lower st. lawrence, gaspé and îles de la madeleine area

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AN AGREEMENT

COVERING THE IMPLEMENTATION OF A COMPREHENSIVE RURAL DEVELOPMENT PLAN FOR THE LOWER ST. LAWRENCE, GASPÉ AND ÎLES-DE-LA-MADELEINE AREA

Memorandum of Agreement made the twenty-sixth day of May nineteen hundred and sixtyeight and amended this 10th day of September nineteen hundred and seventy-one.

BETWEEN:

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

OF THE FIRST PART,

AND:

THE GOVERNMENT OF QUEBEC (hereinafter referred to as "Quebec") represented by the Minister responsible for the Quebec Planning and Development Bureau,

OF THE SECOND PART.

WHEREAS the Lower St. Lawrence, Gaspé and Îles-de-la-Madeleine area, hereinafter referred to as "the Area", is a rural zone, which has experienced widespread low income, has substantial adjustment problems and has recognized development potential; AND WHEREAS, after an extensive study of the resources and needs of the Area, undertaken under the ARDA Federal-Provincial Agreement, Quebec has decided to implement a development plan to promote the economic and social development of the Area, to increase income and employment opportunities and to raise standards of living;

AND WHEREAS Quebec has requested Canada to share in the costs of the Plan as provided for by the Fund for Rural Economic Development Act, 14-15 Elizabeth II, chapter 41, hereinafter referred to as "the Act";

AND WHEREAS Canada and Quebec have agreed to co-operate in implementing the Plan;

AND WHEREAS His Excellency the Governor in Council, by Order in Council P.C. 1968-1014 of May 24, 1968, has authorized the Minister of Forestry and Rural Development to execute this Agreement on behalf of Canada;

AND WHEREAS His Excellency, the Lieutenant-Governor in Council, by Order in Council No. 1498 of May 21, 1968, has authorized the Minister of Intergovernmental Affairs to execute this Agreement on behalf of Quebec;

AND WHEREAS section 13 of the Original Agreement provided for the review and amendment of the Original Agreement;

AND WHEREAS Canada and Quebec proceeded to such review according to the changes which occurred since the signature of the said Agreement;

AND WHEREAS Canada and Quebec agreed to amend the Original Agreement;

AND WHEREAS His Excellency the Governør in Council, by Order in Council PC 1971-1/1915 of 9 September 1971 has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS His Excellency, the Lieutenant-Governor in Council, by Order in Council 2630 of 26 July 1971 modified by Order in Council No. 3069 of 8 September 1971 has authorized the Minister responsible for the Quebec Planning and Development Bureau to execute this Agreement on behalf of Quebec;

NOW, THEREFORE it is agreed by and between the Parties hereto to amend the Original Agreement as follows:

- 1. In this Agreement:
 - a) "Area" means the area of Eastern Quebec described on the map attached hereto as Schedule "A", and comprising the provincial electoral districts of Kamouraska, Rivière-du-Loup, Témiscouata, Rimouski, Matane, Matapédia, Bonaventure, Gaspé South, Gaspé North and the Îles-de-la-Madeleine, which is designated as a Special Rural Development Area under this Agreement, as defined in section 5 (b) of the Act;
 - b) "Development Strategy" means the means selected to achieve the objectives outlined in section 4 and clarified in Schedule "B";
 - c) "Plan" means the overall design for implementing the development strategy;
 - d) "Group of Sectors" means each of the four groups of sectors identified in Schedule "B";
 - e) "Sector" means the overall measures concerning a given field of socioeconomic activities;
 - f) "Program" means the proposed steps for the implementation of a sector of the Plan;
 - g) "Project" means an undertaking, with specific objectives, that forms a self-contained unit within the framework of a program;
 - h) "Federal Minister" means the Minister of Regional Economic Expansion of Canada, and includes anyone authorized by the said Minister to act on his behalf;

- "Quebec Minister" means the Minister responsible for the Quebec Planning and Development Bureau, and includes anyone authorized by the said Minister to act on his behalf;
- j) "Department" means the Canada Department of Regional Economic Expansion;
- k) "Bureau" means the Quebec Planning and Development Bureau;
- "Responsible Agency" means any Department or Agency which is identified by the Ministers as being responsible for the implementation of a specific program or project;
- m) "Liaison Committee" means the committee established pursuant to section 21 of this Agreement;
- n) "Management Committee" means the committee established pursuant to section 22 of this Agreement.

2. This general Agreement in no way will prejudice any rearrangement of functions which might otherwise be agreed to by the Parties.

3. The implementation of the Development Plan, as defined in section 5 (a) of the said Act, and the sharing of costs as provided for in Schedule "B", shall form the subject matter of this Agreement.

4. Canada and Quebec shall agree to co-operate jointly and with the residents of the Area in the development of the Area and particularly in achieving the following aims:

- a) Modernizing the basic traditional industries (agriculture, fisheries, forestry) to provide the workers in these industries with more stable employment and, as far as possible, with remuneration equal to that in the same industries in other parts of Quebec;
- b) Creating new dynamic activities for industry, mining and tourism that are capable of absorbing, as much as possible, the manpower displaced by the modernization of traditional activities;

- c) Launching a manpower redeployment program to provide the necessary occupational and geographical mobility;
- Accelerating urbanization by regrouping the population in a few adequately equipped urban centres;
- e) Setting up the facilities and infrastructures required to ensure the success of the Plan;
- f) Establishing a coherent institutional framework consistent with the requirements of a concerted development policy for the Area.

5. The Development Plan, as outlined in the Development Strategy hereto attached as Schedule "B", includes a series of sectoral programs which shall be implemented by means of specific projects.

6. All programs undertaken under this Agreement shall be approved by Canada and Quebec and in conformity with the objectives specified in section 4 and with the Development Strategy outlined in Schedule "B".

7. The two Parties shall recognize the Conseil régional de développement de l'Est du Québec Inc., as the privileged regional interlocutor, as long as, in their opinion, this participation and consultation agency is truly representative of the Area population; and they shall give the Conseil the opportunity to express its views concerning the implementation of the Development Strategy.

8. The two Parties agree to exchange, on request or on their own authority, any information relating to the Plan, any program or project thereof.

