

Canada Dept of



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CANADA/NEWFOUNDLAND

GENERAL DEVELOPMENT AGREEMENT:
JOINT REVIEW

DECEMBER 17, 1976
ST. JOHN'S, NEWFOUNDLAND



HC
117
NS
C3632



December 17, 1976

HC
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NS
C3632

Memorandum to: The Honourable Marcel Lessard,
Minister of Regional Economic Expansion

The Honourable T. Alex Hickman, Q.C.,
Minister for Intergovernmental Affairs
and Minister of Justice

Subject: Canada/Newfoundland
General Development Agreement

As provided under Sections 9 and 10 of the Canada/
Newfoundland General Development Agreement, we herewith
submit our report on the implementation of this Agreement.
The report constitutes a review of progress and expenditures
under all subsidiary agreements to the General Development
Agreement in the period February 1, 1974 to November 30, 1976.


H. J. McGonigal

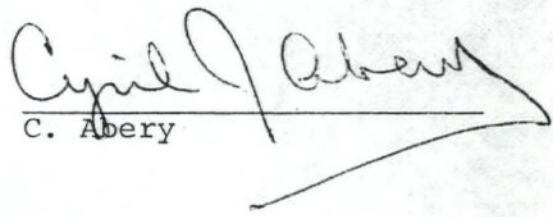

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INTRODUCTION

On February 1, 1974, a General Development Agreement was signed by Canada and Newfoundland. The purpose of the Agreement is to facilitate federal participation and federal-provincial cooperation in initiatives for economic and socio-economic development of Newfoundland. The implementation of the Canada/Newfoundland General Development Agreement is intended to be achieved through the formulation of specific subsidiary agreements between the Department of Regional Economic Expansion, other federal and provincial departments to act on mutually determined development opportunities.

A number of joint programs initiated through the subsidiary agreement mechanism have been entered into since the signing of the General Development Agreement. In the intervening period since February 1, 1974, twelve subsidiary agreements have been signed. These agreements are in various stages of implementation, including several which have already been completed. This document reports on the status of all subsidiary agreements as of November 30, 1976.

Activities and programs assisted through subsidiary agreements include forestry and fisheries resource developments, highways construction, ocean industries development, infrastructure support for the St. John's Urban Region and the Gros Morne Park Area, in addition to Provincial planning capability and the most recent agreement in support of development in Labrador.

Combined funds committed to date for these subsidiary agreements total \$255.8 million. Of that amount \$38.7 million has been committed by Newfoundland and \$217.1 million or 85% has been committed by DREE.

As of November 30, 1976 the total authorized on various projects under the agreements is \$170.9 million. Newfoundland's share of this is \$24.5 million and DREE's share is \$146.4 million. DREE has actually expended to date \$112.5 million on the twelve subsidiary agreements and Newfoundland has expended \$17.2 million.

The implementation and administration of the subsidiary agreements signed to date have proceeded satisfactorily. The General Development Agreement is working effectively by permitting special emphasis and special programs, from both governments, for mutually selected, long term development initiatives.

At the General Development Agreement Review Meeting in February of 1976, it was noted that inflation was causing a significant element of difficulty in administering some of the agreements. Although some action is necessary to compensate for certain budgetary shortfalls that have occurred due to inflation, it can be recorded that inflationary pressure on costs has moderated significantly in the current fiscal year.

Evaluation of progress toward the long-term objectives of the General Development Agreement has commenced in the form of an evaluation of a number of specific subsidiary agreements. A number of the short-term results of earlier subsidiary agreement expenditures are now becoming identifiable and measurable. As a result, program evaluations are underway on the Gros Morne Park Area Development, Forestry, Highways and Inshore Fisheries Development Subsidiary Agreements.

The following pages present (1) a brief analysis of the progress of each subsidiary agreement signed by DREE and Newfoundland to 30 November 1976; (2) a financial table outlining the anticipated expenditure range of each subsidiary agreement for the fiscal year 1977/78; and (3) a statement reiterating the position of both governments regarding the public information aspects of the subsidiary agreements.

