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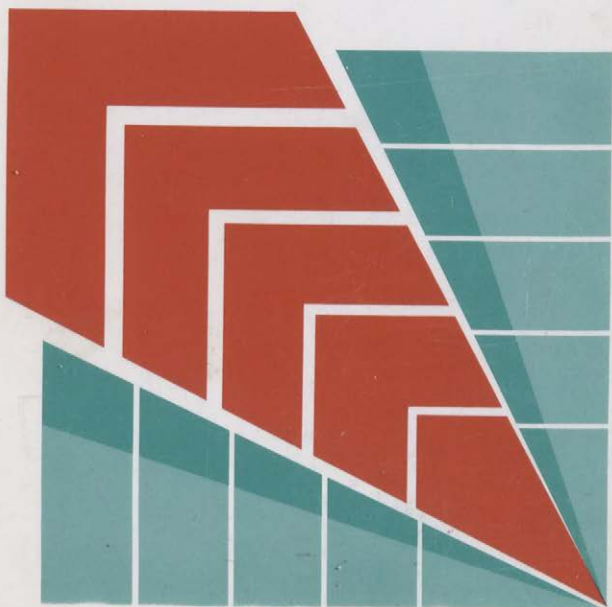


Regional
Economic
Expansion

Expansion
Economique
Régionale



CANADA/ MANITOBA



JUNE 5, 1974

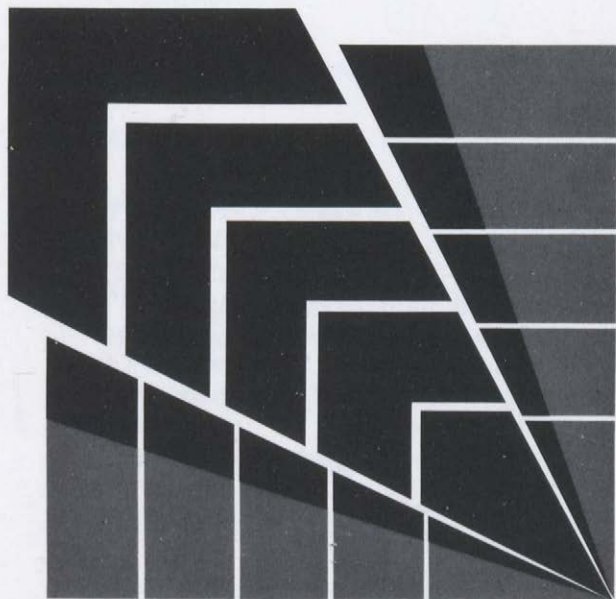
general development agreement



Regional
Economic
Expansion

Expansion
Économique
Régionale

CANADA/ MANITOBA



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**THIS AGREEMENT made this
5th day of June, 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 MANITOBA
(hereinafter referred to as the
"Province"), represented by the
Minister of Mines, Resources and
Environmental Management,
Chairman of the Cabinet Sub-
Committee on Economic and
Resource Development,**

OF THE SECOND PART.

WHEREAS the Province wishes to develop its economy based on the following principles:

First, maximization of the general well-being of all Manitobans; second, greater equality of the human condition for all Manitobans through a more equitable distribution of the benefits of development; third, implementation of an effective stay option through policies and programs which will prevent Manitobans from being coerced by economic forces to leave their province or to leave the region within the province in which they prefer to live; and fourth, the promotion of public participation in the process of government, and more particularly, in the development of decisions which will affect all Manitobans in the years ahead;

AND WHEREAS Canada and the Province wish jointly to formulate and to cooperate in measures for economic and socioeconomic development in Manitoba and wish by this Agreement to provide a general framework for the coordinated 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 Canada and the Province agree that it is in the national interest to undertake coordinated measures by their Departments and Agencies to improve the economic and socioeconomic development of Manitoba;

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 669/74 of June 5, 1974 has authorized the Minister of Mines, Resources and Environmental Management, Chairman of the Cabinet Subcommittee on Economic and Resource Development to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