9. Subject to this Agreement and to the funds being assigned by the Quebec National Assembly, Quebec shall contribute in respect of the programs described in Schedule "B", for the period April 1, 1968 to March 31, 1976, no more than the sum of <u>\$113,588,000</u>. Quebec shall be responsible for all other costs, including operating costs and other costs not specifically provided for in this Agreement, or not a part of ongoing federal programs, both during, and subsequent to, the life of this Agreement.

10. Subject to all the terms and conditions of this Agreement and subject to the funds being made available by the Parliament of Canada, either to the Department of Regional Economic Expansion or in the annual appropriations of contributing departments, the aggregate sum which Canada shall contribute in respect to programs described in Schedule"B", for the period April 1, 1968 to March 31, 1976, under this Agreement, shall not exceed <u>\$297,730,000</u>. Of this aggregate sum, the Department of Regional Economic Expansion shall contribute no more than the sum of <u>\$153,195,000</u>, of which, <u>\$83,495,000</u> originating from the Fund for Rural Economic Development, and <u>\$69,700,000</u> from the Department annual appropriations, under the Agricultural and Rural Development Act; however, the total annual disbursements by the Department shall never exceed the sum of <u>\$30,000,000</u>.

11. The total allotment made to Quebec by Canada under the <u>Federal-Provincial</u> Rural Development Agreement (1965-70) will be reduced by \$2,700,000.

12. This Agreement shall commence on, and take effect from, the date on which it becomes signed by both Canada and Quebec, and no costs incurred before April 1, 1968 shall be eligible or considered for payment under this Agreement. This Agreement shall terminate on March 31, 1976 and no program or project shall be approved after this date and no claim for a contribution made in respect of any program or project under this Agreement, or part of the Plan under this Agreement, shall be paid unless it is received by Canada within one year following the expiry date.

13. This Agreement may be amended at any time with the written approval of both Ministers, subject to the following provisions:

- a) The maximum total financial contribution by Canada with respect to each group of sectors cannot be amended without approval by the Governor in Council. The amounts assigned by Canada and Quebec for the implementation of Group II projects related to space development, shall be reviewed before April 1, 1973, and may be amended, if necessary, in order to take into consideration the progresses realized at that date;
- b) Sections 9, 10 and 12 cannot be amended without the approval of the Governor in Council and of the Lieutenant-Governor in Council;

c) The cost sharing ratios specified in Schedule "B" cannot be amended without the approval of the Governor in Council and of the Lieutenant-Governor in Council.

14. Except for acts of God, Quebec shall save harmless and idemnify Canada for and against any and all liability, loss, damages or expenses, which may be suffered or created as a result of implementing the programs or projects included in the Development Plan and for the implementation of which Canada is not directly responsible hereunder.

15. Canada and Quebec agree that, in carrying out the provincial projects under the Development Plan, the laws of Quebec governing working conditions shall apply.

16. No Senator, member of the House of Commons or member of the Legislature of Quebec shall hold, enjoy or be admitted to any share or part of any contract, agreement, commission or benefit arising out of any project under this Agreement.

17. Canada and Quebec agree to employ persons and award contracts related to any program or project under this Agreement, without discrimination by reason of race, national origin, colour, religion or political affiliation.

18. Repealed.

19. Quebec shall establish an administrative structure for the implementation of the Plan, the main elements of which are:

a) A Plan Regional Delegate who shall have at his disposal the planning and administrative staff required for co-ordinating the activities of a Regional Administrative Conference. The Plan Regional Delegate shall be responsible for the administrative control of the programs and projects implemented by Quebec;

b) A Regional Administrative Conference consisting of representatives of the Quebec departments involved in the implementation of the Plan. This Administrative Conference shall be presided over by the Plan Regional Delegate or his delegate.

20. Canada shall establish an administrative structure for the implementation of the Plan, the main element of which is a *Plan Administrator*, responsible for liaison and program co-ordination between the agencies of Canada administering the programs included in the Plan or the activities of which affect the implementation of the Plan. The Plan Administrator shall form and preside over co-ordination committees consisting of representatives of the departments or agencies of Canada involved in the implementation of programs or projects. He shall work directly with the Plan Regional Delegate.

21. There shall be established a Federal-Provincial *Liaison Committee*, consisting of at least six governmental representatives, with both Canada and Quebec having equal numerical representation. The Liaison Committee shall guide the activities of the Management Committee. The Liaison Committee shall approve all projects, recommend all programs and budgets, evaluate the management and the implementation rate of the Plan in terms of objectives, performance and priorities; it shall also suggest, if required, amendments to be made to this Agreement.

22. The Management Committee, consisting of the Plan Regional Delegate and the Plan Administrator, shall be responsible for the actual management of the Plan. The Management Committee shall determine the research work necessary for the preparation of new programs, review programs and projects at important stages of their formulation and recommend their budgets to the Liaison Committee. The Management Committee shall report to the Liaison Committee and shall be responsible for recommending budgets and modifications necessary to the implementation of the annual parts of the Plan.

23. The Liaison Committee shall recommend annually, and not later than the first of November, estimates of costs for implementing the Plan for the fiscal year beginning the first of April next following. Before the first of May of each year, the Liaison Committee shall prepare a forecast of estimated expenditures for the period of time remaining in the Agreement.

24. The *Conseil régional de développement*, which is an advisory body, shall have at its disposal a staff which will enable it to fulfill adequately its participation, animation and representation functions. The Conseil shall work closely with the Plan Co-ordinator and the Plan Administrator.

25. A program shall be established to ensure that the people of the Area receive complete information of the Plan, its objectives and the opportunities it offers.

26. Canada and Quebec shall keep records of all expenditures made pursuant to this Agreement and shall support such expenditures with the proper documents. Canada and Quebec upon request shall make these records and relevant documents available to auditors appointed by the other.

27. a) Canada shall promptly reimburse Quebec for allowable expenditures actually incurred for the implementation of approval projects, upon submission by Quebec of a claim in a mutually agreed manner and form, certified by the Chairman of the Bureau or his agent and bearing a Quebec audit certificate.

b) Notwithstanding subsection (a), Canada may, at the request of the Bureau, make interim progress payments not exceeding 90 per cent of the estimates of expenditures actually incurred for the said projects, as certified by the Chairman of the Bureau or his agent. It is a condition to such payments that a final claim be submitted for each fiscal year and each project not later than June 30 following the end of the involved fiscal year, such claim bearing a Quebec audit certificate.

c) Furthermore, Canada may, if Quebec so requests, make annual advance payments based on the estimated expenses to be incurred by Quebec during the year with respect to the implementation of investment projects. These payments, however, must not exceed 70 per cent of Canada's contribution to those projects. At the end of the fiscal year, the unused balance of the advance payments shall be reimbursed to Canada.

d) Any payment made to Quebec by Canada under subsections (a), (b) and(c) shall be deposited in the Quebec consolidated Fund through the Bureau.

