 2,253 new direct jobs.

The expenditure pattern under ADIA and RDIA in Alberta has been:

<u>1969/70</u>	<u>1970/71</u>	<u>1971/72</u>	<u>1972/73 (est.)</u>
\$8.245 M	\$3.037 M	\$1.260 M	\$9.663 M

Note: Includes expenditures for incentives in the Lesser Slave Lake special area.

PRAIRIE FARM REHABILITATION ACT

In Alberta PFRA is responsible for the operation of PFRA pastures on Indian Reserves, the provision of assistance to farmers for on farm water supplies, and for the development and conservation of community water supplies. Over the years PFRA has also undertaken the construction of a number of major projects to store water for irrigation purposes. The St. Mary's Dam is an example of this activity. In addition, it is responsible for the operation of the Bow River Irrigation project.

Negotiations have now been concluded with Alberta which have resulted in the signing of the Irrigation-Rehabilitation Program Agreement. Under this agreement the St. Mary Headworks and Bow River Irrigation projects, now operated by PFRA are to be transferred to the province. In compensation for anticipated operating deficits and in order to offset certain rehabilitation work still required on these two projects, a cash payment of \$6.2 million has been made to Alberta. The agreement also provides that Canada, through PFRA, undertake the rehabilitation of four major irrigation structures at an estimated cost of \$16.5 million. In addition, \$3.5 million has been provided for the rehabilitation of secondary irrigation structures.

The expenditure pattern for PFRA in Alberta including capital and operating costs has been:

<u>1969/70</u>	<u>1970/71</u>	<u>1971/72</u>	<u>1972/73 (est.)</u>
\$2.598 M	\$2.868 M	\$3.642 M	\$12.800 M

TABLE 15

DREE EXPENDITURES 1969-70 to 1972-73 (ESTIMATE)

PROVINCE OF ALBERTA (\$000's)

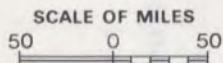
ACTIVITY	1969 - 70			1970 - 71			1971 - 72			1972 - 73			TOTAL 1969 - 73		
	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total
	Planning & Technical Studies	-		-	10		10	59		59	79		79	148	
Land Use Studies	307		307	318		318	154		154	-		-	779		779
SUB-TOTAL	307		307	328		328	213		213	79		79	927		927
A.D.I.A.	8245		8245	2210		2210	1119		1119	19		19	10593		10593
R.D.I.A.				827		827	1141		1141	9644		9644	11612		11612
Industrial Studies & Services	-		-	-		-	-		-	-		-	-		-
SUB-TOTAL	8245		8245	3037		3037	1260		1260	9663		9663	22205		22205
Infrastructure within Special Areas				565	660	1225	1030	986	2016	440	524	964	2035	2170	4205
Highways outside Special Areas				-	-	-	-	-	-	-	-	-	-	-	-
Power Development				-	-	-	-	-	-	-	-	-	-	-	-
Other Infrastructure				-	-	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL				565	660	1225	1030	986	2016	440	524	964	2035	2170	4205
F.R.E.D.	2396		2396	3855		3855	396		396	1992		1992	8639		8639
A.R.D.A.															
Manpower Corps & Other Social Adjustment	-		-	158		158	699		699	459		459	1316		1316
NewStart Corporations	2566		2566	1214		1214	657		657	333		333	4770		4770
Newfoundland Resettlement	-		-	-		-	-		-	-		-	-		-
Employment of Socially Disadvantaged	61		61	401		401	135		135	1813		1813	2410		2410
FFRA Operations and Overhead	1999		1999	2016		2016	2077		2077	2149		2149	8241		8241
FFRA Projects on Indian Lands	-		-	-		-	94		94	66		66	160		160
FFRA Capital Projects	599		599	852		852	1471		1471	14958		14978	17880		17860
SUB-TOTAL	7621		7621	8496		8496	5529		5529	21770		21770	43416		43416
TOTAL	16173		16173	12426	660	13086	8032	986	9018	31952	524	32476	68583	2170	70753



ALBERTA

PROGRAMS

- Incentive Region B
- Special Area



Regional Economic Expansion
Économique Régionale

BRITISH COLUMBIA

INTRODUCTION

With its formation in 1969, the Department of Regional Economic Expansion took over the responsibility for two programs that had applied to British Columbia or parts of British Columbia: Area Development Incentives Act and the Agricultural and Rural Development Act.

At the time of DREE's formation, the 1965-70 Rural Development Agreement with the province of British Columbia was nearing its termination. The Canada Land Inventory program of land use studies, which was undertaken under authority of the Agricultural and Rural Development Act, was continued, but was transferred to the Department of the Environment in 1971.

As a result of negotiations with the province two new agreements were entered into under authority of the Agricultural and Rural Development Act. These were the Federal-Provincial Rural Development Agreement, 1970-1975, signed May 14, 1970, and the Special ARDA Agreement (British Columbia) signed August 25, 1972.