CANADA/NEWFOUNDLAND GENERAL DEVELOPMENT AGREEMENT

SUBSIDIARY AGREEMENTS SIGNED TO NOVEMBER 30, 1976

<u>Title</u>	<u>Total Value</u>	<u>Federal Commitment</u>	<u>Provincial Commitment</u>	<u>Duration of Agreement</u>
	(\$ million)			
Forestry	54.1	47.8	6.3	1/6/73 to 31/3/78
Gros Morne Park Area Development	15.1	13.6	1.5	1/6/73 to 31/3/78
Highways (1974/75)	13.9	12.5	1.4	1/4/74 to 31/3/75
Special Fish Plant Water Systems	6.1	5.5	0.6	1/1/74 to 31/3/77
Fisheries Marine Service Centres	12.0	10.8	1.2	1/1/74 to 31/3/77
Highways (1975/76)	22.2	20.0	2.2	1/4/75 to 31/3/76
Ocean Research and Development	4.9	4.4	0.5	1/1/75 to 31/3/79
St. John's Urban Region	68.0	51.0	17.0	1/1/75 to 31/3/79
Inshore Fisheries Development	3.9	3.5	0.4	1/6/75 to 31/3/81
Highways (1976/78)	38.0	34.2	3.8	1/3/76 to 31/3/78
Planning	6.4	4.0	2.4	1/4/76 to 31/3/81
Labrador Interim	11.2	9.8	1.4	3/12/76 to 31/3/80
TOTAL	255.8	217.1	38.7	

FORESTRY SUBSIDIARY AGREEMENT

Signed: April 26, 1974

Effective Period: June 1, 1973 - March 31, 1978

Amendments: No. 1 - January 27, 1975
No. 2 - April 26, 1976

Total Value: \$54,083,300

Cost Share Ratio: 90% Federal/10% Provincial (Except for Land Acquisition at 50/50)

Background: Between July 1972 and March 1973, a federal-provincial task force conducted an extensive study of the Newfoundland forest resources and forest based industries. This study concluded that there existed an opportunity to generate approximately 2,400 new jobs projected over a four to five year period. This was contingent on a favourable market for forest products and the ability to rationalize productivity through a more intensive level of resource management.

Objectives: The agreement is designed to provide an adequate and economical supply of forest products for existing industries to take advantage of opportunities for expanding and diversifying Newfoundland's forest industries, to enable Canada and the Province to provide an integrated system of resource management throughout the province, and to stimulate research into productivity and yield as it relates to the resource.

Content: Provision is made in the agreement for the purchase of under-utilized freehold forest land; harvesting and utilization of existing resources; construction of access roads; an inventory of existing resources; fire and insect protection; the development of a forest improvement plan and management system, and resources to administer the implementation of the terms of the agreement.

Progress:

The responsible management committee has to date authorized the establishment of a logging operation, the purchase of logging equipment and under-utilized freehold forest land, the construction of approximately 400 miles of access roads, the preparation of a management plan and the establishment of districts with administrative capabilities throughout the province. In addition, the water bomber fleet has been refurbished, a V.H.F. radio system has been installed, an intensive forest inventory has been conducted and a nursery has been established in central Newfoundland.

Expenditures of funds under the agreement which was exclusively in support of harvesting operations of Labrador Linerboard Limited were suspended in July 1976 pending clarification of the future of that operation. Also, the Management Committee has been requested by the Province to consider approving movement of funds unexpended in some areas of the agreement to other projects in this agreement.

Evaluation:

A sub-committee is established to conduct the evaluation of the Forestry Subsidiary Agreement as delineated in the evaluation clause. It is expected that a preliminary report will be ready for the management committee by March 31, 1977.

The proposed evaluation will assess the performance and results of the programs, projects, and activities with respect to stated objectives, implementation schedules, cash flow schedules and production and performance goals.

GROS MORNE SUBSIDIARY AGREEMENT

Signed: May 28, 1974

Effective Period: June 1, 1973 - March 31, 1978

Amended: December 22, 1975
August 20, 1976

Total Value: \$15,139,000

Cost Share Ratio: 90% Federal/10% Provincial

Background: In recognition of the outstanding scenic appeal and the high recreational capacity of the Gros Morne region, the National Parks Service established a 750 square mile national park in the Bonne Bay area of Western Newfoundland in 1973. Under the agreement, Newfoundland agreed to provide the necessary land for the park and Canada agreed to develop the park to its full potential. It was considered necessary to relocate 5 of the 23 communities in the park area, and although the present residents have the option to stay, most of them have moved to other nearby communities.

The economic base of the area had been weak. The primary potential for new employment and increased earnings lies in servicing the park and the tourist trade attracted by it. The development and operation of the park itself will create approximately 100 seasonal jobs and 30 permanent positions. The provision of infrastructure and other capital works in the communities will create approximately 100 jobs per year over a period of 5 years and will establish the base for servicing the tourist industry. The projected level of employment associated with the tourist industry by 1979 is in excess of 600 jobs - 150 of which will be of permanent nature.