28. The allowable expenditures include only such costs which, according to the Management Committee, have been directly incurred for the implementation of approved projects. No indirect cost is allowable unless it is approved by both Parties. The salaries of permanent employees of Quebec or its agencies are chargeable to the Agreement budget only when those employees work full-time, specifically and directly on approved projects for a continuing period of one month or more.

29. All programs and projects approved under this Agreement shall stipulate the distribution of any revenue accruing to Canada and Quebec from programs and projects.

IN WITNESS HEREOF the Honourable Jean Marchand, Minister of Regional Economic Expansion of Canada, has hereunto set his hand on behalf of Canada, and the Honourable Robert Bourassa, Prime Minister and Minister responsible for the Quebec Planning and Development Bureau, has hereunto set his hand on behalf of Quebec, the day and year first above written.

IN THE PRESENCE OF:

Paul-D. Normandeau

Arthur Tremblay

SIGNED ON BEHALF OF CANADA

and

Jean Marchand

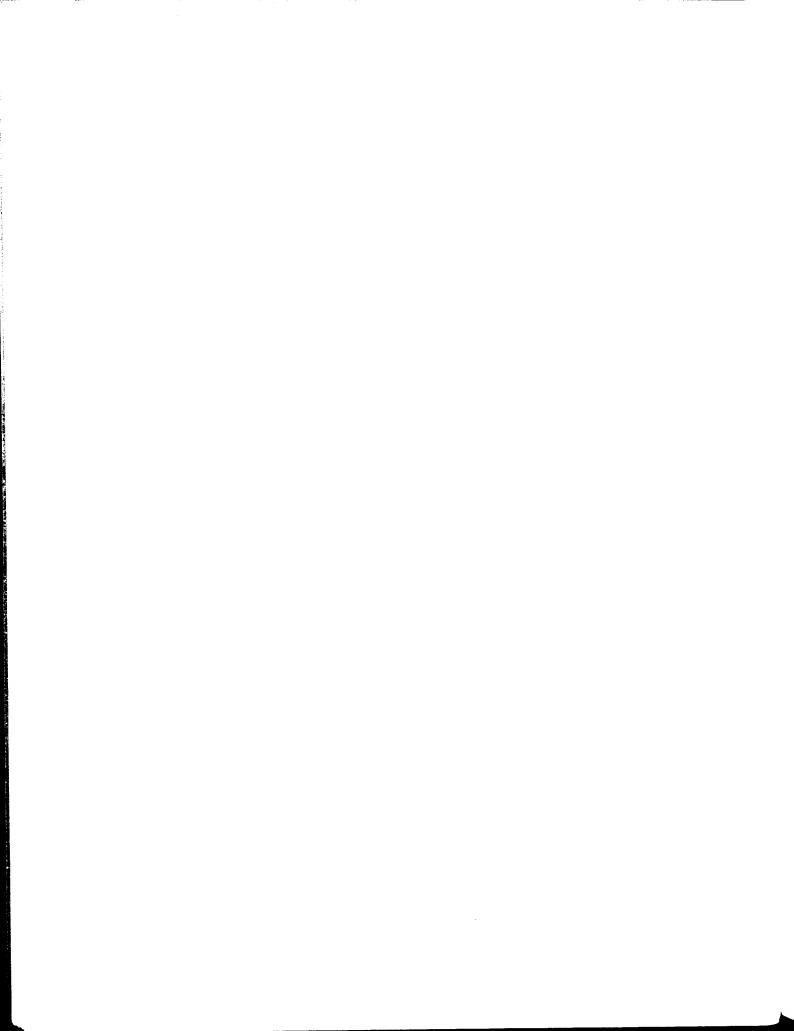
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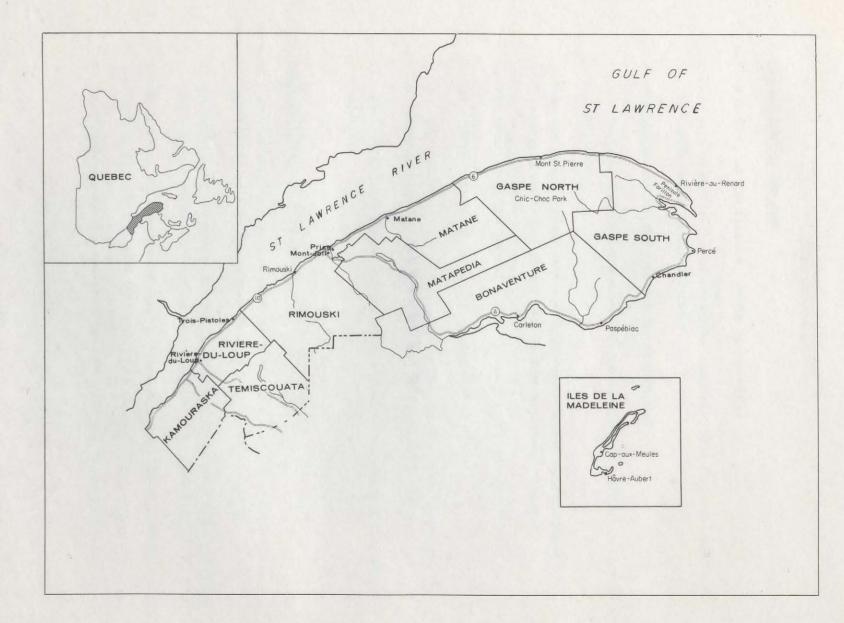
SIGNED ON BEHALF OF QUEBEC

and

Gérard-D. Levesque

Map showing the location affected by the Agreement covering a Comprehensive Rural Development Plan for the Eastern Quebec Area.