The expenditure pattern, including contributions and loans for all programs in British Columbia including ADIA and RDIA since the formation of the Department of Regional Economic Expansion, has been:

	<u>All Programs</u>	<u>ADIA-RDIA</u>		<u>Other Programs</u>	
		Total	Per Capita	Total	Per Capita
1969-70	\$ 4.8 million	2.2	1.04	2.6	1.22
1970-71	\$ 5.8 million	3.2	1.46	2.6	1.19
1971-72	\$ 10.9 million	9.3	4.14	1.6	.71
1972-73 (Est)	\$ 6.9 million	3.4	1.51	3.5	1.56

CURRENT STATUS OF PROGRAMS

The General ARDA Agreement

This agreement was signed May 14, 1970, under authority of the Agricultural and Rural Development Act, and committed up to \$10 million federal contribution over a five-year period with a maximum claim of \$2 million in any one year. Basically the agreement commits Canada to pay 50 per cent of the shareable costs of projects that are approved by both parties to the agreement.

As under the two previous ARDA Agreements with British Columbia, the emphasis under the third agreement continues to be on the development of water supply and irrigation systems for agriculture.

British Columbia is responsible for formulating and advancing projects for approval under this agreement. This is done under criteria established in a provincial ARDA Act.

Under the present agreement emphasis to date has been on completing irrigation works undertaken under the first two agreements. Two rural development areas in the northwest coast and north central areas have been declared. In the north central area an incentive grant under Part IV of the agreement has been given to Rim Forest Products Ltd. for the reconstruction and expansion of a sawmill destroyed by fire.

Some initial planning is now being done which could lead to the expansion or development of two or three community pastures in the Peace River area.

Minor work is being undertaken in the North Okanagan Valley area for farm water supply for forage and livestock production.

The expenditure pattern by DREE under the Rural Development Agreements has been:

<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73(est.)</u>
\$1.973M	\$1.963M	\$.928M	\$3.500M

The British Columbia Special ARDA Agreement

This agreement, under authority of the Agricultural and Rural Development Act, was signed with British Columbia on August 25, 1972, and covers the period to March 31, 1975. Under this agreement Canada may assist various types of projects

which will improve employment and earning opportunities for people of Indian ancestry living in rural areas of British Columbia.

The activities which may be assisted under the program are:

primary producing - groups of persons already engaged in primary producing activities such as fishing, trapping, harvesting trees and agriculture products may be assisted in purchasing equipment in order to significantly improve their marginal incomes;

counselling and training of persons in order to prepare them for job opportunities;

Incentives for commercial enterprises involved in establishment, expansion or modernization of business in the fields of manufacturing, processing, utilization of primary resources, and provision of services. The client must contribute at least 20 per cent of the total capital cost of the project with DREE's maximum contribution being 50 per cent of such costs.

In order to reduce the isolation and provide access to job opportunities, additional activities particularly for remote communities can be assisted. These are:

communication and transportation projects which will provide access to or information about possible job opportunities;

community recreation projects which will improve the standard of living and job opportunities in the community.

DREE assistance to the above activities is limited to a maximum of \$30,000 for each job created. The assistance must not replace any other assistance which may be available from other provincial or federal programs. Two-thirds of the total number of persons benefitting directly from a project must be disadvantaged persons of Indian ancestry. Assistance is limited to projects in the rural and remote areas of the province where native people represent a significant proportion of the population.

This agreement signed on August 25, 1972, is just getting underway, and members of the committee which reviews and recommends projects submitted for assistance under the program were only appointed in January of 1973.

Regional Development Incentives Act

This program provides for the offer of incentive grants and loan guarantees for the establishment, modernization or expansion of manufacturing or secondary processing facilities in designated regions. Loan guarantees are also available for certain types of commercial facilities.

After discussions with the province of British Columbia an area in southwestern British Columbia was declared a designated region with respect to the Regional Development Incentives Act.

Since the inception of the program in 1969 to the end of December 1972, 31 offers have been accepted for projects in British Columbia. The eligible capital costs of the assisted projects are estimated at \$16,382,637 and the amount of incentives offered is \$3.7 million. The projects are expected to generate 1,178 new direct jobs.

Payments made under the ADIA program and the RDIA program have been:

<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73 (est.)</u>
\$2.2M	\$3.2M	\$9.3M	\$3.4M


TABLE 16
DREE EXPENDITURES 1969-70 to 1972-73 (ESTIMATE)

PROVINCE OF BRITISH COLUMBIA (\$000's)

