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Interim subsidiary  
agreement on  
Ontario northlands



Regional  
Economic  
Expansion

Expansion  
Économique  
Régionale

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CANADA/ONTARIO



JULY 7, 1975

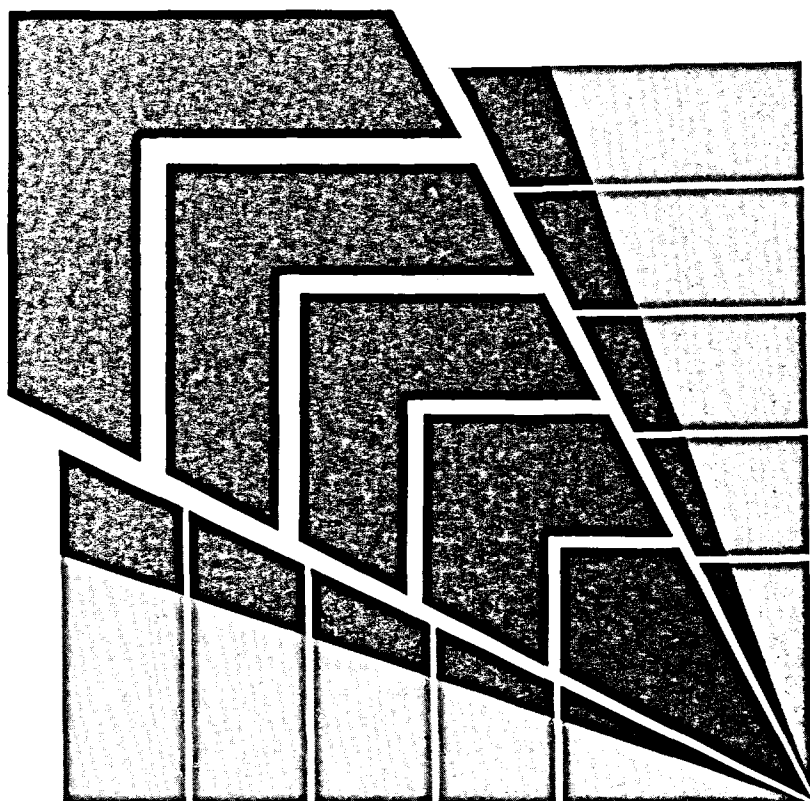
# interim subsidiary agreement on Ontario northlands



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Cat. No.: RE 24-1/1976

ISBN 0-662-00209-1

CANADA-ONTARIO  
INTERIM SUBSIDIARY AGREEMENT  
ONTARIO NORTHLANDS

THIS AGREEMENT made this seventh day of July, 1975

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  
ONTARIO (hereinafter referred to as  
"the Province"), represented by the  
Treasurer of Ontario and Minister of  
Economics and Intergovernmental Affairs

OF THE SECOND PART.

WHEREAS Canada and the Province have signed a General Development Agreement dated February 26, 1974, (hereinafter referred to as "the GDA"), under which they agree to cooperate jointly in selecting and implementing initiatives for the economic and socioeconomic development of Ontario;

AND WHEREAS the northern portion of Ontario is, in socioeconomic terms, a disadvantaged and underperforming region of Ontario;

AND WHEREAS this region requires certain measures to provide the residents with meaningful options and opportunities to contribute to and participate in economic development through:

- (a) an improvement in opportunities for productive employment and access to those opportunities; and
- (b) the sustainment of existing productive employment opportunities;

AND WHEREAS this region requires certain measures to realize its development potential;

AND WHEREAS the objectives of the GDA reflect a commitment to encourage socioeconomic development in those areas of Ontario requiring special initiatives to permit residents to contribute to and participate in the benefits of economic development;

AND WHEREAS the Governor in Council by Order in Council P.C. 1975-11/568 of the 11th day of March, 1975, 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 O.C. 706/75 of the 12th day of March, 1975, has authorized the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