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DEVELOPMENT STRATEGY

I - GENERAL AIMS OF THE PLAN

The main objectives of the Plan are, as far as possible:

- the optimum utilization of resources consistent with the requirements of the Quebec and Canadian economies;
- 2) the improvement of the labour force in order to:
 - a) facilitate effective movement of the surplus labour force to outside the Area,
 - b) facilitate optimum utilization of resources and secure incomes comparable with those in the same sectors elsewhere in Quebec;
- 3) the creation in the Area of viable industries and services related to:
 - a) the potentials of the regional economy,
 - b) the role that the Area will play on the basis of its resources, infrastructure, human potential and geographical location;
- the establishment of the infrastructure required to achieve the preceding objectives.

II - BASIC PRINCIPLES OF THE PLAN

The main thrust of this Plan is to change the economic structure of the Area to meet the requirements of a modern economy and, in particular:

- to bring about structural changes in the resource sectors through phasing out obsolete units and creating new and dynamic enterprises;
- to increase the development opportunities in the fields of industry, services and other related sectors;
- 3) to improve and develop the existing infrastructure in order to:

- a) modernize and rationalize operations in the resource sectors,
- b) meet long-term needs in the fields of transportation, urbanization and industrial services,
- c) assist in the development of tourism;
- 4) to balance supply and demand in the labour market by:
 - a) raising the standards of education and training to enable the labour force to possess the required qualifications inside and outside the Area,
 - b) assisting the mobility of population,
 - c) assisting those people who, because of their age especially, cannot benefit from education, training, and mobility programs, and who will remain unemployed,
 - d) providing counselling and information services required to carry out(a), (b) and (c).

The over-riding requirement for applying this policy is the establishment of an implementing mechanism to ensure:

- co-ordination between departments and agencies at both levels of government;
- 2) development and management of detailed programs and projects;
- 3) evaluation of the progress of the Plan; and
- adaptation of policy, programs and projects in the light of unforeseen changes.

The active participation of the people is a prerequisite to the success of the Plan.

PROGRAM ORIENTATION AND SUMMARY OF COST-SHARING (thousands of dollars)

PROGRAMS	OBJECTIVES AND STEPS	TOTAL QUEBEC	OUFREC		CANADA	
		IUINE	QUEBEC	DREE	Others	% of total
GROUP I	Assistance for modernisation and develop- ment of primary resources, and for develop- ment of new activities.	<u>130,181</u>	<u>39,755</u>	76,026	<u>14,400</u> .	-
Sector 1.1: Agriculture	Government intervention in this sector is aimed at rationalising farming and marketing of existing products and at developing new types of production.	<u>24,470</u> .	<u>5,718</u> .	<u>17,152</u> .	1,600.	-
1.1.1 - Agricultural land use adjustment	Objective: to remove low capability land from agriculture; to consolidate and improve good agricultural land.					
	<u>Steps</u> : establishment of a revolving fund; purchase of marginal farms; purchase reorganisation and improvement of agricul- tural land; compensation for rights and privileges.	16,000.	4,000.	12,000.	-	75
1.1.2 - Farm management improvement	Objective: to close the regional agricul- tural technology gap.					
	Steps: introduction of modern accounting and cost control systems; strict quality control; establishment of a regular market and financial information service and provision of technological and production expertise.	2,881.	721.	2,160.	-	75

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PROGRAM. ORIENTATION AND SUMMARY OF COST-SHARING (thousands of dollars)

PROGRAMS	OBJECTIVES AND STEPS	TOTAL	QUEBEC		CANADA	
			QUEBEC	DREE	Others	۶ of total
1.1.3 - Development and Diversification	Objective: to launch new profitable production.					
	<u>Steps</u> : identification of market potentials; testing of new products, approaches and techniques on specially designated private farms; pilot projects.	1,808.	452.	1,356	-	75
1.1.4 - <u>Research</u>	Research undertaken at the Federal Research Station at Ste-Anne-de-la-Pocatière will be oriented towards regional crops with spe- cific reference to introducing new crops.	1,600.	-	-	1,600.	100
	Objective: to create a network of efficient farm supply and processing industries.					
	Steps: compensation for those facilities that are rendered obsolete by direct plan intervention.	2,181.	545.	1,636.	-	75
	The objective in this sector is to increase the annual sustainable yield on both public and private holdings through a process of consolidation and intensive development.	<u>25,148</u> .	<u>11,079</u> .	<u>14,069</u> .	-	-

PROGRAMS	OBJECTIVES AND STEPS	TOTAL	OWERE	CANADA		
FROMAND	OBJECTIVES AND STEPS	TOTAL	QUEBEC	DREE	Others	% of total
1.2.1 - Forestry development	Objective: to increase production and productivity.					
	Steps: elaboration of integrated forestry master development plans; creation of a forestry data bank, definition of potentials and regulation of cutting rights.	1,825.	730.	1,095.	-	60
1.2.2 - Purchase and consolidation of private forests and concessions	Objective: to rationalize forestry exploi- tation and create viable production units. Steps: purchase of private forests and concessions in public forest zones.	9,337.	3,735.	5,602.	-	60
1.2.3 - Experimental and demonstration forests	Objective: to introduce and diffuse modern silviculture techniques and intensify forest research.					
	<u>Steps</u> : establishment of experimental and <u>demonstration</u> forests.	1,700.	1,700.	-	-	-
1.2.4 - Forest restoration and replanting	Objective: to increase the annual sus- tainable yield and assure continuous viable production on a long term basis.					
	Steps: silviculture and replanting of Certain cut over or burnt over land.	12,286.	4,914.	7,372	-	60

PROGRAM ORIENTATION AND SUMMARY OF COST-SHARING (thousands of dollars)

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PROGRAM ORIENTATION AND SUMMARY OF COST-SHARING (thousands of dollars)

PROGRAMS	OBJECTIVES AND STEPS	TOTAL	OUEBEC	CANADA			
			QUEBEC	DREE	Others	% Of total	
Sector 1.3: Fisheries	In order to make the fishing industry viable and to permit it to obtain a larger share of markets, it is necessary to consolidate fishing harbours, diversify catches and to promote marketing.	<u>21,605</u>	<u>7,668</u> .	<u>9,737</u> .	4,200	-	
1.3.1 - Development of fishing centers	Objective: increase processing productivity and create economies of scale in this sector. Steps: concentration of fishing activities						
	in selected areas.	10,005.	4,002.	6,003.	-	60	
1.3.2 - <u>Development</u>	Objective: to diversify production and to promote marketing. Steps: identification of under utilised resources; introduction of new fishing and processing techniques and launching of new products.	3,692.	923.	2,769.	-	75	
1.3.3 - Fishing boat subsidies	Objective: to intensify offshore fisheries by modernising the fleet.						
	Steps: construction subsidies.	6,300.	2,100.	-	4,200.	-	
1.3.4 - <u>Coordination group</u>	Coordination of supporting applied research.	1,608.	643.	965.	-	60	