- Objectives: The objective of the agreement is to provide communities adjacent to the park with a suitable base for servicing the tourist trade generated by the park.
- Content: The agreement provides basic community infrastructure in the enclave communities, road construction between communities and the park boundaries, and upgrading and paving of local roads and a section of the Northern Peninsula Highway. It also makes provision for planning studies, development programs, technical supervision and evaluation.
- Progress: Water and sewer projects are under construction in four communities. Water and sewer systems and land assemblies are being designed for the remaining project areas. Four of the six road construction projects are underway while construction has not been authorized on two others because of lack of funds due to the unforeseen escalation of costs on other projects within the agreement.
- Evaluation: A formal evaluation and program assessment is now being conducted. The evaluation process will assess the impact of park development under this agreement on economic indicators in the region.
- There is already some evidence of local commercial development in the area such as the construction of restaurants and motels. Little outside investment has been attracted to date.
- The lack of precise engineering data, combined with inflated construction costs has placed program expenditures beyond budget projections anticipated at the time the agreement was signed. The need to meet standards of the Department of the Environment for sewage treatment facilities has also added to projected costs. Approximately \$8.2 million in additional funds will be required if all projects are to be completed.

GROS MORNE SUBSIDIARY AGREEMENT

ITEM	Total Commitment	Value of Projects Authorized to November 30, 1976		
	(1973-78) (\$,000)	DREE	NFLD (\$,000)	TOTAL
1. Planning Studies and Development Programs	151	136	15	151
2. Community Infrastructure	10,817	9,203	1,022	10,225
3. Road Construction	4,006	3,054	339	3,393
4. Technical Super- vision and Related Expenses	130	36	4	40
5. Evaluation - Impact Studies	35	29	3	31
TOTAL	<u>15,139</u>	<u>12,457</u>	<u>1,383</u>	<u>13,840</u>

HIGHWAYS SUBSIDIARY AGREEMENT (1974/75)

Signed: May 28, 1974

Effective Period: April 1, 1974 - March 31, 1975

Amended: December 12, 1974; March 20, 1975

Total Value: \$13,860,000

Cost Share Ratio: 90% Federal/10% Provincial

Background: DREE has contributed substantially to trunk highway construction in Newfoundland commencing with the Atlantic Development Board and since the inception of the Department through two Special Areas Agreements and a Special Highways Agreement. This Subsidiary Agreement continued the joint effort.

Objectives: To assist the Province in providing an adequate system of trunk roads, thereby contributing to economic and social development by permitting efficient transportation of goods and materials while encouraging social development through increased interaction of people.

Content: The Agreement provided funding for construction/reconstruction and paving projects totalling 133 miles on 6 trunk highways.

Progress: All projects have been completed.

Evaluation: Although the specific projects within this Agreement have been completed, considerable work remains before an adequate trunk road system can be realized. This is particularly true of the Bonavista North Loop Road, the Burgeo Road and the Great Northern Peninsula Highway.

HIGHWAYS SUBSIDIARY AGREEMENT (1974-75)

HIGHWAYS	Total Commitment	Value of Projects Authorized to November 30, 1976		
		DREE	NFLD	TOTAL
	(\$000)		(\$000)	
1. Burgeo Road	2,000	1,800	200	2,000
2. Burin Peninsula Loop Road	1,490	1,341	149	1,490
3. Bay d'Espoir Highway	5,510	4,959	551	5,510
4. Baie Verte- LaScie	980	882	98	980
5. Northern Peninsula Highway	3,350	3,015	335	3,350
6. Northern Arm to Point Leamington	530	477	53	530
TOTAL	<u>\$13,860</u>	<u>\$12,474</u>	<u>\$1,386</u>	<u>\$13,860</u>

HIGHWAYS SUBSIDIARY AGREEMENT (1975/76)

Signed: May 28, 1975

Effective Period: April 1, 1975 - March 31, 1976

Amended: August 18, 1975

Total Value: \$22,222,000

Cost Share Ratio: 90% Federal/10% Provincial

Background: This is the second Highways Subsidiary Agreement and is a continuation of DREE's assistance to the Province for trunk highway construction.

Objectives: To continue towards the long term goal of reducing regional disparities through the provision of an efficient transportation network.

Content: Funds provided for construction/reconstruction and paving of 144 miles of 5 major trunk roads in the Province.

Progress: All projects have been completed.

