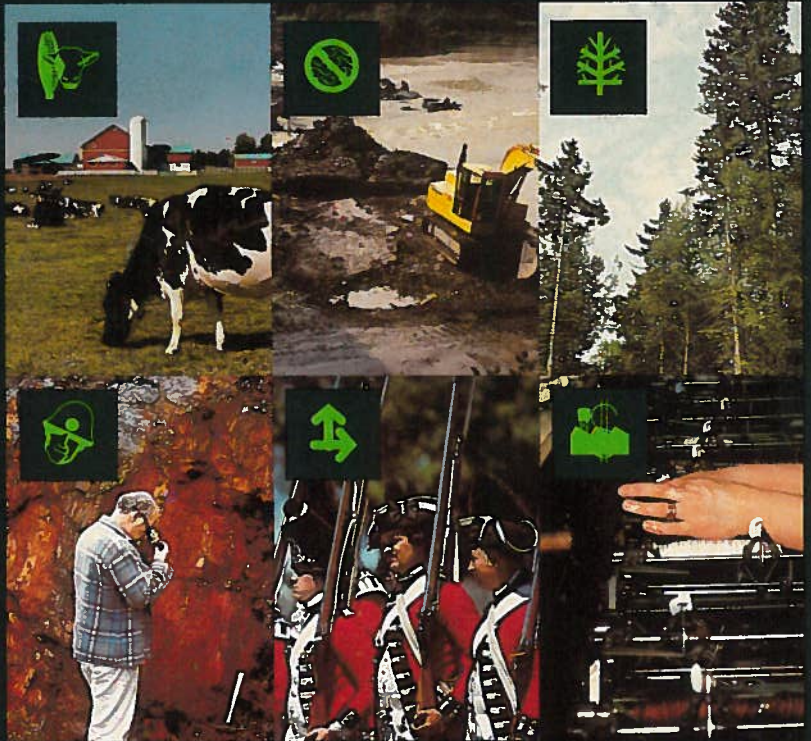


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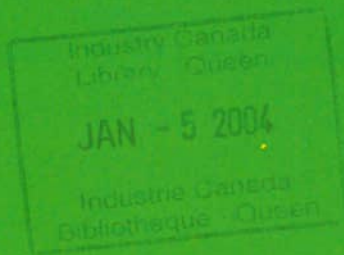
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# EASTERN ONTARIO DEVELOPMENT PROGRAM



*Jointly funded under the Eastern Ontario Subsidiary Agreement*





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## Eastern Ontario Development Program

Since December 1979, the governments of Canada and Ontario have been jointly operating a five-year, \$50 million economic development program designed to create jobs in eastern Ontario and to develop the region's vast natural resources.

Known as the Eastern Ontario Development Program, its main objectives are: to help stabilize, diversify and expand the economic base of the region; to assist in developing its natural resources while ensuring their long-term availability; and to stimulate and attract private investment.

The prime target of the program is the resource sector. Some 80 percent (\$40 million) of the funds are being allocated to developing the region's resource industries. Of this, \$14 million is earmarked for agriculture, \$9 million for water and land management, \$9 million for forestry, \$4 million for mining, and another \$4 million for tourism.

The remaining \$10 million has been allocated to provide incentive grants to a wide variety of small businesses.

Created through one of a series of 10 agreements subsidiary to the Canada-Ontario General Development Agreement of 1974, the Eastern Ontario program covers the counties of Hastings and Renfrew and all other counties lying to the east and south. The Regional Municipality of Ottawa-Carleton is covered by most parts of the program.

For the federal side, the Department of Regional Economic Expansion (DREE) is responsible for implementing the program. For the province, the lead is taken by the Ministry of Treasury and Economics, while the ministries of Natural Resources, Industry and Tourism, Agriculture and Food and Environment contribute their special expertise.

On the pages that follow, you will find descriptions of each of the program's six major elements, along with relevant background information. Additional details are available from the address listed at the back of this booklet.