#### DEFINITIONS

1. In this Agreement:

- (a) "eligible cost of the project" means those costs defined in subsection 5(1);
- (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 1 of any year and terminating on March 31 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 purpose of the GDA;
- (e) "Management Committee" means the committee referred to in subsection 6(1);
- (f) "Ministers" means the Federal Minister and the Provincial Minister;
- (g) "project" means any specific project which, by itself or together with other projects, as provided for in section 4 and Schedule "A" to this Agreement, benefits the residents of Ontario's Northlands;
- (h) "Provincial Minister" means the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs and includes anyone authorized to act on his behalf; and
- (i) "Subsidiary Agreement" means an agreement made pursuant to section 6 of the GDA.

## BACKGROUND

2. (1) The Ontario Northlands as defined by this Agreement is not a "region" in the traditional sense, but is rather a geosocioeconomic area which extends beyond the primate and strategic centres designated pursuant to the Province's Design for Development Program. It covers portions of several physiographic regions and is characterized by a community of human, social and economic factors that are unique to the Northlands. Relative underdevelopment, lack of standard services (social and physical), remoteness, human enclaves in a vast hinterland and high costs provide some of the basic characteristics for a regional concept.
- (2) The area selected for assistance under this Agreement contains a substantial group of socially and economically disadvantaged people isolated from the mainstream of provincial, social and economic life by barriers such as geography, low levels of educational attainment and poverty. A significant portion of this population is of "native ancestry" which in the past could depend on a natural environment for its livelihood, either by living off the land or by selling fish and furs.
- (3) Due to a general lack of knowledge on how to cope with modern health and living problems, many of these people live under appalling physical conditions. Their traditional life style is fast disappearing and too many of those affected do not have the opportunity, or are ill-prepared, to participate in the economic development of Ontario's Northlands.

## PURPOSE AND OBJECTIVES

3. (1) This Agreement provides for the joint participation of the Province and Canada in projects directed towards the attainment of the objectives of the GDA, including the reinforcement of the general policies and priorities of the Province relating to regional development.
- (2) Although the projects under this Agreement are of an interim nature, they represent a commitment in principle to a broad approach applying to all of Northern Ontario and consisting of mutually reinforcing social and economic elements at once supportive of economic activity and contributing directly to an improvement in the quality of life in the region.
- (3) Subject to subsection 3(2), Canada and the Province have the intention of entering into a long-term Ontario Northlands Subsidiary Agreement to provide the area with a comprehensive and coordinated development strategy which will benefit the

residents of the Ontario Northlands by facilitating their participation in the region's economic development pursuant to the objectives and strategy set forth in the GDA designed to achieve the objectives listed below:

- (a) To increase net employment opportunities in the region;
  - (b) to increase the quantity of economic activity sponsored locally;
  - (c) to provide options and opportunities for residents to participate more fully in the development of the region's potential; and
  - (d) to improve the environment of the region so as to better the quality of life available to the local population.
- (4) While the long-term Agreement is being negotiated, the Province and Canada will jointly finance a limited number of short-term projects, specified in section 4, which will contribute to the achievement of the agreed upon long-term objectives and strategy.
- (5) As part of the assessment of the contents of the proposed long-term Ontario Northlands Subsidiary Agreement, the people which this Agreement is intended to benefit will be consulted and consideration will be given to their views, desires and aspirations.

#### SUBJECT MATTER

4. (1) Schedule "A" attached to and forming part of this Agreement specified the costs and lists the short-term projects, some of which are experimental, which the Province will arrange to have carried out under this Agreement. The projects can be described as follows:
- (a) As a pilot project, provision of life skills courses designed to improve the social functioning of individual residents. The content of each course will be determined by the participants and may include interpersonal skills, family life, handyman skills, civic responsibilities, personal finances and law. These courses complement those of the Federal Department of Manpower and Immigration in that they will provide participants with the essential life skills and preparatory socioeconomic information needed to allow them to cope with and benefit from the present ongoing manpower training programs.

