

QUEEN
HC
117
.N4
S85
1977

subsidiary
agreement

INDUSTRY, SCIENCE
AND TECHNOLOGY CANADA
LIBRARY

APR 29 1992

BIBLIOTHÈQUE
INDUSTRIE, SCIENCES
ET TECHNOLOGIE CANADA



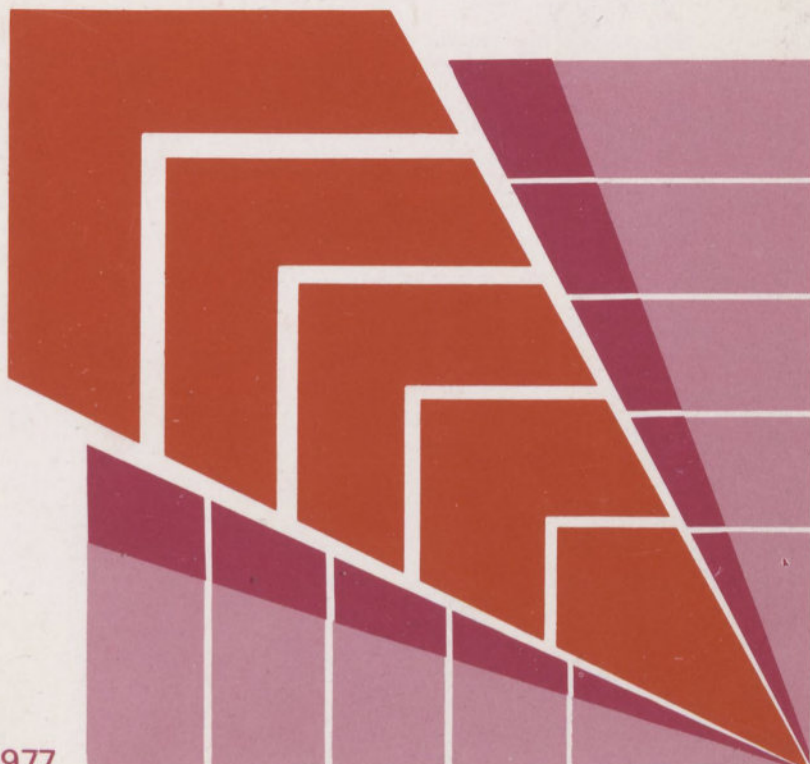
Government
of Canada
Regional
Economic
Expansion

