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Économique  
Régionale

CANADA/NOVA SCOTIA



SEPTEMBER 12, 1974

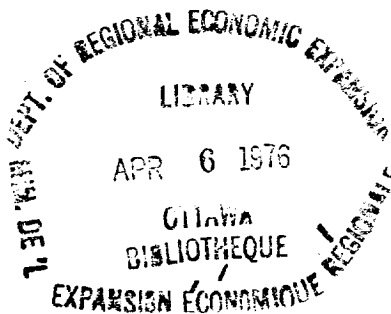
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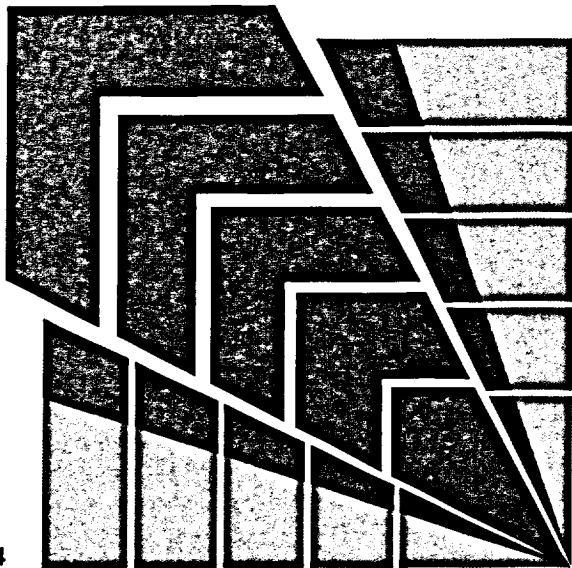


Regional  
Economic  
Expansion

Expansion  
Économique  
Régionale



CANADA/NOVA SCOTIA



SEPTEMBER 12, 1974

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Cat. No.: RE 22-20/ 1974-9

**THIS AGREEMENT made this  
12<sup>th</sup> day of September, 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 NOVA SCOTIA  
(hereinafter referred to as the  
"Province"), represented by the  
Minister of Development,**

**OF THE SECOND PART.**

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**WHEREAS** Canada and the Province wish jointly to formulate and to cooperate in measures for economic and socioeconomic development in Nova Scotia, 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 are agreed that it is in the national interest to undertake coordinated measures by their Departments and Agencies to improve the economic and socioeconomic development of Nova Scotia;

**AND WHEREAS** the Governor in Council by Order in Council P.C. 1974-837 of April 9, 1974 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 74-161 of February 12, 1974 has authorized the Minister of 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 Development and includes anyone authorized to act on his behalf;
- (g) "regional" means pertaining to the region comprised of the four provinces of Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick;
- (h) "socioeconomic development" means the combination of social and economic fac-

tors necessary to encourage development and access to its benefits;

- (i) "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 Nova Scotia 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 to
  - (a) encourage the expansion or maintenance of viable, long-term employment opportunities and optimum quality of life within Nova Scotia;
  - (b) increase the earned incomes of the people in Nova Scotia; and
  - (c) assist in the development of a dynamic and creative provincial economy which will encourage the growth and stability of economic activity in Nova Scotia.

## 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 Nova Scotia and Nova Scotia'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 section 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 broaden the range of economic opportunities in Nova Scotia;
- (d) the direct effect, whether short-term, long-term or continuing, it would have upon provincial or federal expenditures and/or provincial indebtedness;
- (e) the extent to which it would contribute to the stabilization of, or increase in, income levels in Nova Scotia;
- (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. 1974-837 of April 9, 1974, 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 Nova Scotia for the implementation of subsidiary agreements made pursuant to this Agreement is subject to the Parliament of Canada, and the Province of Nova Scotia 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 to this Agreement 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 one official who shall be jointly responsible for the general coordination of the action to be taken under this Agreement, and the Ministers may from time to time designate additional officials for this purpose.

**10.** The Ministers shall invite each interested department of the Governments of Canada and Nova Scotia to send a representative to a meeting at least once each year at which the officials appointed under 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 section 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 to this Agreement.

## 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 of the Legislative Assembly of Nova Scotia 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.

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 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 Development.

**GOVERNMENT OF  
CANADA**

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**Minister of Regional Economic  
Expansion**

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**Witness**

**GOVERNMENT OF THE  
PROVINCE OF NOVA  
SCOTIA**

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**Minister of Development**

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**Witness**

# **GENERAL DEVELOPMENT AGREEMENT**

## **Schedule 'A'**

### **NOVA SCOTIA**

#### **A. INTRODUCTION**

The Agreement, of which this schedule is a part, provides a broad framework for cooperation between Canada and the Province in measures for economic and socioeconomic development in Nova Scotia.