DEFINITIONS

1. In this Agreement

- (a) "development opportunity" means an opportunity for economic or socioeconomic development significantly advancing the objectives of this Agreement;
- (b) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
- (c) "fiscal year" means the period commencing on April 1st of any year and terminating on March 31st of the immediately following year;
- (d) "initiative" means the subject matter of any subsidiary agreement, and includes any program, project or other activity designed to implement the objectives of this Agreement;
- (e) "Ministers" means the Federal Minister and the Provincial Minister;

- (f) "Provincial Minister" means the Minister of Mines, Resources and Environmental Management, Chairman of the Cabinet Sub-Committee on Economic and Resource Development and includes anyone authorized to act on his behalf;
- (g) "Resources and Economic Development Sub-Committee of Cabinet" means the Cabinet Sub-Committee established by the Lieutenant Governor in Council by Order in Council 940 of the 5th day of September 1973;
- (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 AGREEMENT

2. The purpose of this Agreement is to facilitate joint federal-provincial cooperation in initiatives for the economic and socioeconomic development of Manitoba to achieve the objectives stated hereinafter in accordance with the strategy agreed to in or pursuant to this Agreement.

OBJECTIVES

3. Within the federal and provincial principles stated in the preamble, the objectives of this Agreement are

- (a) to increase incomes and employment opportunities throughout Manitoba to increase opportunities for people to live in the area of their choice with improved standards of living;
- (b) to encourage socioeconomic development in the northern portion of Manitoba to provide the people of the area with real options and opportunities to contribute to and participate in economic development, to continue their own way of life with enhanced pride and purpose and to participate in the orderly utilization of natural resources.

STRATEGY

4. To pursue the objectives stated in section 3, Canada and the Province shall seek to achieve a coordinated application of relevant federal and provincial policies and programs through continuing

- (a) identification of development opportunities and assistance in their realization through coordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization; and
- (b) analysis and review of the economic and social circumstances of Manitoba and Manitoba'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 initiative to its relevant policies and programs, 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 increase or broaden the range of opportunities for local people consistent with their potential skills and resources;

- (d) the extent to which it would broaden the range of economic opportunities in Manitoba;
- (e) the extent to which it would contribute to the stabilization of, or increase in, income levels and the access to goods and services amongst the people in the affected area;
- (f) the level of involvement of local people in planning and development;
- (g) the impact it would have on the distribution of population and the quality of life;
- (h) its effect on the environment;
- (i) the direct effect, whether short-term, long-term or continuing, it would have upon provincial or federal expenditures; and
- (j) 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 coordination of existing federal and provincial programs 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 programs; and
- (c) the establishment of continuing programs, of a kind not otherwise available, for the support of development opportunities through reduction 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 such 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.

COORDINATION

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 coordination of the action to be taken under this Agreement.

10. The Ministers shall invite each interested department of the Governments of Canada and the Province to send a representative to a meeting at least once each 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 programs concerning economic and socioeconomic development for which the Department of Regional Economic Expansion and the Province are individually or jointly responsible, and agree to coordinate those programs 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 programs now in effect shall not be affected by this Agreement except to the extent that the subject-matter of such programs may be affected by the provisions of a subsidiary agreement, unless such programs 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 or the Legislative Assembly 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 will 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 or disadvantaged groups in the area concerned.

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 cooperate on the joint release of any announcements concerning the undertaking of subsidiary agreements, and to include in each subsidiary agreement provisions for a publicity program that provides due credit and recognition to the federal and provincial governments.

IN WITNESS WHEREOF, this Agreement has been executed on behalf of Canada by the Minister of Regional Economic Expansion and on behalf of the Province by the Minister of Mines, Resources and Environmental Management, Chairman of the Cabinet Sub-Committee on Economic and Resource Development.

GOVERNMENT OF CANADA

Minister of Regional Economic
Expansion

Witness

GOVERNMENT OF
MANITOBA

Minister of Mines, Resources and
Environmental Management,
Chairman of the Cabinet
Sub-Committee on Economic and
Resource Development

Witness

GENERAL DEVELOPMENT AGREEMENT

SCHEDULE 'A'

MANITOBA

A. INTRODUCTION

Schedule 'A' of the General Development Agreement between the Canada Department of Regional Economic Expansion and the Province of Manitoba is intended to outline the broad strategy of development for pursuing the objectives stated in the Agreement. This broad strategy is subject to annual review by the Ministers and to progressive development over time in response to emerging social and economic conditions. The nature of the development process envisioned will require continuous identification of development opportunities and initiatives to assist in their realization. The areas of activity suggested in this schedule do not limit this process but rather indicate areas of activity identifiable at this time.

