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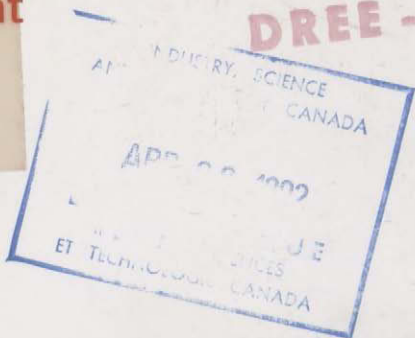
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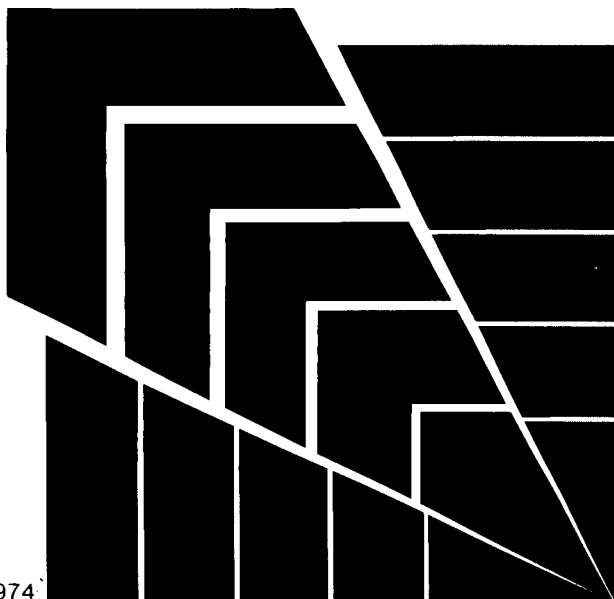
general development agreement



Regional
Economic
Expansion

Expansion
Économique
Régionale

CANADA/SASKATCHEWAN



FEBRUARY 11, 1974

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**THIS AGREEMENT made this
eleventh day of February, 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 SASKATCHE-
WAN (hereinafter referred to as
the "Province"), represented by
the Minister of Industry and
Commerce,**

OF THE SECOND PART.

WHEREAS Canada and the Province wish jointly to formulate and to cooperate in measures for economic and socioeconomic development in Saskatchewan 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 Saskatchewan;

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 289/74 of February 8, 1974 has authorized the Minister of Industry 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) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
- (b) "Provincial Minister" means the Minister of Industry and Commerce and includes anyone authorized to act on his behalf;
- (c) "Ministers" means the Federal Minister and the Provincial Minister;
- (d) "fiscal year" means the period commencing on April 1st of any year and terminating on March 31st of the immediately following year;
- (e) "subsidiary agreement" means an agreement made pursuant to section 6 of this Agreement;
- (f) "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;
- (g) "development opportunity" means an opportunity for economic or socioeconomic development significantly advancing the objectives of this Agreement;
- (h) "socioeconomic development" means the combination of social and economic factors necessary to encourage development and access to its benefits;

- (i) "regional" means pertaining to the region comprised of the four provinces of British Columbia, Alberta, Saskatchewan and Manitoba.

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 Saskatchewan 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 accelerate economic development and job creation in the economy of Saskatchewan to encourage balanced development and realization of the development potential; and
 - (b) to encourage socioeconomic development required to provide an effective opportunity for people throughout Saskatchewan to contribute to and participate in the benefits from economic development.

STRATEGY

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

- (a) identification of development opportuni-

ties 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 Saskatchewan and Saskatchewan'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 programs, and that, within the context of the objectives and strategy of this Agree-

ment, 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 Saskatchewan;
- (e) the extent to which it would contribute to the stabilization of, or increase in, income levels in the affected region or area;
- (f) the extent to which it would enhance the well-being of disadvantaged groups;
- (g) the level of involvement of local people in planning and development;
- (h) the impact it would have on the distribution of population and the quality of life;
- (i) its effect on the environment;
- (j) the direct effect, whether short-term, long-term or continuing, it would have upon provincial or federal expenditures; and
- (k) 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 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.

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 and may establish for the purposes of this Agreement a committee to be known as the Saskatchewan Development Committee which shall have such membership and functions as may be agreed to from time to time by the Ministers.

10. The Ministers shall invite each interested department of Canada and the Province to send a representative to a meeting at least once each year at which the officials appointed under sub-section 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 3 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 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 it is procurable and

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 Industry and Commerce.