Evaluation: Considerable progress has been made toward the objective of establishing an adequate trunk road system in the Province. Formal evaluation will commence under the 1976-78 Highways Subsidiary Agreement.

HIGHWAYS SUBSIDIARY AGREEMENT (1975-76)

HIGHWAYS	Total Commitment	Value of Projects Authorized to November 30, 1976		
		DREE	NFLD	TOTAL
	(\$,000)		(\$,000)	
1. Burgeo Road	2,734	2,461	273	2,734
2. Bonavista North Loop Road	3,797	3,417	380	3,797
3. Northern Peninsula Highway	9,739	8,765	974	9,739
4. Bay D'Espoir Highway	2,858	2,572	286	2,858
5. Baie Verte- LaScie Road	<u>3,094</u>	<u>2,785</u>	<u>309</u>	<u>3,094</u>
TOTAL	<u>22,222</u>	<u>20,000</u>	<u>2,222</u>	<u>22,222</u>

HIGHWAYS SUBSIDIARY AGREEMENT (1976/78)

Signed: June 22, 1976

Effective Period: April 1, 1976 - March 31, 1978

Amended: July 14, 1976

Total Value: \$38,000,000

Cost Share Ratio: 90% Federal/10% Provincial

Background: This is the third Highways Subsidiary Agreement. It continues assistance to 5 trunk road projects supported under previous Agreements.

Objectives: To continue assistance to the Province for construction of an adequate trunk road system to provide an efficient transportation network.

Content: The Agreement provides funding for construction/reconstruction and paving of 205 miles on 5 major highways.

Progress: The total expenditure for the fiscal year 1976-77 is estimated to be \$14.5 million (DREE portion \$13.0 million). Tenders will be called through the winter and spring of 1977 for the remainder of the program. It is anticipated that the overall program will not be completed as scheduled because the agreement was signed after the 1976 construction season has commenced. The bids received have been at lower cost levels than estimated initially due to the easing of inflationary pressures and more competitive bidding by contractors. As a result, there is a potential overall saving which has resulted in one amendment being approved and the Province has proposed further work on the Bonavista North Loop Road and the Northern Peninsula Highway. This proposal is being studied by the Management Committee. A recommendation to Ministers is anticipated soon.

Evaluation:

A funding of \$200,000 is provided for a joint assessment of the projects with regard to the objectives of the GDA and the Subsidiary Agreement. The Province, DREE and Transport Canada are participating in the development and implementation of planning and evaluation systems and procedures for the provincial highway network.

HIGHWAYS SUBSIDIARY AGREEMENT (1976-78)

HIGHWAYS	Total Commitment	Value of Projects Authorized to November 30, 1976		
		DREE	NFLD	TOTAL
	(\$000)		(\$000)	
1. Burgeo Road (17 miles)	5,000	1,503	167	1,670
2. Bonavista North Loop Road (63 miles)	14,200	8,320	924	9,244
3. Baie d'Espoir Highway (18 miles)	1,000	896	100	996
4. Baie Verte- LaScie (13 miles)	800	705	78	783
5. Northern Peninsula Highway (94 miles)	16,800	7,157	795	7,952
6. Evaluation	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL (205 miles)	<u>38,000</u>	<u>18,581</u>	<u>2,064</u>	<u>20,645</u>

SPECIAL FISH PLANT WATER SYSTEM SUBSIDIARY AGREEMENT

Signed: October 15, 1974

Effective Period: January 1, 1974 - March 31, 1977

Amended: January 23, 1976

Total Value: \$6,130,000

Cost Share Ratio: 90% Federal/10% Provincial

Background: The marine fisheries resources potential of Newfoundland has not been exploited to the full and economic activity associated with the industry continues to be the mainstay of a large number of communities and towns. Inadequate fresh water supply systems, together with the high costs of providing such systems, continue to impede overall efficiency within the processing sector of the Province's fishing industry.

Objectives: The objective of the agreement is to improve quality control of fish products in locations where water quality is substandard, and to give fish plants the opportunity to increase production and undertake expansion where desirable.

Content: Provision is made through the agreement for the construction of water supply and distribution systems at strategic locations throughout the Province.

Progress: Work has commenced on ten projects and five of these are now complete whereas the remaining are approaching the operable stage. To date, approximately 21 contracts have been awarded.

Evaluation: As facilities become operable, complete onsite inspections will be held to determine their effectiveness. At present, this evaluation consists primarily of field analysis, and the review of plans and specifications to identify any anomalies.

Amendment to the agreement have deleted the projects at Port aux Basques and St. Brides. These projects are now incorporated into the Canada/Newfoundland Subsidiary Agreement on Inshore Fisheries Development.