PROGRAMS	OBJECTIVES AND STEPS	TOTAL	OUEBEC	CANADA		
PROGRAMS	OBJECTIVES AND STEPS	TOTAL	QUEBEC	DREE	Others	و of total
Sector 1.4: Mines	Acceleration of prospecting and mining activity in the region.	<u>11,333</u>	<u>2,833</u>	8,500	-	-
1.4.1 - Mining access roads	Objective: to ameliorate access to the Monts McGerrigle for mineral development. <u>Steps</u> : construction of an access road.	7,200.	1,800.	5,400.	-	75
1.4.2 - Mining exploration	Objective: to evaluate mineral development potential. Steps: exploration and prospecting					
	(geophysic, mapping, geochemistry and alluvial research) and prospecting assistance.	4,133	1,033	3,100	-	75
Sector 1.5: Recreation, tourism and cultural development	The objective is to increase the number of visitors to the region and to extend their length of stay, thus increasing market opportunities for regional products and services.	<u>29,962</u>	7,291	14,071	8,600.	-
1.5.1 - Forillon National Park	Objective: to develop a national park in the Forillon Peninsula. Steps:					
1.5.1.1 1.5.1.2	- purchase of land - development.	2,600. 7,100.	2,600.		7,100.	100

PROGRAM ORIENTATION AND SUMMARY OF COST-SHARING (thousands of dollars)

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PROGRAMS	OBJECTIVES AND STEPS	TOTAL	OUEBEC	CANADA			
		TOTAL	QUEBEC	DREE	Others	ء of total	
1.5.2 - Tourist centers and stop-overs	Objective: to develop a regional tourist circuit. Steps: development of three tourist centers (Percé, Carleton and Mont St-Pierre), provincial parks and intermediary stop-over						
1.5.3 - Supplementary facilities	points. Objective: to develop supplementary facilities, to increase the length of	8,814.	2,204.	6,610.	-	75	
	tourist stay and serve the recreation needs of the region. <u>Steps</u> : recreation facilities, swimming pools, youth hostels, etc.	4,272.	1,068.	3,204.	_	75	
1.5.4 - <u>Salmon rivers</u>	Objective: conservation and development of certain salmon rivers. Steps: access paths, dams, fish ladders and						
1.5.5 - <u>Cultural attractions</u>	hatcheries. Objective: to develop the regional historical and cultural heritage.	2,176	544	1,632	-	75	
	Steps: restoration of historic sites: - under this agreement	3,500.	875.	2,625.	-	75	
	 under the program of Indian Affairs and Northern Development. 	1,500	-	-	1,500.	100	

PROGRAM ORIENTATION AND SUMMARY OF COST-SHARING (thousands of dollars)

PROGRAMS	OBJECTIVES AND STEPS	TOTAL	OUEBEC		CANADA	
r NORMAN		TOTAL	QUEBEC	DREE	Others	۶ of total
Sector 1.6: "Développement des affaires" 1.6.1 - Local development assistance	The objective of this sector is to assist in the expansion of existing businesses and in the creation of new enterprises. <u>Objective</u> : to encourage and develop regional enterprises in all sectors of activity, including tourism.	<u>17,663</u> .	<u>5,166</u> .	<u>12,497</u>	-	-
	Steps: provision of production management and marketing services and information to local enterprises with a view to increasing productivity and income; regional teams, promotion and publicity contracts, marketing and development assistance for certain productions.	6,363.	1,591.	4,772.	-	75
1.6.2 - Complementary assistance	Objective: facilitate the implantation of enterprises. Steps: preliminary development work and industrial infrastructure assistance for enterprises.	6,300	1,575.	4,725.	-	75
1.6.3 - <u>Industrial parks</u>	Objective: to equip priority urban centers with necessary services for the establish- ment or expansion of businesses.					
	Steps: industrial parks development in priority urban centers.	3,000.	1,500.	1,500.	-	50

PROGRAMS	PROGRAMS OBJECTIVES AND STEPS	TOTAL	QUEBEC			
			Q 0222C	DREE	Others	% of total
1.6.4 - Handicrafts	Objective: to commercially develop the regional handicraft industry. Steps: identification of those products capable of being marketed; technical and production assistance.	2,000.	500.	1,500.	_	75
GROUP II Spatial development Sector 2.1: Urban development	Modernization of the primary sectors will accelerate migration from marginal local-	<u>150,227</u> .	<u>60,744</u> .	<u>51,098</u> .	<u>38,385</u> .	
2.1.1 - Urban planning and municipal reorganization	ities towards the towns. The creation of viable centers and the improvement of the quality of urban life are the principle objectives of this sector. <u>Objective</u> : to obtain significant economies of scale; to improve the quality of municipal services and community infra-	<u>36,727</u> .	<u>8,544</u> .	<u>15,673</u> .	<u>12,510</u> .	-
	structure. <u>Steps</u> : financial and technical assistance for municipal reorganization.	5,493.	1,374.	4,119.	-	75

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PROGRAMS	OBJECTIVES AND STEPS	TOTAL	QUEBEC	DREE	Others	۶ of total	
.1.2 - Urban infrastructure	Objective: to promote the orderly infra- structure development in the principle urban centers.						
	Steps: - to concentrate on the quantity and quality of urban infrastructure and services in the three principal centers (Rimouski/Mont-Joli, Rivière- du-Loup and Matane);						
	 to improve urban infrastructure in the remaining service centers with specific reference to their regional functions; 						
	 to make limited and specific infra- structure inputs in selected centers as may be required by special needs of the sectorial programs. 	12,960.	6,480.	6,480.	-	50	
.1.3 - Housing	Objective: encourage migration to regional centers and improve housing conditions.						
	Steps: capital grants equivalent to discounted municipal operating deficits, moving of houses, etc.						
	- under this agreement - under the agreement CMHC - SHQ	5,074. 13,200.	- 690.	5,074.	_ 12,510	100	

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SCHEDULE "B"