# \$14 million in aid of more effective farming

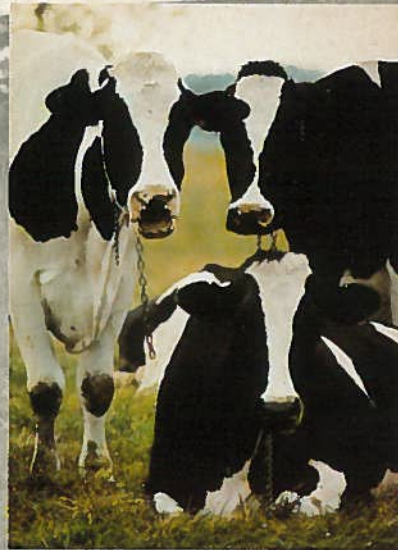
Farming is a major component of the Eastern Ontario economy, but many of the region's farmers have always had to struggle against several formidable obstacles: poor drainage, flooding, and the limitations of small-scale operations that place modern technology, management and marketing beyond their reach.

To help farmers here overcome these difficulties, the Eastern Ontario Subsidiary Agreement includes a \$14 million agriculture program: construction of outlet drains on farmland, at a cost of \$11 million; promotion of new technology and farming systems, on a budget of \$2 million; and a \$1 million scheme to improve farm marketing techniques.

The construction of drains is financed by means of subsidies to municipalities, which may either install new drains or make improvements to existing drains. There are two fundamental requirements: the installation must comply with The Ontario Drainage Act (1975), and the result must provide a measurable benefit to agriculture. The maximum grant available under this program is an amount equal to two-thirds of the cost assessed against the agricultural lands involved.

The purpose of the technology transfer program is to encourage the testing, demonstration and adoption of new technology on farms and in agricultural businesses. Included here are innovations in energy-saving systems, the development of new crops, improvements in livestock environment, improved soil management, waste recovery and farm management systems. Where monitoring equipment is required to evaluate projects that are beyond normal farm use, provision may be made for the purchase of the necessary equipment.

Ceilings have been placed on financial assistance in that: the testing of innovative technology and the demonstration of new technology are limited to 50 percent of the project costs, with maximum assistance of \$10,000 per project; a project to promote the wider adoption of proven technology or to facilitate the adoption of a revised farming



system may receive assistance of 25 percent of the project cost, to a maximum of \$5,000 per project; an in-depth on-farm testing project of research proven technology (with public- and private-sector bodies) may receive up to 100 percent assistance, to a maximum of \$50,000.

The farm development aspect of the program involves two forms of assistance: general farm development assistance for community farming projects, such as the acquisition and development of community pastures; and individual assistance to encourage participation in farm training and retraining, and in adapting farm records systems and other management systems to existing farms.

The portion of the agriculture program designed to improve marketing techniques provides financial aid to farmers and farm groups prepared to develop new and expanding local markets for agricultural products. The grants are available for either market studies or promotion.

# Water and land management for the South Nation River Basin

Every year, at the first sign of spring, farmers along one stretch of the South Nation River routinely move all their farm machinery to the second floor of their barns. That's how certain they are that their lands, once again, will be flooded.

Now help is on the way, however, as part of a comprehensive, \$9 million program of water and land management, including interim flood controls, plus studies to determine the most appropriate permanent solutions. The South Nation, which eventually drains into the Ottawa River, has a watershed of 1,500 square miles in eight counties south and east of the City of Ottawa.

The interim flood control projects consist of waterways upstream of the villages of Chesterville and Plantagenet. Chesterville lies at the downstream end of the area where the stowing away of farm machinery has become an annual ritual. Along this stretch of the South Nation, the land is so flat that it is impossible to cut channels deep enough to carry the flow across the plain, and the clay soil is too impervious to absorb much floodwater.

In another, 20-mile stretch of the river, where it passes through the communities of Lemieux, Riceville, Fournier and Plantagenet Station, flood problems are aggravated by outcrops of hard limestone that have not been eroded by the river. Consequently, the in-bank capacity of the river is sufficient only for the smallest floods.

To determine the best long-term measures to strengthen the economy of the South Nation River Basin, background studies are being carried out in regard to virtually all competing uses of the river and adjacent lands. These include agricultural crops and livestock, tile and drain facilities, forestry, residential, commercial and industrial development, fish and wildlife, cultural heritage, parks and recreation, sensitive ecological areas, and river bank stabilization.

To complement these studies, the authorities in charge are considering reports as well on surface water quantity, groundwater, surface water quality, socio-economics, environmental impacts, and the development of alternatives.