Gouvernement
du Canada
Expansion
Économique
Régionale

DREE - TORONTO
LIBRARY

CANADA/NEW BRUNSWICK

NORTHEAST



JUNE 23, 1977

subsidiary agreement



Government
of Canada

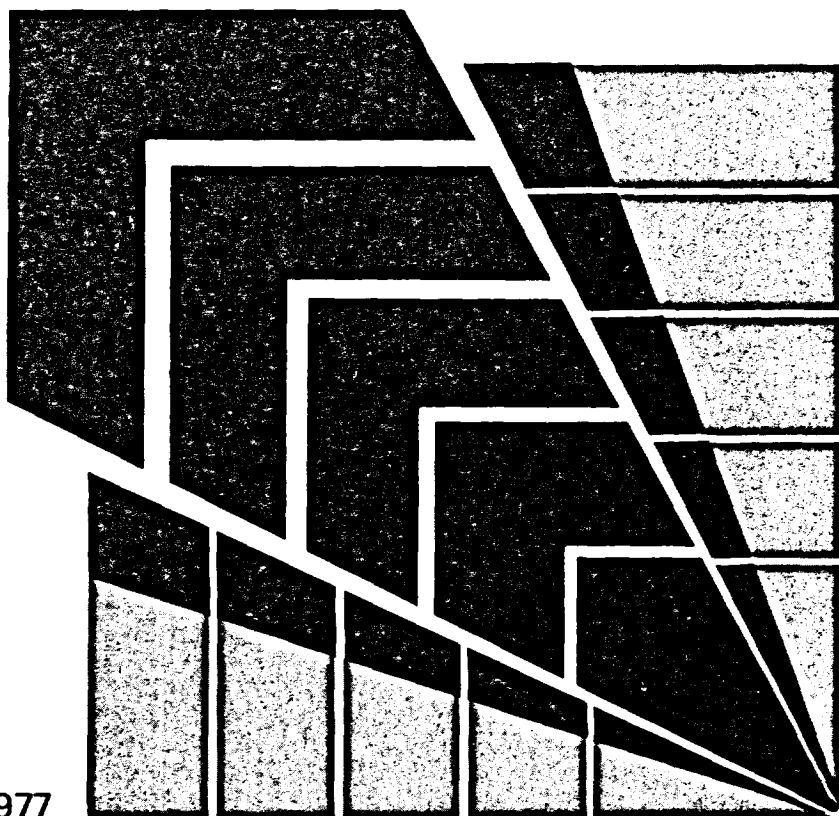
Regional
Economic
Expansion

Gouvernement
du Canada

Expansion
Économique
Régionale

CANADA/NEW BRUNSWICK

NORTHEAST



JUNE 23, 1977

• Minister of Supply and Services Canada 1977
Cat. No.: RE24-10/1977
ISBN— 0-662-01277-1

CANADA - NEW BRUNSWICK
SUBSIDIARY AGREEMENT
NORTHEAST NEW BRUNSWICK

THIS AGREEMENT made this 23rd day of June, 1977

BETWEEN:

THE GOVERNMENT OF CANADA (hereinafter referred to as "Canada"), represented herein by the Minister of Regional Economic Expansion,

OF THE FIRST PART,

AND:

THE GOVERNMENT OF THE PROVINCE OF NEW BRUNSWICK (hereinafter referred to as "the Province"), represented herein by the Premier of New Brunswick,

OF THE SECOND PART.

WHEREAS Canada and the Province signed a General Development Agreement dated April 23, 1974 (hereinafter referred to as "the GDA"), to achieve the objectives stated in section 3 thereof;

AND WHEREAS in pursuit of these objectives, Canada and the Province have agreed to seek to achieve a coordinated application of relevant federal and provincial policies and programs through the process of identifying development opportunities and assisting in their realization through the coordinated and concentrated application of relevant federal and provincial programs, including the provision of specialized measures required for such realization;

AND WHEREAS Canada and the Province have agreed that the human and natural resources of the northeast region (defined as Gloucester and Restigouche Counties and Alnwick Parish in Northumberland County) are substantially under-utilized and that supplemental measures are required if the region is to achieve its development potential, and that Canada and the Province will undertake a development program for the northeast region;

AND WHEREAS the Governor in Council by Order in Council P.C. 1977-1697 of the 21st day of June, 1977 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 No. 77395 of the 25th day of May, 1977 has authorized the Premier of New Brunswick to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto do mutually agree as follows:

DEFINITIONS

1. In this Agreement:

- (a) "capital project" means any specific project, as determined by the Management Committee, in which construction or activities related to construction are involved;
- (b) "eligible cost" means those costs defined in section 5;
- (c) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
- (d) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;
- (e) "initiative" means the subject matter of this Agreement and includes any program, project or other activity designed to implement the objectives of the GDA;
- (f) "Management Committee" means the committee referred to in section 8;
- (g) "Ministers" means the Federal Minister and the Provincial Minister;
- (h) "program" means a series of specific, related, individual activities;
- (i) "project" means a specific activity forming a self-contained unit within a program; and
- (j) "Provincial Minister" means the Premier of New Brunswick and includes anyone authorized to act on his behalf.

