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General  
Development  
Agreement



Regional  
Economic  
Expansion

Expansion  
Économique  
Régionale



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CANADA/BRITISH COLUMBIA



MARCH 28, 1974

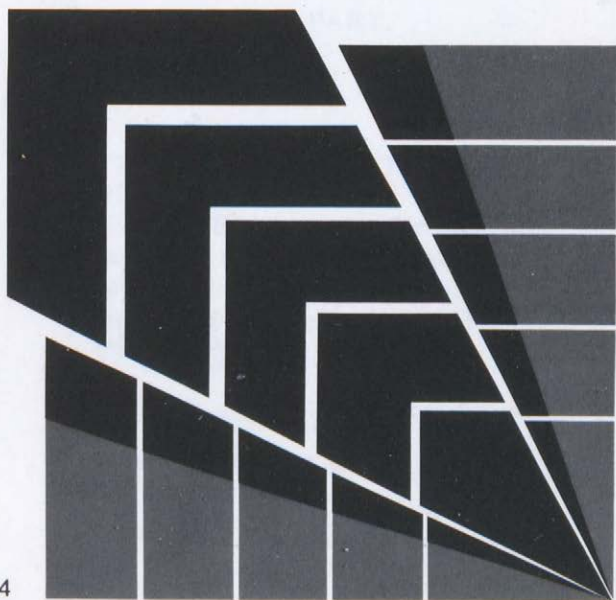
# general development agreement



Regional  
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CANADA / BRITISH COLUMBIA



MARCH 28, 1974

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Ottawa, 1974

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THIS AGREEMENT made this  
28th day of March, 1974

**BETWEEN**

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

**OF THE FIRST PART,**

**AND**

THE GOVERNMENT OF THE  
PROVINCE OF BRITISH  
COLUMBIA (hereinafter  
referred to as the "Province"),  
represented by the Minister of  
Industrial Development, Trade  
and Commerce,

**OF THE SECOND PART.**

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WHEREAS Canada and the Province have jointly agreed to identify and pursue development opportunities in British Columbia and wish by this Agreement to provide a general framework for the co-ordinated planning and implementation of such measures;

AND WHEREAS Canada and the Province are agreed on the objectives, general strategy and procedures which would govern the identification and selection of such measures;

AND WHEREAS the Governor in Council by Order in Council P.C. 1973-14/3799 of December 11, 1973 has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council OIC-1051 of March 26, 1974 has authorized the Minister of Industrial Development, Trade and Commerce to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

## DEFINITIONS

### 1. In this Agreement

- (a) "area" means a portion of the Province of British Columbia;
- (b) "development opportunity" means an opportunity for economic or socioeconomic development significantly advancing the objectives of this Agreement;
- (c) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
- (d) "fiscal year" means the period commencing on April 1st of any year and terminating on March 31st of the immediately following year;
- (e) "initiative" means the subject matter of any subsidiary agreement, and includes any programme, project or other activity designed to implement the objectives of this Agreement;
- (f) "Ministers" means the Federal Minister and the Provincial Minister;
- (g) "Provincial Minister" means the Minister of Industrial Development, Trade and Commerce and includes anyone authorized to act on his behalf;
- (h) "regional" means pertaining to the region comprised of the four provinces of British Columbia, Alberta, Saskatchewan and Manitoba;

- (i) «socioeconomic development» means the combination of social and economic factors necessary to encourage development and access to its benefits;
- (j) “subsidiary agreement” means an agreement made pursuant to section 6 of this Agreement.

## PURPOSE OF THIS AGREEMENT

2. The purpose of this Agreement is to facilitate joint federal-provincial co-operation in initiatives undertaken in respect of economic and socioeconomic development in British Columbia to achieve the objectives stated hereinafter in accordance with the strategy agreed to in or pursuant to this Agreement.