These studies, which are being carried out by the South Nation River Conservation Authority, will account for about \$1,850,000 of the \$9 million allocation. The other \$7 million is required for the interim flood controls. The conservation authority is paying 10 percent of the study cost, with the other 90 percent shared equally by the provincial and federal governments.

The final report resulting from the studies will recommend basic development and management plans for water and related land resources. It will also recommend policies, guidelines and technical means of mitigating the flood problems and maximizing agricultural development.



## Injecting new life into a proud old industry

A century ago, Eastern Ontario thrived on its forests. Its trees became the timbers of which the great ships of England and the United States were built. Its mills produced lumber to build burgeoning towns and cities.

Unfortunately, however, the principles of wise land use were yet to be developed. It was commonplace for farmers and logging operators to denude the landscape merely to suit their immediate needs. For some years after, the region's forestry potential was neglected. New generations of rural residents remained unaware of the possibilities for a strong forest industry. In the more enlightened atmosphere of recent years, reforestation has been given new emphasis, although much remains to be done. Many landowners have lacked the knowledge and the capital necessary to bring about vigorous rejuvenation of the maples, poplar, pines, cedar and spruce indigenous to the region.

Now, the prospects are better than ever, with the introduction of the \$9 million forestry program that is part of the Eastern Ontario Subsidiary Agreement. It's a program that consists of three sub-programs: the taking of forest inventory; the improvement of forests through planting and cutting practices; and improvements in the region's forest-industry technology coupled with the expansion of its markets for forest products.

Under the first sub-program, an inventory of the timber standing on the region's 11,200 square miles of forestland was taken in the summer of 1980. Some 80 graduate and undergraduate students trained and experienced in timber cruising gathered such essential data as the species, age, height and area of standing timber. This information was fed into a computer, to be permanently stored, regularly updated, and used as a data base for management planning and policy making.

For years, the forests were high graded at the expense of sound forest management, and the growth of the more valuable species became impeded by low-grade trees and "weed species", which are now to be culled under the second sub-program. Landowners will be encouraged through The Woodlands Improvement Act to undertake or permit planting, cleaning, thinning, pruning, sanitation cutting, intermediate cutting and windbreak establishment. This work will provide year-round jobs for professional, technical and semi-skilled workers in forest management.

Under the third sub-program, the forest industry will be assisted in upgrading its technology, widening the range of its products, and expanding its markets at home and abroad. This sub-program is intended to stimulate private investment by local and outside investors, and to enable the Eastern Ontario forest industry to replace present imports and penetrate markets outside the region.

The success of these three sub-programs in Eastern Ontario will result in a more dynamic and progressive forest industry that contributes significantly to the region's productivity, income and economic stability while creating and supporting many new jobs.



## A second, searching look at the region's minerals

A hundred years after the fact, there is a certain ironic symbolism connected with Ontario's first gold mine. It was discovered in the 1870s, it was called, predictably, El Dorado, and it was located a few miles north of Madoc, in Hastings County. Today, the most significant point to note about El Dorado is that it seemed like a real bonanza for Eastern Ontario—until discoveries that were apparently more exciting were made at Cobalt. The moment that happened, most of the miners picked up and made off from Hastings County, never to return.

That experience pretty well summed up the fate of the mining industry in Eastern Ontario until quite recently, when the spectacular rise in the price of gold made even the tiniest, most marginal gold deposit well worth a second look. And now, with the advent of the Eastern Ontario Development Program, the region is undergoing a thorough and systematic reassessment. The new work, budgeted at \$4 million, consists of six projects: geological surveys, mineral deposit studies, industrial mineral studies, aggregate resources assessment, a geophysical survey, and an engineering terrain valuation.

The objective of the geological surveys is to undertake Precambrian bedrock mapping in two areas. One is the Marmorata-Belmont area, which includes the site of that short-lived El Dorado mine. The other is a tract stretching across the northern part of Frontenac County and part of Lanark County, where there is potential for uranium, base metals and gold.