OBJECTIVES, PURPOSE AND SUBJECT MATTER

2. (1) Pursuant to section 3 of the GDA, the objectives of this Agreement are to enable Canada and the Province to jointly participate in measures directed toward the improvement of the long-term well-being and standard of living of residents of Northeast New Brunswick through the increased application of federal and provincial programs which improve the utilization of human and physical resources and accelerate development. The programs of this Agreement will be aimed at the creation of employment, earned income and economic activity.
 - (2) Pursuant to the objectives stated in sub-section (1), contributions may be made to accelerate the realization of development opportunities wherever they may exist, through the application of supplementary federal and provincial resources. Development opportunities include activities which offer increases or improvements in viable employment (year-round, seasonal and self-employment), and earned income. The development strategy will concentrate on the identification and realization of development opportunities in all sectors, including the primary industries, resource processing industries, secondary manufacturing and the service sector.
 - (3) Schedule "A" attached to and forming part of this Agreement contains details of the program and projects identified for implementation.
 - (4) Schedule "B" contains background, the development strategy and rationale for the programs and projects.
3. (1) The Province shall take over, or arrange to be taken over, on completion, each capital project undertaken under this Agreement and shall accept full responsibility for its operation, maintenance and repair, except in cases where other federal-provincial arrangements may apply.
 - (2) The Province shall arrange for the takeover and acquisition of all lands and interests in lands that are required for program implementation.
 - (3) It is understood and agreed that where a project under this Agreement is to be undertaken by a municipality or other institution or agency under provincial jurisdiction, such arrangements as are necessary with respect to such undertakings shall be the responsibility of the Province.
4. No program or project shall be approved after the expiry date of this Agreement and, unless the Federal Minister otherwise agrees, no claim made in respect of any program or project or parts thereof under this Agreement shall be paid unless it is received by Canada within one year following the said expiry date.

5. (1) Subject to sub-section (3), the eligible costs of capital projects to be financed or shared under this Agreement in respect of the capital projects or portions thereof listed in Schedule "A" are:
 - (a) all direct costs, including those relating to public information that in the opinion of the Management Committee have been reasonably and properly incurred by the Province for the implementation of the capital projects, but excluding administrative, survey, engineering and architecture costs; and
 - (b) ten per cent (10%) of the costs pursuant to paragraph (a) as an allowance towards the exclusions specified therein.
- (2) Subject to sub-section (3), the eligible costs of non-capital projects to be financed or shared under this Agreement in respect of the projects or portions thereof listed in Schedule "A" are:
 - (a) all costs reasonably and properly incurred by the Province under all contracts entered into in accordance with this Agreement by the Province with any person or corporation for the acquisition of equipment or the performance of work or services for the execution of the project; and
 - (b) the gross salaries, employer's share of contributions for Canada Pension Plan and Unemployment Insurance, and reasonable travel and removal expenses in accordance with applicable provincial regulations of those field personnel determined by the Management Committee to be or to have been engaged in the implementation of projects; provided that such costs for field personnel, as determined by the Management Committee, are incremental to the Province and are in addition to such staff, services and facilities as are normally available or already in existence within the Province, it being expressly understood and agreed that costs for accommodation in provincially-owned buildings and costs for regular provincial telephone and other utility systems and other services shall be excluded, except as otherwise agreed by the Management Committee.
- (3) The costs to be shared by Canada do not include any costs relating to the acquisition of lands or interests in lands, or costs arising from conditions of acquisition, except where otherwise specified in Schedule "A".

- (4) Subject to the approval of the Management Committee, costs incurred for approved programs and projects listed in Schedule "A" may be accepted as eligible under this Agreement if incurred on or after April 1, 1977.
6. Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement with respect to the programs listed in Schedule "A" shall not exceed seventy-five per cent (75%) of the total eligible costs up to an amount of \$67 175 000.
7. (1) Unless otherwise agreed by the Ministers, the eligible costs of each program shall be limited to the estimated total costs specified in Schedule "A".
- (2) If, at any stage of a program or project, it appears to the Province that the costs thereof will exceed the estimated costs specified in Schedule "A", the Province shall promptly so inform the Management Committee and state the reasons for such increase.
- (3) Upon being 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 if adjustments in program costs are required.
8. (1) Canada and the Province shall, through the Ministers, appoint a Management Committee consisting of an equal number of representatives of each party.
- (2) The Management Committee shall be responsible for the overall management of this Agreement and, in particular, for the following:
- (a) approval of all programs and projects necessary for the implementation of this Agreement;
 - (b) submission for the approval of the Ministers annually, and no later than September 1, of the projected budget required for the subsequent fiscal year;
 - (c) coordination of all cost-shared programs and projects under this Agreement;
 - (d) modifications necessary in the course of the fiscal year within the annual budget following its approval by Canada and the Province;
 - (e) reporting to the Ministers its evaluation of the progress of this Agreement and its recommendations with respect to the progress of implementation;