## OBJECTIVES

3. The objectives of this Agreement are
- (a) to improve opportunities for productive employment and access to those opportunities in areas or economic sectors of British Columbia which, relative to other areas or sectors of the province, require special measures to realize development potential;
  - (b) to promote balanced development among areas of British Columbia and to encourage the equitable distribution of the benefits of such development.

## STRATEGY

4. To pursue the objectives stated in section 3, Canada and the Province shall seek to achieve a co-

ordinated application of relevant federal and provincial policies and programmes through continuing

- (a) identification of development opportunities and assistance in their realization through co-ordinated application of relevant federal and provincial policies and programmes, including the provision of specialized measures required for such realization: and
- (b) analysis and review of the economic and social circumstances of British Columbia and British Columbia's relationship to the regional and national economy, as these may be relevant to achieving the objectives stated in section 3.

5. A broad strategy for achieving such objectives is provided in Schedule 'A' attached hereto, which strategy shall be considered annually, and may be revised from time to time, by the Ministers.

## SUBSIDIARY AGREEMENTS

6.1 When a development opportunity has been agreed to by the Ministers for implementation under this Agreement, Canada and the Province may enter into a subsidiary agreement as provided for by subsection 6.4 for the implementation thereof. Each subsidiary agreement shall be signed by the Ministers and may also be signed by such other federal and provincial ministers as appropriate, having regard to the initiative concerned and shall specify so far as practical all relevant details of the initiative, including the total estimated cost, and the costs to be borne by Canada and the Province.

6.2 In the formulation of any subsidiary agreement it is understood and agreed that each party will



consider the relationship of the proposed initiatives to its relevant policies and programmes, and that, within the context of the objectives and strategy of this Agreement, the Ministers shall consider its impact and costs, having regard to such analysis as they may deem to be relevant and practical in respect of the following matters and such other matters as may be agreed upon by the Ministers

- (a) the extent to which it would directly create or maintain employment;
- (b) the extent to which it would support or encourage other activity which will create or maintain employment;
- (c) the extent to which it would broaden the range of economic opportunities in the area affected;
- (d) the direct effect, whether short-term, long-term or continuing, it would have upon provincial or federal expenditures;
- (e) the extent to which it would contribute to the stabilization of, or increase in, income levels in the area affected;
- (f) the impact it would have on the distribution of population and the quality of life;
- (g) its effect on the environment; and
- (h) in the case of an industrial or commercial activity, the extent to which continuing subsidization may be required.

**6.3** Except as specified in the above mentioned Order in Council P.C. 1973-14/3799, all subsidiary agreements shall require the approval of the Governor in Council.

**6.4** A subsidiary agreement may be entered into where initiatives are to be taken by both Canada and the Province and may provide for policies to be pursued and initiatives to be undertaken by Canada or the Province individually or jointly, and may provide for, among other things

- (a) the co-ordination of existing federal and provincial programmes in support of an agreed development opportunity;
- (b) the provision of specific support including financial assistance required for the implementation of development opportunities where support adequate to permit their realization would not be available under other government programmes; and
- (c) the establishment of continuing programmes, of a kind not otherwise available, for the support of development opportunities through reductions or elimination of identified impediments to development.

## FINANCIAL

**7.** The provision of financing by Canada and the Province for the implementation of subsidiary agreements made pursuant to this Agreement is subject to the Parliament of Canada and the Province having provided funds for such financing for the fiscal year in which such financing is required.

**8.1** Financial arrangements as between Canada and the Province for each subsidiary agreement shall be established on the basis of the nature of the initiatives included therein, the federal and provincial responsibilities and interest in respect of such initiatives, and such other considerations as may be agreed.

**8.2** The total annual level of funding to be provided by Canada and the Province for the operation of this Agreement and its allocation among subsidiary agreements shall be based on an agreed estimate of requirements for the fiscal year concerned to achieve the objectives of the subsidiary agreements and of such additional funds as may be required for planning and analysis of possible future initiatives.