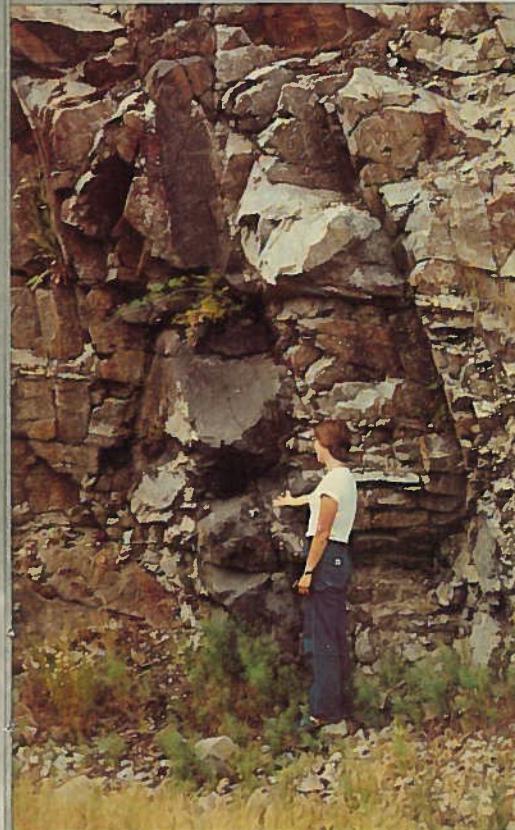
Although experience strongly indicates that gold mining will never become a major industry anywhere in Eastern Ontario, the mineral deposit studies initiated under the Eastern Ontario Development Program are fully expected to identify worthwhile ore bodies for gold, uranium, copper, lead and zinc.

The industrial mineral studies promise to lead to a modern revival of mining operations that were once conducted as a seasonal cottage industry by 19th century farmers who subsisted on marginal farming lands. These farmers augmented their agricultural incomes by extracting mica, feldspar and quartz from hand-dug excavations, as well as apatite, a phosphate mineral that they used on their lands.

With changing economics, many industrial mineral deposits, such as silica, calc, calcium carbonate (marble) and mica, now have the potential to become viable operations. This industrial mineral program is designed to identify some of these deposits.

One important result of the assessment of the region's aggregate resources will be to identify more fully the location and extent of construction materials so that such resources can be protected for future use, especially at sites where building development, such as housing subdivisions, might isolate them from extraction.

A geophysical exploration survey of potentially productive Precambrian rocks covered by younger, consolidated formations and glacial overburden will be undertaken, using a new type of airborne magnetometer called a gradiometer. This joint undertaking, between the Geological Survey of Canada and the Ontario Geological Survey, will be in conjunction with a transfer of technology from the federal government to the private sector.



An engineering terrain evaluation program, covering the whole region, will combine existing information with new field work to produce maps showing the location of deposits of aggregate and other construction materials, information on water supplies, potential sites for industrial waste disposal, transportation routes, and other land uses.

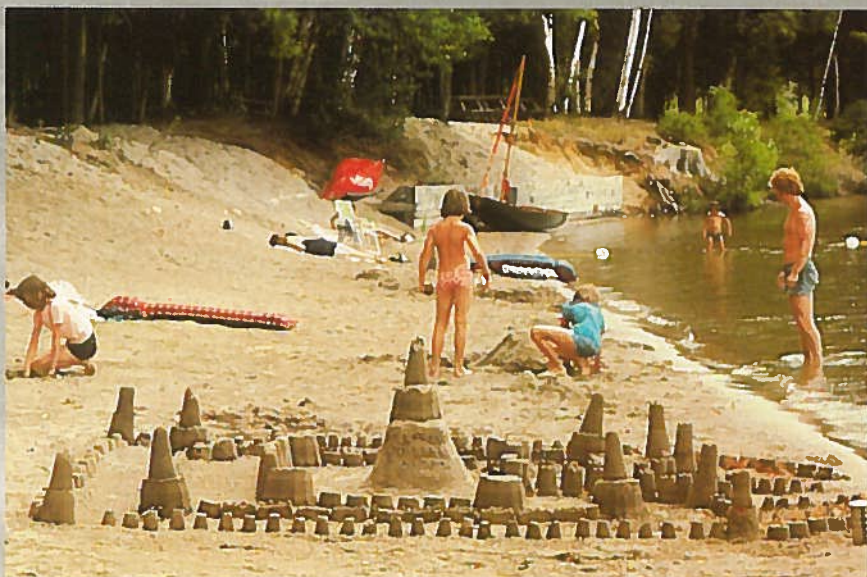


## Helping tourism keep up with the competition

No industry suited to Eastern Ontario offers greater potential for future growth and attractive revenue than tourism. The reason, of course, is that the region has its full share of attractions and advantages for visitors. Its scenery, its waterways, its countless miles of shoreline, its historic sites and national landmarks, its ski slopes, its abundant labour pool, its ready access by good highways, its proximity to large population centres — all these are factors that help spell success for Eastern Ontario's tourist business, now approaching a \$1 billion industry and generating employment for one eighth of the region's entire labour force.