This schedule defines in some greater detail the strategy to be followed in pursuing the general objectives of the Agreement. It is not a full and final statement of the proposed actions of the two governments but is, rather, an indication of certain joint approaches to be taken initially in the context of the Agreement. It is subject to review annually, and may be revised from time to time by the Ministers, and does not preclude other joint or separate actions by the two parties in pursuit of development in Nova Scotia. New opportunities, in addition to those outlined herein, will continue to be identified and investigated as may be jointly agreed.

#### **B. SUMMARY OF CIRCUMSTANCES**

Nova Scotia, in the seventies, is in the process of rapid and accelerating social and economic change. An increasingly productive partnership of federal and provincial governments, private enterprise and the people of the province has encouraged a new spirit of confidence and determination which has found its practical expression in a broad range of economic and socioeconomic initiatives and accomplishments.

Despite this improving quality and standard of life, significant disparities persist between Nova Scotia and the rest of Canada.



Total income per capita in Nova Scotia is approximately three-quarters of the national level. While the gap has closed slightly over the past decade, progress has been slow and erratic and has been more significant in personal income than in earned income, reflecting a continuing dependence on federal transfer payments.

A major factor of this income disparity is the lower level of wages and salaries in Nova Scotia, although here, too, the gap has been closing slowly in recent years. This improvement reflects some change in the overall economic structure of Nova Scotia where the relative importance of manufacturing employment has increased with consequent improvements in wage levels for specific jobs. The rate of participation in the labour force, however, is persistently below national levels, indicating the need for improved employment opportunities.

Population figures show the out-migration has been substantially reduced in recent years and population is increasing in most areas of the province, particularly in those with major provincial urban centres.

In summary, the Nova Scotia economy, broadly diversified among its major sectors, has experienced some progress toward the reduction of disparities during recent years. Serious problems still exist, however, and the general aim of the Agreement is to continue and accelerate measures for improvement.

### C. OBJECTIVES

The objectives of the Agreement, as set out in Section 3 are to:

- (a) Encourage the expansion or maintenance of viable, long-term employment opportunities and optimum quality of life within Nova Scotia;

- (b) Increase the earned incomes of the people of Nova Scotia; and
- (c) Assist in the development of a dynamic and creative provincial economy which will encourage the growth and stability of economic activity in the province.

#### D. STRATEGY

In seeking to achieve these general objectives, the governments will jointly pursue a consistent and coordinated course of action involving more specific sectorial and geographic approaches, including:

- (a) The development of new or expanded employment opportunities throughout the province by the identification and implementation of appropriate development opportunities;
- (b) The design and implementation of urban and rural development measures required to promote and support economic and socioeconomic development opportunities in Nova Scotia;
- (c) The development of the resource industries of fishing, agriculture, forestry and mining through measures to improve their efficiency, productivity and optimum resource utilization; including intensified research and the further processing of their primary products;
- (d) The development of the Halifax/Dartmouth Metropolitan Area, with special emphasis on high technology industries, communication, distribution and transportation-related industries, and a wide range of business and personal services, consistent with its evolution as a major business and service centre;
- (e) The continued development of the primary and

secondary processing of imported and domestic raw and semi-finished materials in the Strait of Canso area including, but not in any way limiting the generality of the foregoing, such industries that may be associated with or in any way dependent upon its existing base of petroleum refining and any expansion thereof, and related services and secondary industries;

- (f) The development of the economic and social opportunities of the tourism/recreation and related sectors;
- (g) The provision of interim assistance required to eliminate impediments threatening the retention and maintenance of otherwise viable employment opportunities and industries;
- (h) The development of spin-off opportunities related to supply, service, exploration, extraction and distribution of off-shore oil and gas;
- (i) The development of ocean science technology and ocean-related industries, including ship-building and ship repair;
- (j) The development of energy resources and energy distribution systems to assist in providing the adequate energy supplies to Nova Scotia consumers and industries.

Specific activity will focus on the development and implementation of subsidiary agreements related to the above described approaches designed to achieve the objectives of this Agreement. Where required, this activity will include or be preceded by the detailed analysis required to determine the basic feasibility of identified potential economic opportunities and the initiatives required to achieve these opportunities.

These analyses will require a number of joint federal-provincial task forces which have been established

and, where required, others will be established to investigate and recommend action on a wide range of identified economic opportunities. Implicit in all approaches designed to achieve the objectives of this Agreement will be joint and continuing contact, liaison, consultation and coordination between the two governments.

Concurrently, Canada and Nova Scotia recognize the need for, and will begin consideration of, several broad subsidiary agreements including one relating to joint funding of infrastructure required to support identified development opportunities; one to assist the planning, program development and implementation capacity of the province in realizing the objectives of the Agreement; and others relating to such other matters as may emerge through the process of consultation.