It is anticipated that funds allocated under the agreement will be expended on projects already approved. A problem has arisen with the water supply at Southern Harbour that will require additional funds to rectify. While this matter has been discussed by the Management Committee it has not yet been resolved.

SPECIAL FISH PLANT WATER SYSTEM SUBSIDIARY AGREEMENT

LOCATION	Total Commitment	Value of Projects Authorized to November 30, 1976		
	(1974-77)	DREE	NFLD	TOTAL
	(\$,000)		(\$,000)	
1. Burnt Island	1,089	944	108	1,082
2. Little Bay Islands	220	186	20	206
3. Newstead/Comfort Cove	924	832	92	924
4. Hermitage	561	465	52	517
5. Southern Harbour	770	693	77	770
6. Admiral's Beach	396	356	40	396
7. Valleyfield	696	626	69	696
8. Bay Bulls	506	456	50	506
9. New Harbour	528	456	51	506
10. Various Locations	<u>440</u>	<u>396</u>	<u>44</u>	<u>440</u>
TOTAL	<u>6,130</u>	<u>5,440</u>	<u>603</u>	<u>6,043</u>

FISHERIES MARINE SERVICE CENTRE SUBSIDIARY AGREEMENT

Signed: October 15, 1974

Effective Period: January 1, 1974 - March 31, 1977

Amended: November 10, 1975

Total Value: \$12,000,000

Cost Sharing Ratio: 90% Federal/10% Provincial

Background: The traditional economic activity of rural Newfoundland has been the pursuit of the inshore fishery. The character of the inshore fishery has been changing with the advent of freezing plants which encourages fishermen to sell fresh fish. This factor combined with the depleting resource places greater emphasis on the utilization of larger boats to increase or sustain harvest yields. Many inshore fishermen, with the aid of government subsidies and bounties, have acquired longliners ranging in size from 35 feet to 65 feet.

Objectives: The objectives of this Agreement are to permit a more extensive use of multi-purpose boat technology; to expand and improve the viability of the fishery resources in the inshore and near offshore waters of Newfoundland; to raise the income of those pursuing these fisheries; to make ownership of boats more attractive in terms of maintenance, repairs and storage.

Content: Construction of fourteen (14) Marine Service Centres at strategic locations throughout the Province.

Progress: Construction at nine sites - Durrell, Wesleyville, Harbour Grace, Bonavista, Old Perlican, LaScie, Fogo Island, Southern Harbour, and Englee - was sufficiently advanced to permit

operation of the facilities, including the boat lifting mechanisms, during the fall of 1975. To date, approximately 60 contracts have been awarded.

The amendment to the Agreement deleted the Mobile Barge project conceived for the Labrador Coast, and substituted three new projects at Labrador South, St. Barbe North, and Burgeo. A further amendment is anticipated which will seek to delete one project location and extend the term of the agreement.

Evaluation:

Those service centres in operation are being favourably received by users and the program appears to be very successful.

FISHERIES MARINE SERVICE CENTRE SUBSIDIARY AGREEMENT

LOCATION	Total Commitment	Value of Projects Authorized to November 30, 1976		
	(1974-1977 (\$000)	DREE	NFLD (\$000)	TOTAL
1. Durrell	973	876	97	973
2. Wesleyville	1,115	996	110	1,106
3. Harbour Grace	1,397	1,257	140	1,397
4. Bonavista	1,034	931	103	1,034
5. Old Perlican	1,172	1,055	117	1,172
6. Isle aux Morts	1,320	1,067	119	1,186
7. Port Union	330	-	-	-
8. LaScie	699	526	58	584
9. Fogo Island	880	608	67	675
10. Southern Harbour	1,265	924	103	1,027
11. Englee	737	479	53	532
12. Labrador South	440	352	39	391
13. St. Barbe North	550	376	42	418
14. Burgeo	<u>88</u>	<u>79</u>	<u>9</u>	<u>88</u>
TOTAL	<u>12,000</u>	<u>9,526</u>	<u>1,057</u>	<u>10,583</u>

SUBSIDIARY AGREEMENT ON INSHORE FISHERIES DEVELOPMENT

Signed: June 22, 1976

Effective Period: June 1, 1975 - March 31, 1981

Amendment: No. 1 - November 5, 1976

Total Value: \$3,891,000

Cost Share Ratio: 90% Federal/10% Provincial

Background: The marine fisheries resources potential of Newfoundland has not been exploited to the full as they still offer a variety of developmental opportunities within the long-range fisheries development policy. This Agreement provides an enabling framework for the pursuit of activities intended to relieve certain difficulties in the industry by enhancing efficiency and productivity through facilities and services improvement.