PROGRAMS	PROGRAMS OBJECTIVES AND STEPS TOTAL QUEBEC	TOTAL	OUFPEC	CANADA		
		QUEBEC	DREE	Others	१ of total	
Sector 2.2: Transport 2.2.1 - Road network	Establishment of an integrated transport system to encourage trade within the region and outside. <u>Objective</u> : reduce the cost of access to markets, encourage tourism and ensure minimum standards.	<u>113,500</u> .	<u>52,200</u> .	<u>35,425</u> .	<u>25,875</u> .	-
2.2.1.1	<pre>Steps: - road construction in priority tourist centers;</pre>	8,000.	3,200.	4,800.	-	60
2.2.1.2	 improvement of the regional road network via an accelerated reconstruc- tion program of highways 6 and 10. The aim is to spend an initial amount of \$54.6 million by April 1st 1974. 	54,600.	27,300.	27,300.	-	50
	In the light of the examination foreseen under article 13a, establish the amount of money required to finish the work and determine whether federal funds are available from other sectors to accompany the Quebec Share.	20,200.	20,200.	-	-	_
2.2.2 - <u>Water transport</u>	Objective: to increase interregional trade, to assure regular ferry services between regions and between the Iles de la Madeleine and the mainland.					
2.2.2.1	<u>Steps</u> : - construction grant for a ferry with ice-breaking capability	.6,000.	_	3,000.	3,000.	100
2.2.2.2	- ferry subsidies	4,000.	1,500.	-	2,500.	-

PROGRAM ORIENTATION AND SUMMARY OF COST-SHARING (thousands of dollars)

PROGRAMS	OBJECTIVES AND STEPS	TOTAL	QUEBEC	CANADA		
				DREE	Others	ء of total
2.2.2.3	- principal harbor development.	17,000.	-		17,000.	100
2.2.3 - Air_transport	Objective: to develop a regional airport at Mont-Joli, and to improve sub-regional airports.	3,300.	-	_	3,300.	-
2.2.4 - Transport study	Integrated study of sea, air and land transport.	400.	-	325.	75.	100
ROUP III ocial development, manpower ad mobility programs		<u>117,777</u> .	<u>9,806</u> .	<u>16,221</u> .	<u>91,750</u> .	_
Sector 3.1: Social development	To assist the population to overcome the adjustment problems brought about by the modernization of economic activity, the creation of new activities and urbanization; to equip the region with the necessary services.	<u>31,777</u> .	<u>9,806</u> .	<u>16,221</u> .	<u>5,750</u> .	_
3.1.1 - Rehabilitation improvement and motivation	Objective: to encourage acceptance and to alleviate the impact of change and return to the labor market.					
	Steps: rehabilitation, improvement and motivation.	7,503.	1,501.	6,002.	-	80

PROGRAMS	OBJECTIVES AND STEPS	TOTAL	QUEBEC	CANADA				
				DREE	Others	१ of total		
	<pre>Objective: improve family access to social and community services. Steps: regrouping and relocation of families and members of the labour force, relocation grants and compensation to certain institutions. Objective: to equip the region with the necessary health and social services. Steps: to improve and accelerate the implantation of necessary infrastructure: - under this agreement - under this agreement - under Public Assistance program of Canada. Adequate training is not only the means to an improved standard of living but is also a pre-requisite if sectorial objectives are to be met. Furthermore, members of the labour force should be encouraged to move to those areas where permanent employment is available.</pre>	4,074. 8,700. 11,500. <u>86,000</u> .	815. 1,740. 5,750.	3,259 6,960. -	- 5,750. <u>86,000</u> .	80 80 50		

CANADA **OBJECTIVES AND STEPS** TOTAL QUEBEC PROGRAMS 8 DREE Others of total GROUP IV Administration and participation Successful and coherent implementation of the plan programs require the establishment of joint mechanisms permitting the closest collaboration and concertation between Canada and Quebec (the Liaison Committee and the Management Committee) and between their respective departments and agencies (the Regional Administrative Conference and the Regional Programming Committee) not only at the original conceptual level for programs and projects, but during all phases of their evolution, implementation 13,133. 3,283. 9,850. and evaluation. 4.1.1 - Management Objective: to ensure and direct coherent plan intervention and information. structure Steps: establishment of a Liaison Committee a management committee, interdepartmental working groups and advisory committees, together with supporting services and 932. 2,795. 75 expertise. 6,122. 4.1.2 - Consultation and Objective: to involve the population of the region in decisions which affect their Participation future. Steps: consultation with the Conseil Régional de Développement and with other regional bodies. 3,727. 1,530. 4,592. 75

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SCHEDULE "B"

PROGRAM ORIENTATION AND SUMMARY OF COST-SHARING (thousands of dollars)

SCHEDULE "B"

PROGRAM ORIENTATION AND SUMMARY OF COST-SHARING (thousands of dollars)

PROGRAMS	PROGRAMS OBJECTIVES AND STEPS TOTAL QUEBEC	ሞርሞል ፣.	OURREC	CANADA		
		QUEBEC	DREE	Others	% of total	
4.1.3 - Programming and Evaluation	Objective: evaluate the impact of the plan Steps: design and establishment of an evaluation system.	1,581.	395.	1,186.	-	75
4.1.4 - <u>Improvement of</u> <u>administrative</u> <u>services</u>	Objective: to familiarise those working with the plan with its objectives and required implementation techniques	1,703.	426.	1,277.	-	75
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SCHEDULE "B"

SUMMARY	TABLE	
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(Thousands of dollars)

	TOTAL	QUEBEC	CANADA			
GROUP	TOTAL		DREE	OTHER	TOTAL	
GROUP I	130,181.	39,755.	76,026.	14,400.	90,426 .	
GROUP II	150,227.	60,744	51,098.	38,385.	89,483.	
GROUP III	117,777.	9,806.	16,221.	91,750.	107,971.	
GROUP IV	13,133.	3,283.	9,850.		9,850.	
TOTAL	411,318	113,588.	153,195.	144,535.	297,730.	
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THE TEXT ACCOMPANYING THE

FEDERAL-PROVINCIAL EASTERN QUEBEC DEVELOPMENT

AGREEMENT

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INTRODUCTION

BACKGROUND

In 1961, what was to become the Eastern Quebec FRED Plan area was inhabited by some 330,000 people, whose average income, derived principally from marginal farming and inshore fisheries, was approximately 40 per cent of the Canadian average.