GOVERNMENT OF CANADA

Minister of Regional Economic
Expansion

Witness
GOVERNMENT OF
SASKATCHEWAN

Minister of Industry and Commerce

Witness

GENERAL DEVELOPMENT AGREEMENT

Schedule "A"

SASKATCHEWAN

A. INTRODUCTION

Schedule "A" as agreed to between Canada and the Province of Saskatchewan, outlines the broad strategy of development to be undertaken by cooperative action in respect of economic and socioeconomic development objectives defined in the Agreement.

B. SUMMARY OF CIRCUMSTANCES

Saskatchewan entered the seventies with an economy that was, and still is, principally resource-based, highly capital intensive, and which relies heavily on its mainstay—agriculture—for future performance. The development of the agricultural sector over the past few years has been characterized by a boom and bust income pattern. The export market for wheat is subject to vagaries of climate throughout the world resulting in periodic surpluses and erratic prices. At the same time, costs of agricultural inputs have escalated dramatically. These factors have resulted in major annual fluctuations in gross and net provincial income.

The potash industry has also been characterized by substantial swings in the gross value of output. A number of mines were built during the late sixties. The result was over-capacity, drastic price declines, and ultimately, the establishment of quotas and a floor price, in order to stabilize employment in the industry.

The oil industry increased gradually after the forties until recently when new finds diminished, exports stabil-

ized, and exploration activity declined. Refinery capacity has diminished as some operations in the province have been phased out or reduced or are in the process of being so affected.

Secondary manufacturing in the province is relatively undeveloped. Most manufacturing is sold in local consumer markets or purchased by the agricultural, mineral or forestry sectors. Though there has been some expansion over the last few years, fluctuations in primary sectors have been reflected in manufacturing activity.

In summary then, the economy of Saskatchewan has been characterized by relatively large swings in economic activity brought about because of the heavy reliance upon the primary producing sectors in the province. This has led to a number of undesirable outcomes and is the major reason behind the development program now to be undertaken by the federal and provincial governments.

Some of the more important implications of the above have become major issues for both federal and provincial governments. The increased capitalization of farms and the resulting decline in new agricultural job formation has undermined the employment base of the province. Few major secondary manufacturing developments have occurred. The effect has been a net outflow of population from the province over the last few years, an upward shift in the age distribution of the province's labour force, a significant rural-urban shift in population, and the demise of many small communities.

In addition to the need for far-reaching, general economic measures, there are special requirements for measures to alleviate the social, cultural and economic problems in the northern part of the province. In this

Northlands region, development has not been able to provide the number or type of jobs required, nor a satisfactory level of earned income. Transportation and communication systems are rudimentary and educational, residential, commercial, correctional, recreational and other community services are well below standards in other parts of the province.

C. OBJECTIVES

The objectives of the Agreement (as stated in section 3) are:

- (a) to accelerate economic development and job creation in the economy of Saskatchewan to encourage balanced development and realization of the development potential; and
- (b) to encourage socioeconomic development required to provide an effective opportunity for people throughout Saskatchewan to contribute to and participate in the benefits from economic development.

In the light of those problems already referred to in section B and the objectives agreed to above, the federal and provincial governments further agree to undertake action which will reflect priorities in respect of more specific objectives which are:

- (a) to increase the aggregate economic growth of the provincial economy in order to increase employment opportunities, encourage balanced growth between rural and urban centres and help ensure a continuing, vibrant, dynamic society.
- (b) to preserve and enhance the value of the province's natural resources and optimize

the value added from processing and manufacturing of these resources.

- (c) to diversify the province's economic base to reduce its dependency on primary production and thereby help stabilize the provincial economy.
- (d) to increase the number, range and type of employment opportunities within the province in order to utilize more effectively the human resources of Saskatchewan.
- (e) to increase the opportunity for people in northern Saskatchewan to participate more fully in the social, cultural and economic life of the province.

D. AREAS OF ACTIVITY

The process of development should strengthen the ties of Saskatchewan with national and regional economic development. To achieve a significant impact upon economic development in Saskatchewan, the process of identifying and pursuing opportunities must be continuous and flexible. In addition to development opportunities which may be agreed upon by the Ministers from time to time, the following development opportunities have been identified as worthwhile and necessary areas of attention which may lead to subsidiary agreements.

(a) *Steel and metal-related industries*

Diversification of the provincial economy could be significantly assisted by the further development of steel and metal-related industries. In addition, the provision of a steel complex in the central part of the Region would link Saskatchewan much more closely with

economic activity throughout the Region. Throughout the west in the seventies and eighties there will be a large market for a variety of steel-based products. Such products are needed for growth in resource development, construction, oil and gas expansion, for agriculture, forestry and mining. If these demands are not met by additional metal-working industries in the west, most supplies will come from other countries. Based on analysis to date, it appears possible to establish a steel complex and metal-related activities in Saskatchewan.