B. SUMMARY OF CIRCUMSTANCES

Manitoba has a reasonably diversified economy, with a relatively small but diverse manufacturing and processing sector, a strong agricultural sector and an expanding mineral extraction and processing industry in the north. The City of Winnipeg contains over half of the total population of the province and is the site of most of the manufacturing industry. Winnipeg also acts as the main transportation, wholesaling, distribution and service centre for Manitoba and to some extent for the Prairie region.

Over the past two decades there have been two major population trends: the net migration of people from Manitoba to other provinces and to foreign coun-

tries, and the net movement of population from the rural to urban areas. Strong rates of urbanization have accentuated the contrast between the rural areas and Winnipeg. The agricultural sector has been characterized by fluctuating incomes, rapid capitalization and expansion of farming units and declining direct employment. Fluctuating prices for farm products and increasing costs of inputs to farm production have contributed to instability in agricultural incomes and employment. The interdependence between the agricultural and other sectors has brought fluctuation in employment particularly in the agriculturally related manufacturing, processing and servicing enterprises. This pattern of rising and falling farm incomes has accelerated a demand for supplementary off-farm employment, mobility from the farm, and pressure for structural adjustment in the economy. At the same time, demands for improving and strengthening the rural environment, particularly in rural communities, represent a countervailing trend which favours a decentralization of the economic expansion in the province.

Industrial activity in Manitoba consists of small but diversified manufacturing and processing sectors and a relatively large service sector. Manufacturing activity basically serves local and regional markets. Strong competition from more industrialized regions has limited the expansion of many product lines for sale in national and international markets. There are a few major industrial complexes in the province, mainly branches of national and international corporations. More predominantly, industrial employment is generated from small and medium-sized enterprises. This structure of industrial activity has provided limited opportunity for development of product research and development capability and integrated management services within the province. In terms of location, Winnipeg is the centre of most manufacturing firms and related service enterprises, although recent demand for consumer items in

the recreational fields has brought some additional industrial development in rural communities. This in turn has contributed to the situation which has led to substantial migration from the province.

While average incomes in Manitoba are approximately equal to the national average, there exist significant and unacceptable income disparities between various income groups, urban and rural Manitobans, and between individuals in certain occupational groups such as farmers. This is particularly severe in northern and agricultural frontier areas.

The north presents a region with sharp contrasts to the south in terms of population levels and distribution, standards of living, sources of income and public participation in the social and economic life of the province. Within the north, a sharp contrast exists between the few urbanized industrial centres and the small isolated communities scattered throughout the hinterland. Jobs and incomes are resource based in activities such as mining, forestry, fishing and trapping with very limited processing of these resources in the north. These activities do not provide reliable or sufficient incomes for the native northern people or the hinterland communities. Many initiatives have been taken to improve the level of services and amenities in the isolated communities but substantial improvements remain to be made. In summary, there is absolute as well as relative social and economic disadvantage in the north, and participation, local initiative and other decision-making processes in remote communities contrast sharply with conditions in the south.

C. OBJECTIVES

The broad objectives stated in Clause 3 of the Agreement are:

- (a) to increase incomes and employment opportunities throughout Manitoba to increase opportunities for people to live in the area of their choice with improved standards of living;
- (b) to encourage socioeconomic development in the northern portion of Manitoba to provide the people of the area with real options and opportunities to contribute to and participate in economic development, to continue their own way of life with enhanced pride and purpose and to participate in the orderly utilization of natural resources.

The more specific objectives of this schedule focus on development opportunities which encourage the participation of people in such development; promote a more equitable distribution of the benefits of development; provide opportunity for people to live in an area of their choice and build on all aspects of Manitoba's diversified economy.

In the industrial sector, opportunities will be sought: to build on the existing diverse manufacturing base; to expand the agricultural, fishery and forestry manufacturing, processing and servicing capacity, with emphasis on plants that will strengthen the economy of secondary urban centres and rural communities; to expand the regional assembly, distribution and servicing function of Winnipeg and other urban centres; and to increase secondary processing of mineral resources that are extracted within the province.