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

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

This was an endeavour without precedent in Canada. It led to the signature in May 1968 of a federal-provincial Agreement where the two governments agreed upon a common strategy of intervention to reach jointly defined objectives. The innovative aspects of the Agreement resided not so much in the nature of the individual programs (it was quickly apparent that there were no instant solutions to the problem of the region's development) but in the integration and co-ordination of the activities of different departments and agencies whose freedom to take autonomous decisions without reference to the overall regional adjustment process had never until then been questioned.

THE FIRST AGREEMENT

This Agreement was signed at a time when the Canadian economy was booming. The main objective was to increase income; the principal element of the intervention strategy was to increase the productivity of the primary sectors (the mainspring of the regional economy) while expecting that the surplus manpower thus liberated could, after retraining, find employment in the larger growth areas, principally Montreal. Interdepartmental co-operation and co-ordination called for under the Plan was subject at start-up to certain constraints. However, as these were removed, so the rate of implementation increased.

THE REVIEW

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

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

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

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

These principles did not envisage major changes in the general intervention strategy defined in 1968: rationalization and modernization of the primary sectors, creation of dynamic new activities, upgrading of the labour force. This strategy remains valid and the revision process had as its objective to readjust existing programs and to introduce some elements, the absence of which threatened the success of the total intervention. Following this work Quebec and Canada agreed to revise the Agreement, increasing the duration by three years and the total budget by \$152,000,000.

The following explains and defines the revision.

GROUP I - MODERNIZATION AND DEVELOPMENT

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

SECTOR 1.1 - AGRICULTURE

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

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

Four principal programs can therefore be defined in order to:

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

Unless the evolution of the market situation were to justify an increase, the regional milk production should remain at its present level. Emphasis will therefore be placed on a certain reduction in the number of dairy farms with an increase in the yield per cow and the number of cows per herd. In order to assure an adequate return to the milk producer, the aim could be, in successive stages, around 50 cows per farm and some 10,000 pounds of milk per cow.

The total number of dairy farms in the territory will mainly be a function of the desired level of financial return per farm. These farms will be grouped around three milk basins, Amqui, Trois-Pistoles and in the County of Kamouraska, and may represent a total of 300,000 acres.

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

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

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

PROGRAM 1.1.1 - AGRICULTURAL LAND USE ADJUSTMENT

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

- a) zone good agricultural land;
- b) establish well-defined standards for the number of farms, and size and type of farming most suited to the region;

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c) assess, and with the approval of their owners, to acquire farms in the non-agricultural areas; for land in the agricultural zones, two mechanisms are available:

- acquisition, after offer to purchase, of those farms that their owners agree to sell;
- encouragement and technical assistance for private exchange or transfer of land;
- d) to improve, in the light of Plan objectives, agricultural land where profitable;
- e) to redistribute the purchased improved land in lots, by sale or rental to competent farmers;
- f) to systematically diffuse information to permit farmers to fully utilize the credit facilities at their disposal through ongoing federal and provincial credit programs;
- g) to establish the necessary information flows with those responsible for retraining mobility and welfare programs so that those farmers who sell their land are fully aware of the services at their disposal.

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

PROGRAM 1.1.2 - FARM MANAGEMENT IMPROVEMENT

The consolidation and diversification programs have as their objectives to increase productivity, profitability and, therefore, income. One of the essential elements of success of these programs is the improvement of technical and administrative capability. This program, therefore, includes:

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

The realization of these objectives requires:

- a) the establishment of study groups (Groupes d'Etudes et de Rentabilité Agricole) who may call upon the services of the National Film Board, Radio Canada, Radio Quebec, Department of Education and other relevant agencies;
- b) the farms described in program 1.1.3 will serve both as model farms for their area and for pilot diversification projects. The knowledge thus gained will be transmitted to other farmers via these study groups;
- c) the Quebec Department of Agriculture in collaboration with other departments and agencies will encourage agricultural co-operatives and associations to formulate and implement marketing programs. This encouragement may include: the publication of a regional information bulletin giving farmers the latest price tendencies, production forecasts, pertinent information on promotion, packaging and so on; an assessment of the future of contract farming in the region; the establishment and promotion of regional brands.

PROGRAM 1.1.3 - DEVELOPMENT AND DIVERSIFICATION

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

- a) to identify, given existing soil, climate and market conditions, those varieties most suitable for the region;
- b) to identify the animal breeds most suited to the region bearing in mind their feed requirements; priority will be given to pork, sheep and beef;
- c) to liaise with federal and provincial research establishments in order to assure the coherence of their research programs affecting the region, with the general objectives and priorities of the Agreement;
- d) to determine the optimal size of farms and to establish standards of quality by product with a view to ensuring an adequate income to the farmer;
- e) to supervise pilot diversification projects undertaken on the farms described below and to make appropriate recommendations to improve productivity and efficiency;
- f) to liaise with relevant federal and provincial departments and agencies in order to establish a marketing system for regional, national and international consumption.

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

- a) farmers from these designated farms will be chosen to participate in organized visits to modern farms in Quebec, Ontario and the New-England States where soil and climate conditions resemble those of the region;
- b) a number of pilot projects will be launched in order to prove the viability of certain new types of production under monitored conditions. The agricultural subcommittee will publish and distribute the results. The participation of the farmer in a pilot project will be subject to the following conditions:

- the farmer must agree to follow a course on the production techniques for the product during the winter prior to start-up of the project;
- the farmer must agree to provide the land, the necessary manpower and 25 per cent of the approved cost of the project;
- agronomists will monitor progress during the life of the project.

PROGRAM 1.1.4 - RESEARCH

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

PROGRAM 1.1.5 - RATIONALIZATION OF SECONDARY PROCESSING

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

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

SECTOR 1.2 - FORESTRY

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

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

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

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

PROGRAM 1.2.1 - FORESTRY DEVELOPMENT

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

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

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

PROGRAM 1.2.2 - PURCHASE AND CONSOLIDATION OF PRIVATE FORESTS AND CONCESSIONS

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

PROGRAM 1.2.3 - EXPERIMENTAL AND DEMONSTRATION FORESTS

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

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

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

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

PROGRAM 1.2.4 - FOREST RESTORATION AND REPLANTING

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

SECTOR 1.3 - FISHERIES

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

PROGRAM 1.3.1 - DEVELOPMENT OF FISHING CENTERS

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

Processing complexes will be set up nearby. Electricity, sewage, fresh and sea water, and road access, will be planned with the total requirement in mind and undertaken according to need. These complexes will also include service areas designed to assist the smooth running of the factories and the fleet, and to facilitate fish reception and shipment of finished products. Except in special circumstances, producers will be encouraged to move to these production centers and to consolidate in order to benefit from the investments.