Like most dynamic and competitive businesses, however, a tourist industry can hope to maintain its position in the marketplace only if it continues to expand and improve its attractions, with special attention to the public's changing patterns and demands. For example, there is an increase in the number of "mini-vacations" being taken, there is a growing demand for so-called "singles holidays," and, more than ever, older people have the money and the propensity to travel.

The energy situation and its impact on travel must also be taken into account. Studies show that vacationers will adjust their travel habits in various ways: by taking fewer trips; by traveling shorter distances; by switching from private automobile to various forms of mass transit; by travel-



ing to one destination per trip and remaining longer at that destination.

To increase its share of the tourism market while responding to those changing patterns and demands, the industry in Eastern Ontario must construct larger-scale, more efficient, high-quality, competitively priced tourist attractions, events, facilities and services that appeal to the contemporary traveler.



As part of the federal-provincial program, \$4 million has been allocated to provide financial assistance to feasibility studies, selected capital infrastructure, historical restoration and local costs associated with tourism development projects of regional significance.

Consideration is limited to proposals that will generate a significant level of economic and employment benefits, complement existing tourism facilities and comply with federal and provincial regulations relating to environmental protection.

Further information can be obtained from the Ministry of Industry and Tourism, 143 Parkedale Avenue, Brockville K6V 6B2.





## A big boost for small business

One important characteristic of the Eastern Ontario economy is the preponderance of small businesses, notably small manufacturing and service operations dependent on such primary resources as agriculture and forestry.

It was only natural, then, that one component of the Eastern Ontario Development Program would be a plan to infuse new capital into small, resource-related companies—firms that would use the money to the ultimate benefit of the region's economy as a whole.

The Small Business Incentives Program is a \$10 million scheme by which interest-free, forgivable loans are made available of all counties in the region. The rationale for the program is based on the fact that except in Ottawa-Carleton Region, which is not included in this program, economic growth in Eastern Ontario has lagged behind the growth in more densely populated urban regions of the province.

To be eligible for assistance under this program, a business must involve mining, quarrying, manufacturing, processing (which may include processing agricultural or forest products) or a related service industry.

The immediate aim is to help establish new businesses and to bring about modernization and expansion of existing small businesses.

The long-term goals are to create jobs and to make Eastern Ontario's small-business community more competitive with companies outside the region, so that local production can displace some goods and services now "imported" from other parts of Ontario and elsewhere.