The detailed analysis required to establish the viability of a steel complex and metal-related activities will now be undertaken. In light of this analysis the two governments will consider measures appropriate for the encouragement of such development.

(b) *Forestry development*

The forest resources of Saskatchewan offer a number of economic development opportunities. Substantial growth in the region will expand already significant demand for lumber, furniture and other wood-based products. In addition, expanding export markets exist internationally for wood-based construction materials and for pulp. The development strategy in the forestry sector therefore includes the development and utilization of not only the coniferous resources, but the significant and largely undeveloped hardwood resources. This will allow for more effective use of wood byproducts, reduce the cost of forest harvesting operations, enhance the management of forest resources including reforestation measures and create jobs in a geographic portion of

the province where few other employment opportunities exist.

(c) *Agriculture and related industries*

A major development opportunity is based on capitalizing on the world demand for protein by utilizing the province's large and rich agricultural resource base and its skilled labour force. While Saskatchewan can produce a number of primary products, encouragement should be given to expanding the volume of raw materials that can be processed in the province and expanding the capacity of the agricultural processing industry in order to gain new employment and generate value added within the province. An essential element in achieving these opportunities will be continued efforts to stabilize agricultural production and returns.

New employment and increased value added may also be obtained by encouraging the production of inputs to agriculture, including short-line farm machinery fabrication. Consideration will be given to measures designed to assist short-line farm machinery fabricating plants in order to assist in their expansion and modernization. The possibility of establishing a research centre to assist in the development of new products or the expansion of existing ones will also be investigated.

(d) *Saskatchewan Northlands*

A major effort for both social and economic development is required in the northern part of the province to ensure that people living there can share in economic growth. The strategy will concentrate on measures which provide for

the utilization of northern resources in a fashion which optimizes value added in the northern portion of the province. Such a strategy would encourage the development of entrepreneurial skills and capital by northern residents. The strategy will also seek to strengthen structural linkages in the northern economy and to increase the provision of local goods and services by the local population. The focus of economic development thrusts will therefore tend to be more labour-intensive than capital-intensive.

In addition, a range of social measures will be required to support economic development. Presently, economic development measures are under review in a variety of sectors (e.g. forestry, fisheries, mining, tourism and agriculture). One of the major problems inhibiting the development of Northern Saskatchewan is inadequate transportation and communications. In cooperation with the federal Ministry of Transport and Department of Communications, measures will be undertaken to facilitate communications and the movement of goods and people among centres in the north and between centres in the north and south. Measures will also be undertaken to encourage the involvement of local people in the development of the area.

(e) *Recreation and Tourism*

In line with the objectives of increasing aggregate economic growth, diversification and job creation, significant opportunities exist in recreation and tourism. These would improve leisure time facilities available to Saskatchewan residents, extend the length of stay in the

province of through-traffic and provide a limited number of major destination points to draw tourists to the province.

The Qu'Appelle Valley is a major attraction for Saskatchewan residents and potentially for Trans-Canada traffic. Unless the water quality in the lakes is improved and recreational development planned in the area, not only will it be impossible to develop a major tourist industry there, but it will deprive residents of southern Saskatchewan of a major recreation resource. Consideration will be given in conjunction with the federal Departments of the Environment, Indian and Northern Affairs, and Industry, Trade and Commerce, and the Provinces of Saskatchewan and Manitoba to developing the Qu'Appelle Valley as a major recreation area. So that through-traffic will be attracted to stay in the province longer, consideration will be given to establishing or upgrading several cultural and historic sites along the routes and at major destination points.

In order to expand the number of tourist service jobs available to northern residents, the possibility of improving access and tourist facilities in the northern portion of Saskatchewan will be considered.

(f) *Urban development*

Efforts will be made to attract new commercial undertakings to urban centres in the province and to encourage expansion of existing commercial activity. Consideration will be given to related initiatives to achieve this result, including improvements in community planning, facilities and services of urban centres in the

province, to accommodate identified and anticipated development.

(g) *Rural development*

A major element in efforts to encourage balanced growth within the province is the creation of alternative employment in rural areas. To this end consideration will be given to means by which local industries and services could be developed or expanded in rural communities of the province. This could partly be accomplished by economic opportunity studies for some rural areas of the province and might also mean increasing the amount and effectiveness of development advice and promotion at provincial and local levels, and providing more effective coordination of federal and provincial development efforts.