FISH COLLECTION POINTS

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

PROGRAM 1.3.2 - DEVELOPMENT

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

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

PROGRAM 1.3.3 - FISHING BOAT SUBSIDIES

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

PROGRAM 1.3.4 - CO-ORDINATION GROUP

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

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

SECTOR 1.4' - MINES

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

PROGRAM 1.4.1 - MINING ACCESS ROAD

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

PROGRAM 1.4.2 - MINING EXPLORATION

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

- a) exploration and prospecting (geophysic, mapping, geochemistry and alluvial research);
- b) prospecting aid;
- c) prospecting courses.

SECTOR 1.5 - RECREATION, TOURISM AND CULTURAL DEVELOPMENT

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

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

It is expected that the number of tourists visiting the region will triple by 1985. The expected increase in their expenditures (\$25,000,000 by 1985) dictates that the tourism sector be regarded as a regional industry whose management capability and amenities should be improved.

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

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

PROGRAM 1.5.1 - FORILLON NATIONAL PARK

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

PROGRAM 1.5.2 - TOURISM CENTERS AND STOP-OVERS

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

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

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

PROGRAM 1.5.3 - SUPPLEMENTARY FACILITIES

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

PROGRAM 1.5.4 - SALMON RIVERS

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

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PROGRAM 1.5.5 - CULTURAL ATTRACTIONS

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

SECTOR 1.6 - "DEVELOPPEMENT DES AFFAIRES"

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

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

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

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

PROGRAM 1.6.1 - LOCAL DEVELOPMENT ASSISTANCE

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

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

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a) Publicity and Promotion

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

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

b) Marketing

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

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

c) Regional Technical Assistance

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

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

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PROGRAM 1.6.2 - COMPLEMENTARY ASSISTANCE

The objective of this program is to facilitate the establishment of regional enterprises through assistance to commercial and industrial development, and preimplementation assistance.

PROGRAM 1.6.3 - INDUSTRIAL PARKS

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

PROGRAM 1.6.4 - HANDICRAFTS

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

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

GROUP II - SPATIAL DEVELOPMENT

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

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

SECTOR 2.1 - URBAN DEVELOPMENT

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

PROGRAM 2.1.1 - URBAN PLANNING AND MUNICIPAL REORGANIZATION

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

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

PROGRAM 2.1.2 - URBAN INFRASTRUCTURE

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

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

PROGRAM 2.1.3 - HOUSING

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

This program is composed of two types of intervention:

a) capital grants for construction of low cost housing, and for the discounted municipal operating deficit where housing units are occupied by persons relocated as a result of Plan intervention.

b) grants for moving houses in the case of families leaving a marginal area and moving to designated centers within the Plan region, and with special terms and conditions for the Îles-de-la-Madeleine.

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

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

SECTOR 2.2 - TRANSPORT

The increase of inter- and intra-regional trade requires the establishment of an integrated transport system.

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

PROGRAM 2.2.1 - ROAD NETWORK

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

PROGRAM 2.2.2 - WATER TRANSPORT

The objective of this program is to encourage inter-regional trade.

The introduction of regular ferry and steamship services between the North and South Shore of the St. Lawrence will facilitate manpower mobility and will permit commercial links to be re-established to the mutual advantage of both economies. This program includes a construction grant for a ferry with ice-breaking capability to be placed in service between Matane and North Shore and operating subsidies for ferry services linking the Îles-de-la-Madeleine with the mainland, on the one hand and the North and South Shore of the St. Lawrence on the other. This program also includes port development to embrace both water transport requirements and those of the fisheries sector.

PROGRAM 2.2.3 - AIR TRANSPORT

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

PROGRAM 2.2.4 - TRANSPORT STUDY

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

GROUP III - SOCIAL DEVELOPMENT - MANPOWER AND MOBILITY

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

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

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

SECTOR 3.1 - SOCIAL DEVELOPMENT

PROGRAM 3.1.1 - REHABILITATION, IMPROVEMENT AND MOTIVATION

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

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

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

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

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

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

PROGRAM 3.1.2 - RURAL/URBAN MIGRATION

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

The several measures of the housing program meet certain requirements. However, it is also necessary to provide additional assistance for those families living in

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extremely disadvantaged areas, such assistance ranging from selective moving to closing of marginal parishes.

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

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

PROGRAM 3.1.3 - SOCIO-MEDICAL FACILITIES

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

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

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

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

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

RETRAINING

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

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

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

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

In order to assure coherence with Plan policies and regional requirements, it is necessary to establish a joint advisory forecasting committee who under the aegis of the administrative structure of the Agreement will integrate training requirements and make proposals for the interpretation of the federal manpower program.

The presence of provincial departmental representatives will ensure that these propositions are in accordance with provincial thinking, and that the training given meets the requirements of the sectoral objectives. These recommendations will be transmitted to the administrative structure of the Agreement for its own use and simultaneously transmitted to the regional office of the federal Department of Manpower responsible for purchases of training courses for onward transmission to head office.

MOBILITY

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

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

GROUP IV - ADMINISTRATION

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

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

PROGRAM 4.1.1 - MANAGEMENT STRUCTURE

Plan Management

For those elements of the Plan which fall within their respective jurisdictions, Canada and Quebec will designate the department or agency the most directly concerned in the implementation of each program or project under this Agreement as responsible agency and will encourage each of the departments and agencies involved in the Plan to nominate co-ordinators.

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The Provincial Structure

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

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

The Federal Structure

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

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

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

THE JOINT STRUCTURE

a) Liaison Committee

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

b) The Management Committee

The Regional Plan Delegate and the Federal Administrator together form the Management Committee responsible for the day-to-day management of the Plan. The Management Committee: にあるとうないのである

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

Information and Communication

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

PROGRAM 4.1.2 - CONSULTATION AND PARTICIPATION

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

PROGRAM 4.1.3 - PROGRAMMING AND EVALUATION

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

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

Implementation Studies

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

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

Evaluation

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

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

PROGRAM 4.1.4 - IMPROVEMENT OF ADMINISTRATIVE SERVICES

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