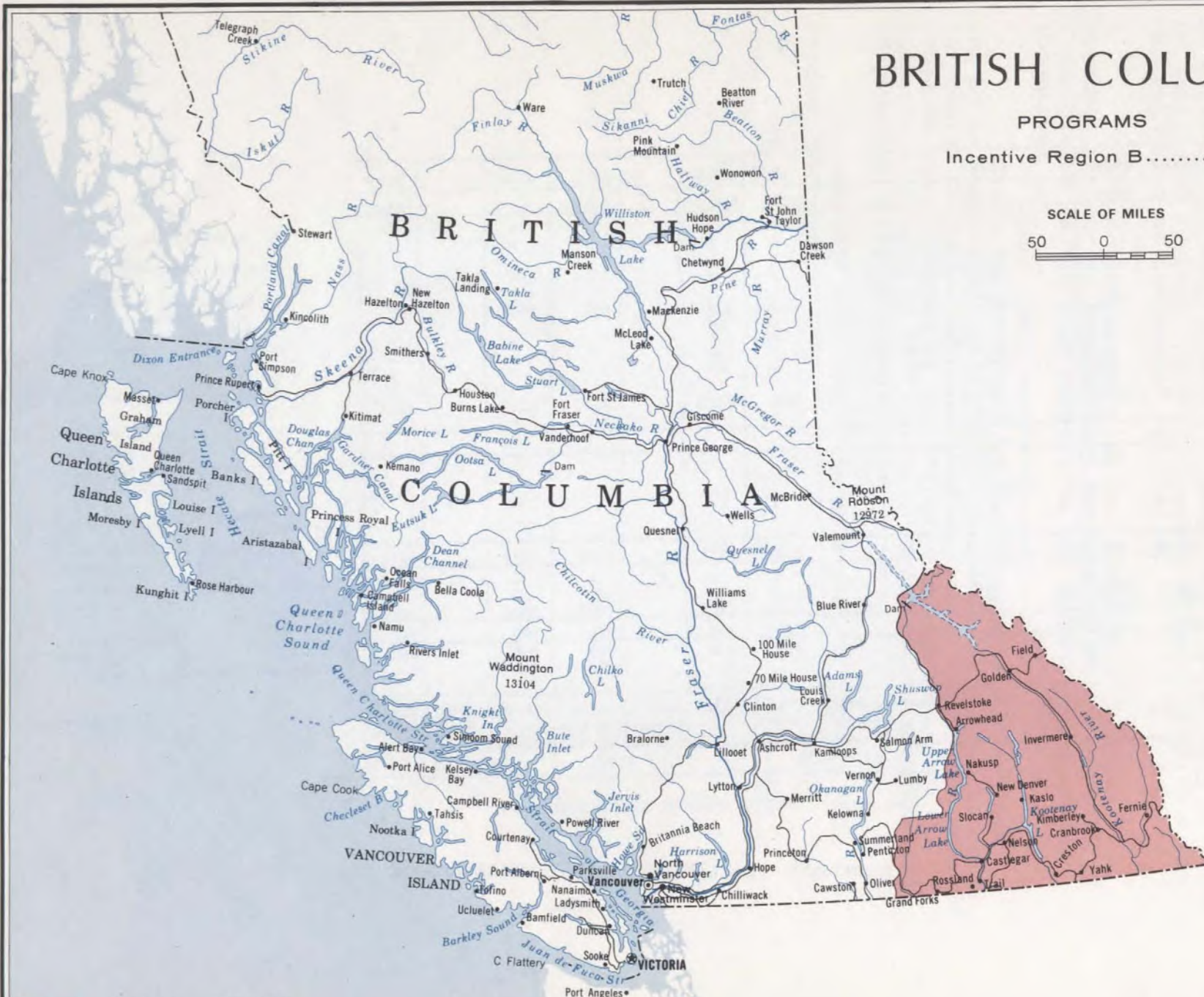
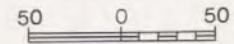
ACTIVITY	TOTAL														
	1969 - 70			1970 - 71			1971 - 72			1972 - 73			1969 - 73		
	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total	Budgetary	Non-Budgetary	Total
Planning & Technical Studies	2		2	29		29	1		1	7		7	39		39
Land Use Studies	596		596	609		609	662		662	-		-	1867		1867
SUB-TOTAL	598		598	638		638	663		663	7		7	1906		1906
A.D.I.A.	2204		2204	2982		2982	7978		7978	2049		2049	15213		15213
R.D.I.A.	-		-	214		214	1274		1274	1348		1348	2836		2836
Industrial Studies & Services	-		-	-		-	-		-	-		-	-		-
SUB-TOTAL	2204		2204	3196		3196	9252		9252	3397		3397	18649		18649
Infrastructure within Special Areas															
Highways outside Special Areas															
Power Development															
Other Infrastructure															
SUB-TOTAL															
F.R.E.D.	-		-	-		-	-		-	-		-	-		-
A.R.D.A.	1779		1779	1819		1819	925		925	2204		2204	6727		6727
Manpower Corps & Other Social Adjustment	-		-	-		-	-		-	-		-	-		-
NewStart Corporations	-		-	-		-	-		-	-		-	-		-
Newfoundland Resettlement	-		-	-		-	-		-	-		-	-		-
Employment of Socially Disadvantaged	194		194	144		144	3		3	1296		1296	1637		1637
PFERA Operations and Overhead	-		-	-		-	-		-	-		-	-		-
PFERA Projects on Indian Lands	-		-	-		-	-		-	-		-	-		-
PFERA Capital Projects	-		-	-		-	-		-	-		-	-		-
SUB-TOTAL	1973		1973	1963		1963	928		928	3500		3500	8364		8364
TOTAL	4775		4775	5797		5797	10843		10843	6904		6904	28319		28319

BRITISH COLUMBIA

PROGRAMS

Incentive Region B..... 

SCALE OF MILES



Regional Expansion
Economic Expansion
Économique Expansion
Régionale

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