For the purpose of receiving advice and exchanging information with respect to this project, a Liaison Committee composed of representatives of interested Federal and Provincial Departments and Ministries will be convened.

- (b) As a pilot project, provision of indigenous teaching homemaker services aimed at improving the skills of area residents in such fields as the preparation of food, family budgeting and sanitation. This project will assist families and communities to cope with a change in life style and to take advantage of opportunities for participation in the benefits from economic development of the Northlands. These services may be provided to a number of communities in conjunction with the housing programs of the Ontario Housing Corporation. The provision for a Liaison Committee in (a) above applies with respect to this project.
  - (c) Development of camping and canoeing facilities along a portion of the English River. The preparation and operation of these facilities will provide a supplementary source of income to local residents.
  - (d) A study to identify regional manpower surpluses and shortages, determine manpower skill availability, examine migration patterns and assess manpower skill requirements. This study should make it possible to devise regional manpower adjustment programs aimed at easing individual adjustments and developing manpower and skill requirements in the prime and strategic centres of Northern Ontario. For the purpose of receiving advice and exchanging information with respect to this project, a Liaison Committee composed of representatives of interested Federal and Provincial Departments and Ministries will be convened.
  - (e) Evaluation of projects described in (a), (b) and (c) above carried out under this Agreement and analysis of additional projects for possible inclusion in the proposed long-term Ontario Northlands Subsidiary Agreement.
- (2) The foregoing development undertakings are intended to contribute to the achievement of the objectives stated.
  - (3) The Province shall arrange for the takeover and acquisition of all land and interests in land, supplies and equipment required for projects under this Agreement.



- (4) Unless the Federal Minister otherwise agrees, Canada will not be responsible for any expenditures incurred after the expiry date of this Agreement, nor will Canada pay any claim which is not received within twelve months after the said expiry date.

#### FINANCIAL PROVISIONS

5. (1) The eligible costs to be financed or shared equally under this Agreement by Canada and the Province in respect of the projects in Schedule "A" shall consist of:
- (a) Gross salaries and wages and the employer's share of contributions for the Canada Pension Plan and Unemployment Insurance as well as reasonable travel and relocation expenses incurred in accordance with applicable provincial travel and relocation policies and directives for staff employed on a contract basis as determined by the Management Committee,
  - (b) the costs of external services obtained pursuant to subsection 9(2), and
  - (c) other specific direct costs as approved by the Management Committee;
- but shall not include:
- (d) costs that would normally accrue to the Province with respect to activities under this Agreement, even if this Agreement were not in existence,
  - (e) costs with respect to such staff, services and facilities as are already in existence within the Government of Ontario, and
  - (f) costs for accommodation in Ontario Government buildings, or for Ontario Government telephone and utilities systems and services.
- (2) Unless otherwise agreed by the Ministers, the eligible costs of each project shall be limited to the estimated costs specified in Schedule "A".
- (3) If, at any stage of a project, it appears to the Province that the costs thereof will exceed the estimated costs specified for any project in Schedule "A", the Province shall promptly so inform the Management Committee and state the reasons for such increase.

- (4) Upon being so informed, the Management Committee shall consider the circumstances which have contributed to the increase in the estimated costs and shall prepare and present a report and recommendations to the Ministers in respect of the action proposed to be taken. The Report of the Management Committee shall include the following:
- (a) A statement of the amount by which the estimated costs are exceeded;
  - (b) a statement of the reasons why the estimated costs are exceeded;
  - (c) a recommendation as to whether or not the amount by which the estimated costs are exceeded should be adjusted between the parties;
  - (d) a recommendation as to the costs or the proportion of the costs to be paid by each party where an adjustment is to be made; and
  - (e) such further information or recommendations as may be necessary to determine the action proposed to be taken.
- (5) Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement with respect to the projects listed in Schedule "A" shall be fifty per cent (50%) of the total eligible costs but shall not exceed \$213 750.
- (6) Subject to the approval of the Federal Minister, costs incurred on approved programs and projects by either party are eligible if incurred within twelve months prior to the date of this Agreement.