In Agro-Manitoba, which includes all of southern Manitoba outside of Winnipeg, opportunities will be sought to: increase and further diversify agricultural production with emphasis on livestock and the output of products for agricultural processing; improve trade and service centre communities as places to live and to

attract industrial growth; and provide the necessary socioeconomic conditions to encourage participation of rural people in emerging employment opportunities.

In northern Manitoba, economic and socioeconomic development will be broadly pursued to narrow the disparities between the remote and urban economies by providing the people of the area with real options and opportunities to contribute to and participate in the Manitoba economy and community, to continue their own way of life with enhanced pride and purpose, and provide for the orderly utilization of natural resources with optimum benefit to local people and the people of Manitoba generally.

In addition to these opportunities to build on the existing elements of the Manitoba economy, other major development opportunities will be sought and investigated which could significantly add to the expanding economic base. These opportunities might arise from comparative advantages enjoyed by Manitoba as a result of its geographic location in the centre of Canada or from its rich endowment of natural resources.

D. AREAS OF ACTIVITY

To achieve a significant impact on the economic and socioeconomic development of Manitoba, the process of identifying and pursuing opportunities must be continuous and flexible, and it is one of the purposes of this Agreement to provide a general framework for the coordinated planning and implementation of this development.

Priority areas of activity that have been identified for joint consideration leading toward the formulation of initiatives that may become the subject of subsidiary agreements are:

(a) *Manitoba Northlands Socioeconomic Development Program*

To pursue the objectives stated in the Agreement for northern Manitoba, joint agreement will be sought to initiate a comprehensive socio-economic development program focussed on resources and community economic development, human development and community improvement and area communication services.

Consideration would be given to a broad range of activities including resources and community economic development, for the assessment, planning and utilization of resource based and other opportunities for community economic development; human development and community services and infrastructure, aimed at assisting families and communities to provide a social and physical environment conducive to improved quality of life and participation of people in community affairs and development opportunities; transportation and communications, toward providing year-round access to all communities for the transportation of people, goods and services and to provide communications infrastructure to increase the participation of people in community, provincial and national affairs.

(b) *Agro-Manitoba Development Opportunities*

It is expected that the major thrusts in expansion and diversification of agricultural output will centre on increased output of livestock and livestock products, and the increased production of crops relating to livestock production and crops for processing industries. This will be coupled with emphasis on provision of farm

development services to middle and lower income farms.

Early attention will be given to areas of Agro-Manitoba, particularly forest fringe areas in which the natural resources are underdeveloped, incomes are generally low, and opportunities exist for substantial improvement in agricultural production, other resource based employment and the strengthening of rural communities.

Emphasis will be given to the provision of infrastructure which will support the expansion of agricultural production, assist in the establishing and strengthening of industry in rural communities, strengthen the capability of communities to provide services to agriculture.

Initiatives will be undertaken to relate the nature of income opportunities to skills and aptitudes of people of the area affected and to encourage and assist the people of the area to avail themselves of opportunities.

(c) *Commercial and Industrial Development Opportunities*

As noted earlier, the Manitoba economy includes a small but diversified manufacturing sector, an expanding resource processing sector and a relatively large service sector. To support the broad objectives of this Agreement opportunities will be sought to build upon this established base, through initiatives to encourage industrial activities which are closely linked through backward, forward, and final demand linkages to other economic activities; to develop industries in which Manitoba has a comparative advantage relative to other areas;

to support high-wage industries and industries which provide stable long-term employment; to provide for employment and development of life skills for disadvantaged people.

So far as can be made consistent with long-term viability of the enterprise, both service and goods producing industry will be encouraged to expand or establish in communities outside Winnipeg. In addition, however, opportunities will be sought to establish or expand service or goods producing industries for which the location, labour force, services or other qualities of Winnipeg may provide significant comparative advantages.

In the pursuit of development opportunities, it is probable that industrial and other forms of community infrastructure requirements as well as manpower and other human development or adjustment measures will be identified and interlinked with the measures to increase the manufacturing, processing and servicing activities. In areas where opportunities interlink to provide a composite of developmental activities, selected components of infrastructure may be provide to strengthen area development.

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