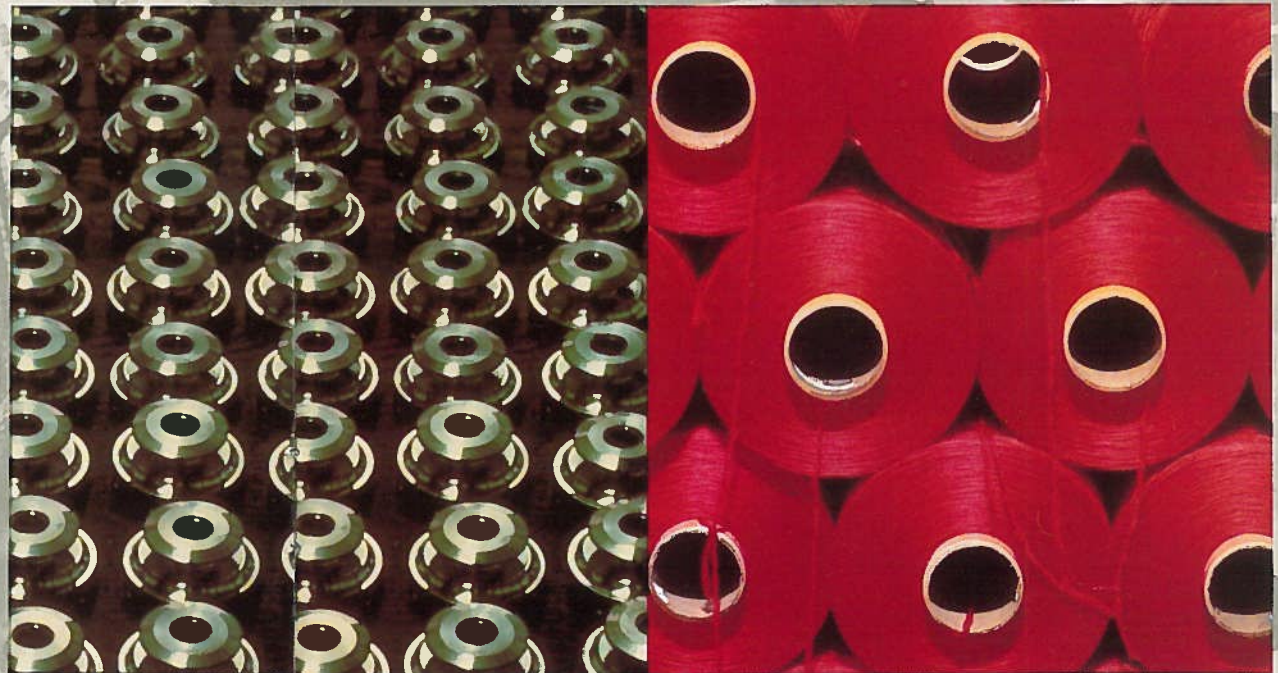
To ensure that the money goes into small businesses, no project proposed for assistance is considered if its total approved capital cost exceeds \$500,000. The amount of incentive for projects involving modernization or expansion is limited to 20 percent of the approved capital cost, to a maximum of \$100,000. For new facilities, the limit is 25 percent, also to a maximum of \$100,000.

Each applicant intending to enlarge or modernize an existing operation must own at least 20 percent of both the existing and the new fixed assets. Those proposing new facilities must hold equity worth at least 20 percent of all eligible costs.

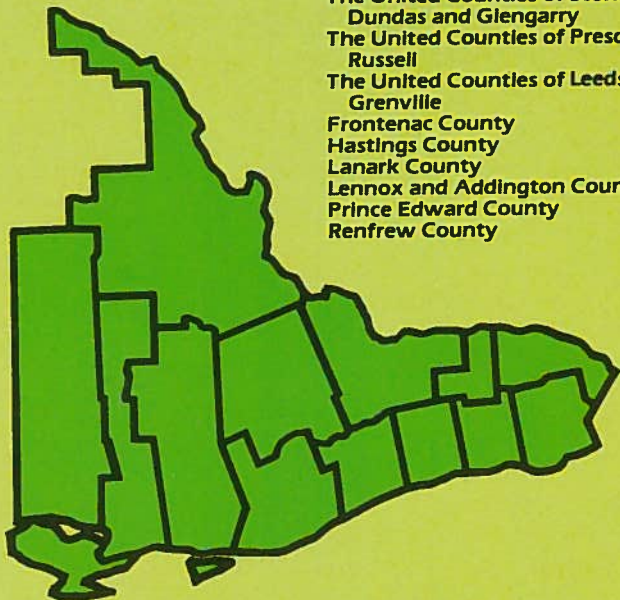
Provided that the terms and conditions of the program are met, each loan will be forgiven, in stages, over a three-year period. Twenty-five percent of the loan is forgiven at the end of the first year; another 25 percent after the second year; and the balance at the end of the third year.

As with most incentive programs of this kind, applications must be received while the project is in the planning stage, before any project commitments have been made.

Assistance is provided only for capital costs, not for operating expenses.



# **Assistance under the Eastern Ontario Subsidiary Agreement is available in this area:**



**The Regional Municipality of  
Ottawa-Carleton  
The United Counties of Stormont,  
Dundas and Glengarry  
The United Counties of Prescott and  
Russell  
The United Counties of Leeds and  
Grenville  
Frontenac County  
Hastings County  
Lanark County  
Lennox and Addington County  
Prince Edward County  
Renfrew County**

For further information on the Agreement or any of its programs, contact:

Secretary  
Management Committee  
Eastern Ontario Subsidiary Agreement  
Frost Building North, 6th floor  
Queen's Park  
Toronto, Ontario  
M7A 1Y7