#### ADMINISTRATION AND MANAGEMENT

6. (1) Each of the Ministers shall designate one or more senior representatives to be responsible for the administration of this Agreement. These representatives shall constitute the Management Committee. There shall be an equal number of representatives from each of the two parties to this Agreement on the Management Committee. The functions of this Committee shall be to oversee the implementation of the projects specified in section 4 and to fulfil the responsibilities identified for the Management Committee elsewhere in this Agreement. The Federal Minister and the Provincial Minister shall respectively appoint one Federal and one Provincial official from the members of the Management Committee to act as a co-chairman.

- (2) The Management Committee shall submit for the approval of the Ministers annually, and no later than September 1, an assessment of the progress made in implementing this Agreement, together with the projected budget required for the subsequent fiscal year.
- (3) The Management Committee shall assist in the planning leading toward the long-term Ontario Northlands Subsidiary Agreement.
- (4) With reference to clause 4(1)(d), to ensure joint management of the Manpower Adjustment Study, the Management Committee shall establish a subcommittee whose responsibility it shall be to manage and direct the manpower studies. The Liaison Committee shall coordinate with the subcommittee, and the subcommittee shall report through the Management Committee.
- (5) Canada and the Province agree to provide the Management Committee with all information necessary for the performance of its functions.

#### PAYMENT PROCEDURES

7. (1) Payments by Canada shall be promptly made to the Province on the basis of progress claims setting out the costs actually incurred and paid for projects, and submitted in a form and verified in a manner satisfactory to the Federal Minister.
- (2) (a) In order to assist in the interim financing of Canada's share of the programs, Canada shall, if the Province so requests, make an interim payment for the amount of funds required for the remainder of the quarter of the fiscal year in which a project is approved, based on a forecast of the cash requirements for that quarter prepared by the Province and approved by the Management Committee in a form satisfactory to the Federal Minister.
- (b) In each subsequent quarter, a further interim payment shall be made to finance Canada's share of expenditures in the quarter in connection with approved projects upon request by the Province submitted in a form satisfactory to the Federal Minister and approved by the Management Committee, based on a forecast of the cash requirements for the quarter taking into account the status of the previous quarter's interim payment.
- (c) The Province shall account for each such interim payment by promptly submitting to Canada by no later

than the end of the following quarter detailed claims covering the costs actually incurred and paid, verified in a manner satisfactory to the Federal Minister. Any discrepancy between the amounts paid by Canada by way of interim payments and the amounts actually payable by Canada shall be promptly adjusted between Canada and the Province.

- (d) No interim payment shall be made in a subsequent fiscal year until the interim payments made in the previous fiscal year have been accounted for.

#### TERMINATION

- 8. This Agreement shall terminate on August 31, 1977. All projects shall be completed by March 31, 1976, with the exception of the Manpower Adjustment Study described in clause 4(1)(d) and the evaluation project described in clause 4(1)(e) herein, which shall be completed by the above-mentioned termination date.

#### PLANNING AND DESIGN

- 9. (1) The Management Committee shall establish the definition of each project with the purpose of identifying the work to be financed.
- (2) Any "major" purchase of external services shall be defined and the related selection procedure shall be approved by the Management Committee.

#### IMPLEMENTATION

- 10. (1) (a) All substantive amendments to "major" contracts shall require the prior approval of the Management Committee.
- (b) Any member of the Management Committee or his representative shall be permitted to inspect any project records at all reasonable times for the purpose of verifying progress claims and obtaining any other information concerning the project which may be required by the Federal Minister or the Provincial Minister.
- (c) The Province shall forward to the Management Committee reports on the progress of the work done under this Agreement in such detail and at such times as may be required by the Management Committee.