Objectives: The objectives of this agreement are to increase per capita income of inshore fishermen; to increase employment and productivity in the processing sector of the industry; and to continue initiatives of existing agreements.

Content: Construction of services and facilities at strategic locations throughout the Province.

Progress: The community stage upgrading and the community stage construction projects are more than half completed. The cool storage building construction project and water supplies for fish plants at Port-aux-Basques and St. Brides are presently at the tendering stage. It is anticipated that extensive work on these projects will commence early in 1977.

Amendment No. 1 added the purchase and installation of ice-making machines and ancilliary equipment to the community stage upgrading community stage construction and the cool storage building construction projects.

It also changed the location of the cool storage building construction project from St. Barbe North to Brig Bay.

Evaluation:

Program evaluation is a project under this agreement and a working committee has been established by the Management Committee to prepare guidelines for a continuous evaluation of the agreement. It is anticipated that research work will commence on evaluation of projects under the agreement early in 1977.

SUBSIDIARY AGREEMENT ON INSHORE FISHERIES DEVELOPMENT

PROJECTS	Total Commitment	Value of Projects Authorized to November 30, 1976		
	(1975-1981)	DREE	NFLD	TOTAL
	(\$000)		(\$000)	
1.1 Community Stage Upgrading	311	248	28	275
1.2 Community Stage Construction	530	202	22	225
1.3 Cool Storage Building	990	-	-	-
2.1 Port aux Basques Water Supply	1,500	-	-	-
2.2 St. Bride's Water Supply	360	-	-	-
3. Program Evaluation	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>3,891</u>	<u>450</u>	<u>50</u>	<u>500</u>

ST. JOHN'S URBAN REGION SUBSIDIARY AGREEMENT

Signed: July 23, 1975

Effective Period: September 30, 1974 - March 31, 1980

Total Value: \$68,000,000

Cost Share Ratio: 75% Federal/25% Provincial

Background: The provision of an adequate water supply system and the completion of the Harbour Arterial were identified as essential elements of a long range plan to develop the St. John's Urban Region consistent with its position as the major economic centre of the province. Such development was considered essential in support of social and economic development opportunities. DREE's involvement with both projects dates back to the Second Special Areas Agreement of 1971 which provided funds for the construction of Phase I of the arterial, preparation of a Regional Plan and a feasibility study of alternatives to expand the city and regional water supply.

Objectives: The objective of the Agreement is to remove development constraints imposed by an inadequate regional water supply system and transportation connection between St. John's Harbour, Donovans Industrial Park and the Trans Canada Highway. Removal of these constraints will facilitate the expansion of industrial and commercial activities in the area, and expedite the flow of goods to and from the region.

Content: Two projects are funded by this Agreement, the use of Bay Bulls Big Pond to expand the regional water supply system, and the completion of the St. John's Harbour Arterial from Bay Bulls Road to downtown St. John's.

Progress:

Construction on both projects is proceeding on schedule. Water will be supplied to the City system by June 1977 and the full system is expected to be completed in 1980. The Arterial will be completed in late 1979.

Evaluation:

Completion of both projects is expected to yield considerable social and economic benefits to the region, especially through the creation of new job opportunities. The serious water shortage which occurred in the summer of 1976 will be avoided when the new supply is connected to the City in June 1977.

ST. JOHN'S URBAN REGION SUBSIDIARY AGREEMENT

<u>ITEM</u>	<u>Total</u> <u>Commitment</u>	<u>Value of Projects</u> <u>Authorized to November 30, 1976</u>		
	<u>(1975-1981)</u>	<u>DREE</u>	<u>NFLD</u>	<u>TOTAL</u>
	<u>(\$000)</u>		<u>(\$000)</u>	
1. St. John's Urban Region Water Supply	33,400	14,353	4,784	19,137
2. St. John's Harbour Arterial	<u>34,600</u>	<u>16,428</u>	<u>5,476</u>	<u>21,904</u>
TOTAL	<u>68,000</u>	<u>30,781</u>	<u>10,260</u>	<u>41,041</u>

NEWFOUNDLAND OCEAN RESEARCH AND DEVELOPMENT
SUBSIDIARY AGREEMENT (NORDCO)

Signed: May 23, 1975

Effective Period: January 1, 1975 - March 31, 1979

Total Value: \$4,910,000

Cost Share Ratio: 90% Federal/10% Provincial

Background: A joint federal/provincial study of the likely impact on the regional economy of Eastern Canada of the potential development of offshore oil and gas resources, identified the need for a research and development centre for ocean science and technology. As a result of this and other studies, and in light of Newfoundland's strategic location, a joint initiative was undertaken leading to the formation of the Newfoundland Ocean Research and Development Corporation (NORDCO).