**8.3** Where the costs of any initiative are to be shared between Canada and the Province, a subsidiary agreement shall specify the cost-sharing arrangements and the procedure for submission and reimbursement of claims between the parties, and may provide for advance payments and reimbursement by way of progress claims.

**8.4** Subject to the approval of the Ministers, commitments made and costs incurred by either party prior to the date of this Agreement may be included in a subsidiary agreement, if such commitments or costs were made or incurred after June 1, 1973 and if the subsidiary agreement is signed before the elapse of six months from the date of this Agreement.

## CO-ORDINATION

**9.1** The Ministers shall meet annually, and shall consult together at such other times as may be mutually agreed, to review the general operation of this Agreement; to consider development opportunities that might be pursued; to review existing or proposed subsidiary agreements; and to determine the required level of funding.

**9.2** Each of the Ministers shall designate from time to time the official or officials who will be jointly

responsible for the general co-ordination of the action to be taken under this Agreement.

10. The Ministers shall invite each interested department of the Governments of Canada and British Columbia to send a representative to a meeting at least once a year at which the officials appointed under subsection 9.2 shall present information reviewing the strategy being pursued under this Agreement and initiatives being taken or to be taken under subsidiary agreements.

11.1 Canada and the Province take note of the existing federal and provincial programmes concerning economic and socioeconomic development for which the Department of Regional Economic Expansion and the Province are individually or jointly responsible, and agree to co-ordinate those programmes as closely as possible with the implementation of the subsidiary agreements made under this Agreement.

11.2 Subject to subsection 11.1 commitments made under programmes now in effect shall not be affected by this Agreement except to the extent that the subject-matter of such programmes may be affected by the provisions of a subsidiary agreement, unless such programmes be altered or terminated by mutual agreement of both parties.

## EVALUATION

12. Each subsidiary agreement shall include appropriate provisions regarding evaluation, and Canada and the Province shall provide each other with such information as either party may reasonably require in order to evaluate the operation of any subsidiary agreement.

## RECORDS AND AUDIT

13. Each of the parties hereto shall keep detailed and accurate accounts and records of its expenditures in respect of all initiatives taken under the Agreement the cost of which is to be shared between them, and shall make such accounts and records available at all reasonable times for inspection and audit by the other party. Any discrepancy between the amounts paid by either party and the amounts actually payable by it, as disclosed by any such audit, shall be promptly adjusted between the parties.

## DURATION

14. This Agreement shall expire on the 31st day of March, 1984, unless earlier terminated by mutual agreement; provided, however, that either party may terminate this Agreement at the end of any fiscal year, by giving to the other party two clear fiscal years' notice in writing of such termination, it being agreed that such notice shall not be given sooner than three years from the date hereof. Subsidiary agreements implementing initiatives that cannot be completed by the date of expiration or termination of this Agreement shall continue in force and effect until completion of the relevant initiative or expiration of the applicable subsidiary agreements, whichever is the later.

## GENERAL

15. No member of the House of Commons shall be admitted to any share or part of any contract, agreement, or commission made pursuant to any subsidiary agreement, or to any benefit to arise therefrom.

16. Any dispute between the parties hereto on any question of law or fact arising out of this Agreement or

any subsidiary agreement shall be submitted to and determined by the Federal Court of Canada, pursuant to the Federal Court Act of Canada.

17. Where one party hereto is responsible for the implementation of a shared-cost initiative it shall indemnify and save harmless the other party, its officers, servants, and agents, against all claims and demands of third parties in any way arising out of the implementation of such initiative, except as such claims or demands relate to the act or negligence of any officer, employee or agent of the other party.

18. All construction work in respect of initiatives shall be subject to and carried out in accordance with relevant labour legislation and such other conditions as may be agreed to between Canada and the Province.

19. All contracts for the performance of initiatives shall be awarded without discrimination by reason of race, sex, age, marital status, national origin, colour, religion or political affiliation; it being agreed, however, that the foregoing shall not prevent the implementation of special measures designed to benefit native people.