- (d) The Province shall ensure that proper and accurate accounts and records relating to each project are maintained and shall be responsible for auditing and certifying the costs of the projects for the purpose of progress claims in respect of projects undertaken.
- (2) Subject to the express provisions of subsection 5(6), contracts and purchases made and work done prior to the date of this Agreement in respect of projects listed in Schedule "A" may be accepted as complying with the provisions of this Agreement if they are consistent with the provisions of the GDA and if they are approved in writing by the Federal Minister on the recommendation of the Management Committee.
- (3) Canada and the Province agree to cooperate in the development and implementation of a suitable program of public information respecting the implementation of the projects under this Agreement.
- (4) Any public announcement of the measures covered by this Agreement, and any official opening ceremony for a project outlined in Schedule "A", shall be arranged jointly by the Ministers.
- (5) Any public statement of measures covered by this Agreement, their development, funding or implementation shall contain an acknowledgement of the joint federal-provincial nature of the project in a form which is satisfactory to both Ministers.

#### CONDITIONS OF EMPLOYMENT

- 11. The following conditions relevant to employment and the award of contracts shall apply in respect of all projects carried out under this Agreement:
  - (a) Recruiting of labour shall be conducted through the Canada Manpower Centres unless the Management Committee decides otherwise in which case it shall give approval to the recruitment procedures employed;
  - (b) in the employment of persons on a project, there shall be no discrimination by reason of race, sex, age, marital status, national origin, colour, religion or political affiliation; and
  - (c) the provisions of the Labour Standards Arrangement proposed by the Federal Department of Labour in 1970 shall be applicable to this Agreement, it being understood and agreed that to the extent that there are higher provincial standards

applicable to particular occupations or regions, these higher provincial standards shall apply. In the aforesaid Labour Standards Arrangement the following provisions are regarded as minimum requirements:

- (i) rates of pay prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation;
- (ii) in building construction, time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 48 per week;
- (iii) in road and heavy construction, time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 50 per week;
- (iv) labour conditions to be specified in all tendering documents and to be posted conspicuously in the work place.

#### EVALUATION

12. Upon execution of this Agreement, Canada and the Province shall commence a joint assessment of the projects listed in Schedule "A" having regard to the objectives of both this Agreement and the GDA. A progress report shall be submitted through the Management Committee to the Ministers on or before their annual meeting as prescribed in subsection 9.1 and section 10 of the GDA. The evaluation process shall be completed within twelve months of the termination date specified in section 8.

#### AMENDMENTS

13. This Agreement, and Schedule "A" thereof, may be amended from time to time by the Ministers in writing. It is expressly understood and agreed, however, that any amendment to subsection 5(5) shall require the approval of the Governor in Council.

#### GENERAL

14. The provisions of the GDA shall apply to this Agreement, it being specifically agreed, without affecting the generality of the foregoing, that no member of the House of Commons or the Legislative

Assembly of Ontario shall be admitted to any share or part of any contract, agreement, or commission made pursuant to this Agreement, or to any benefit to arise therefrom.

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 Treasurer and Minister of Economics and Intergovernmental Affairs.

In the Presence of:

GOVERNMENT OF CANADA

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of  
Regional Economic Expansion

GOVERNMENT OF THE PROVINCE  
OF ONTARIO

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Treasurer of Ontario and  
Minister of Economics and  
Intergovernmental Affairs

CANADA-ONTARIO  
INTERIM SUBSIDIARY AGREEMENT  
ONTARIO NORTHLANDS

SCHEDULE "A"

<u>Project Description</u>	<u>Estimated Cost of Project</u> \$
1. <u>Life Skills</u>	
Provide life skills courses to improve social functioning of individual residents.	62 500
2. <u>Teaching Homemaker Skills</u>	
Improve skills of area residents in such fields as preparation of food, family budgeting and sanitation.	21 000
3. <u>Recreation Area</u>	
Develop camping and canoeing facilities.	34 000
4. <u>Identification of Manpower Adjustment Study</u>	
Study to identify regional manpower surpluses and shortages, skill and availability.	260 000
5. <u>Evaluation</u>	
Evaluate projects carried out under this Interim Sub-Agreement.	50 000
TOTAL	<u><u>427 500</u></u>