Objectives: The objective of the agreement is to establish in Newfoundland a capability in the field of marine technology, especially in relation to resource exploitation in ice-infested waters. The acquisition of such technology would enhance Newfoundland's position in capitalizing on exploration and exploitation of the resources on the continental shelf.

Content: The agreement provides for the establishment of a limited liability corporation (NORDCO) of which the Province is the sole shareholder. DREE and the Province will cost-share any deficit resulting from the operation of the corporation for its first five years, up to the limit of funding provided by the agreement.

Progress: The corporation is currently carrying out a significant number of research projects related directly or indirectly to

developing opportunities through which Newfoundland can benefit from increased exploitation of ocean resources. Research and development projects are underway in such ocean related activities as a Development Plan for the Construction of Offshore Oil Production platforms; Wave climate studies; Iceberg Profiling and Tracking; Arctic Trans-shipment Base study and development of an automated baiting machine for the fishery.

The corporation has gained recognition for its expertise and capability to carry out underwater research. This has been illustrated in its being awarded a contract to conduct a feasibility study of laying a submarine power cable in the Cabot Strait between Newfoundland and Cape Breton Island. It has also been awarded contracts by Eastcan Exploration Ltd. (offshore oil exploration) to carry out research on "Water Sampling for Hydrocarbons" and "Acoustic Anchor Releases".

Evaluation:

The significant number of research and development projects now underway will provide the basis on which a future evaluation of the effectiveness of the corporation can be carried out. Each new project reveals new possibilities for industrial and commercial development and the future outlook is optimistic.

NEWFOUNDLAND OCEAN RESEARCH AND DEVELOPMENT

SUBSIDIARY AGREEMENT (NORDCO)

ITEM	Total Commitment	Value of Projects Authorized to November 30, 1976		
	(1975-1979)	DREE	NFLD	TOTAL
	(\$000)		(\$000)	
1. NORDCO	<u>4,910</u>	<u>938</u>	<u>104</u>	<u>1,042</u>
TOTAL	<u>4,910</u>	<u>938</u>	<u>104</u>	<u>1,042</u>

PLANNING SUBSIDIARY AGREEMENT

Signed: June 22, 1976
Effective Period: April 1, 1976 - March 31, 1981
Total Value: \$6,000,000

Cost Sharing:

	<u>76/77</u>	<u>77/78</u>	<u>78/79</u>	<u>79/80</u>	<u>80/81</u>
1. Provincial Staff					
DREE share	90%	75%	50%	0	0
Nfld share	10%	25%	50%	0	0
2. Other Activities					
DREE share	90%	90%	90%	50%	50%
Nfld share	10%	10%	10%	50%	50%

DREE's total expenditure under the agreement is not to exceed \$4 million with a maximum of \$960,000 of this being allocated for Provincial Staff.

Background: The Canada/Newfoundland G.D.A. specifically identified financial support for planning as a major requirement in pursuing the objectives of economic and socio-economic development in Newfoundland. A planning agreement has been signed containing elements agreed upon by DREE and the Province designed by meet the objectives set out in the G.D.A.

Objective: The objective of the agreement is to provide a capability for the undertaking of studies and the carrying out of such planning as is required to identify and analyze economic and socio-economic development opportunities in Newfoundland and to develop and implement strategies, programs and subsidiary agreements pursuant to identification of those opportunities.

- Content: Provision is made through the agreement for paying the cost of acquiring external staff and services as well as covering the cost of provincial staff engaged in conducting the specific planning activities as may be identified by the Management Committee.
- Progress: The province has submitted a number of planning proposals for consideration by the Management Committee. These proposals are under evaluation and decisions on several of them will be taken in the near future. No expenditures have been authorized to date under this agreement.
- Evaluation: Each proposal upon submission to the Management Committee receives an initial evaluation by being subjected to a set of eligibility criteria. The broader evaluation of the agreement must await the completion of the first series of planning initiatives.