20. Canadian material, and consulting and other professional services shall be used in respect of all initiatives to the extent to which they are procurable and in a manner that is consistent with proper economy and the expeditious performance of the initiatives.

21. The parties hereto agree to co-operate on the joint release of any announcements concerning the undertaking of subsidiary agreements, and to include in each subsidiary agreement provisions for a publicity programme that provides due credit and recognition to the federal and provincial governments.

IN WITNESS WHEREOF the Minister of Regional Economic Expansion has set his hand and seal on behalf of the Government of Canada and the Minister of Industrial Development, Trade and Commerce has set his hand and seal on behalf of the Government of British Columbia, both having been duly authorized so to do on the day and year first above written.

GOVERNMENT OF CANADA

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Minister of Regional Economic  
Expansion

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Witness

GOVERNMENT OF BRITISH  
COLUMBIA

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Minister of Industrial Development,  
Trade and Commerce

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Witness

# **GENERAL DEVELOPMENT AGREEMENT**

## **Schedule "A"**

### **BRITISH COLUMBIA**

This schedule, as agreed to between the Government of Canada and the Government of British Columbia, articulates the strategy of development by co-operative action in respect of socioeconomic and economic development objectives as defined in this Agreement. Such development will take place within the broader goals and objectives of both the Province and Canada.

The economy of British Columbia is one in which the resource and resource processing industries have been the primary generators of growth. This growth has been supported by parallel activity in construction, transportation and communications sectors. This in turn has led to substantial tertiary development.

British Columbia's economy has undergone erratic swings in the level and type of employment and in the amount and duration of new investment activity. In each area of the province there have been marked accelerations at various times in the past decades. This has produced, particularly in the non-metropolitan areas, intense activity as new developments have been introduced and resultant lags after development has peaked. In areas experiencing such development pressures, social development has tended not to keep pace.

Many of the known resources of the province are committed and are exported in partially processed form. There are still uncommitted resources in the northern half of the province which, with the provision of access and supportive infrastructure, may be developed. In the south the threshold of physical limitations is in many areas being reached.



The Lower Mainland has been the recipient of the major population pressures with detrimental environmental effects in that area and a considerably greater share of economic growth compared to certain other areas of the province. Prospects for continued general strength of the province's economy, together with established linkages to the Lower Mainland, indicate that the total level of economic growth will be substantial in the coming decade, and that, in absence of government initiatives, a large portion of this growth would tend to concentrate in this area.

These circumstances have resulted in the Governments agreeing as objectives in the body of the Agreement to "improve opportunities for productive employment and access to those opportunities in areas or economic sectors of British Columbia which, relative to other areas or sectors of the province, require special measures to realize development potential" and "promote balanced development among areas of British Columbia and to encourage the equitable distribution of the benefits of such development".

These objectives will be pursued in such a manner as to encourage a reduction in the erratic nature of the economy, to improve access to new employment opportunities, and to encourage the full participation by the people of British Columbia in the processes of socio-economic development.

The strategy to attain these objectives includes directed sectorial and spatial diversification with encouragement, by federal and provincial actions, of specific key industries capable of providing essential catalysts to development in selected area or sector opportunities of the province. Such encouragement is to be co-ordinated with and supported by investments in human resource development and social and economic overhead capital investments. In carrying out these

strategies, the immediate priorities are to apply coordinated action to overcome impediments to development and to concentrate on significant development opportunities that will activate under-utilized or uncommitted resources, initially in the northwest, the Kootenays and the northeast. Development opportunities will be pursued that increase and progressively maximize higher value added processing and manufacturing of the resource base. This will be aided by major transportation services that will assist in increasing viability and access, including those in relation to the Pacific. In addition, major opportunities exist in the development of the recreation sector of the province, especially in conjunction with economic development and environmental improvement. Opportunities also exist in the manufacturing sectors of the province in the context of the Western Canadian economic base, which can contribute to regional as well as sectorial balance in future development.

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