PLANNING SUBSIDIARY AGREEMENT

<u>ITEM</u>	Total Commitment	Value of Projects Authorized to December 1, 1976		
	(1976-1981)	DREE	NFLD	TOTAL
	(\$000)		(\$000)	
Planning	6.4	-	-	-

LABRADOR INTERIM SUBSIDIARY AGREEMENT

Signed: December 3, 1976

Effective Period: December 3, 1976 - March 31, 1980.

Total Value: \$11,160,000

Cost Share Ratio: 90% Federal/10% Provincial
(Excepting 1 Project element on which DREE pays 90% of the municipality's cost of a NIP Program to a maximum of \$450,000.00)

Background: The Goose Bay Project Group was established in March of 1973 to study the potential social and economic impact on the community of Happy Valley-Goose Bay resulting from loss of employment arising from the closure of the U.S. Military Airport on June 30, 1976. A review of the Project Groups Report supported the development of a subsidiary agreement as a method of assisting the community maintain and expand its socio-economic viability.

Objectives: To assist the Municipality of Happy Valley-Goose Bay by initiating community infrastructure projects and improvements and to enable local residents to better participate in the economic development of Labrador.

Content: The agreement provides for specific expenditures in Happy Valley-Goose Bay related to street improvements, construction of sewage collection facilities, establishment of an Economic Development Corporation, an industrial park at Wabush and a bridge at Northwest River. There are also provisions for constructing a new Vocational School dormitory and initiation of a Neighbourhood Improvement Program.

Progress: Implementation of the agreement has just commenced.

Evaluation: The Agreement was signed on December 3, 1976 and it is too early to address the matter of evaluation.

LABRADOR INTERIM SUBSIDIARY AGREEMENT

PROJECTS	Total Commitment	Value of Projects Authorized to December 10, 1976		
	(1976-1980)	DREE	NFLD	TOTAL
	(\$000)		(\$000)	
1. Wabush Industrial Park	3,800,000	NIL	NIL	NIL
2. Northwest River Bridge	2,800,000	"	"	"
3. Happy Valley- Goose Bay Economic Development Corp.	385,000	"	"	"
4. Student Dormitory at Happy Valley Vocational School	2,225,000	"	"	"
5. Auxiliary Sewage Collector System and Outfall Facility	500,000	"	"	"
6. Street Improvement in the Town of Happy Valley	500,000	"	"	"
7. Town of Happy Valley Neighbour- hood Improvement Program	750,000	"	"	"
8. Program Evaluation	200,000	"	"	"
TOTAL	<u>11,160,000</u>			

STATEMENT OF JOINT PUBLIC INFORMATION POLICIES

In keeping with the public information requirements incorporated in each of the subsidiary agreements signed to date in Newfoundland, DREE and the Provincial Government have concurred on the need for increased emphasis on the implementation of joint information programs related to activities under these agreements. In this respect, each of the federal/provincial management committees has undertaken a review of its responsibilities under the public information clause of the agreements, and re-affirmed its intent to pursue, on a vigorous basis, opportunities for the joint dissemination of information to the public.

Among the measures which have been accepted as integral components of this joint public information initiative, are the following:

- (1) The joint publication, for ready access by the public, of all subsidiary agreements under the Canada/Newfoundland General Development Agreement.
- (2) The release of joint public announcements regarding progress reports on the implementation of the projects under the agreements. This will include the awarding of all contracts under the agreement, and the release, where appropriate, of all reports produced as a result of the agreements. As well, it has been agreed that all related public addresses and personal interviews should clearly refer to the joint federal/-provincial nature of projects contained in the agreements.
- (3) The erection of signs identifying the construction of capital projects funded under subsidiary agreements; and the publication of joint tender notices for contracts to be awarded under the agreements.

- (4) The arrangement for official openings or inauguration of capital projects funded under the agreements.

Both governments have also agreed to adhere to the mechanisms which are established for the joint release of information, and to make every possible effort to avoid the release of information prematurely, or by persons unauthorized to do so.

To further refine and accelerate the process of implementing these measures on a timely basis, and to identify and pursue other public information opportunities under the agreements, efforts will be made to increase the level of coordination and cooperation on such projects between the public information office of DREE and the information service of the Provincial Government.

FORESTRY MANAGEMENT COMMITTEE

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HIGHWAYS 1974-75

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HIGHWAYS 1975-76

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HIGHWAYS 1976-78

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SPECIAL FISH PLANT WATER SYSTEM

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FISHERIES MARINE SERVICE CENTRE

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ST. JOHN'S URBAN REGION SUBSIDIARY AGREEMENT

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NORDCO MANAGEMENT COMMITTEE

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