- (f) establishing at its discretion, in order to facilitate implementation, advisory, coordinating or steering committees, including regional implementation committees, consisting of representatives of the departments and agencies of Canada and the Province involved in the implementation of programs and projects under this Agreement;
 - (g) applying the procedures specified in section 12;
 - (h) recommending to the Ministers amendments to be made to this Agreement;
 - (i) performing any other functions that may be assigned to it by the parties hereto; and
 - (j) providing to the officials designated under sub-section 9.2 of the GDA such information and advice as they may determine to be necessary for the performance of the functions assigned to them under the GDA by the Ministers designated therein.
- (3) (a) Except as otherwise specified in this Agreement or agreed by the Management Committee, the Province shall be responsible for operational program and project development and, under the overall supervision of the Management Committee, for implementing all cost-shared programs under this Agreement, and shall also ensure the provision of the staff and administrative machinery for the implementation of programs and projects under this Agreement assigned to the Province.
- (b) The Province, through its representation on the Management Committee, shall be responsible for liaison and program coordination between the agencies of the Province administering the programs included in this Agreement or whose activities affect the implementation of this Agreement.
- (4) The Department of Regional Economic Expansion, through its representation on the Management Committee, shall be responsible for liaison and program coordination between the agencies of Canada administering the programs included in this Agreement or whose activities affect the implementation of this Agreement.

PAYMENT PROCEDURES

9. Subject to section 10, payments by Canada shall be made promptly to the Province on the basis of provincially-audited progress claims setting out the eligible costs incurred in a form and verified in a manner satisfactory to the Federal Minister.

10. (1) In order to assist with the interim financing of programs and projects, Canada may, if the Province so requests, make interim payments to the Province of one hundred per cent (100%) of Canada's share of claims submitted, based on estimates of costs actually incurred, certified by a senior officer of the Province.
 - (2) The Province shall account for each interim payment by submitting to Canada, within the quarter following such payment by Canada, a detailed statement of the actual costs 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 paid by the Province shall be promptly adjusted between Canada and the Province.
11. Payment of claims under sections 9 and 10 shall be augmented by ten per cent (10%) for capital projects as provided for in paragraph 5 (1) (b).

IMPLEMENTATION PROCEDURES

12. The financing by Canada of the programs and projects listed in Schedule "A" is conditional upon the following procedures being observed in the implementation of each of the programs and projects:

A - Capital Projects (Cost Exceeding \$20 000)

- (1) Definition

The Management Committee shall establish a definition of the project for the purpose of identifying the work to be financed.

- (2) Tenders and Contract Awards

- (a) Unless the Management Committee otherwise agrees, all construction, purchase and other contracts shall be reviewed by the Management Committee and shall be let pursuant to tenders invited by public advertisement acknowledging the financial participation of the parties hereto;
- (b) opening of all tenders shall be public and the Management Committee shall be supplied with copies of each advertisement for tender together with notice of the time and place for tender opening, in sufficient time to enable any member of the Management Committee or his representative to be present at all tender openings and to participate in the evaluation of tenders;

- (c) all contracts shall be awarded to the responsible and responsive tenderer who submitted the lowest evaluated bid, unless otherwise agreed by the Management Committee; and
- (d) all announcements of contract awards shall be made jointly by Canada and the Province.

(3) Construction and Implementation

- (a) All substantive amendments to 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 the project 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 and the Provincial Minister; and
- (c) the Province shall forward to the Management Committee a report as to the progress of the work, in such detail and at such time as may be required by the Management Committee.

B - Non-capital Projects

(1) Definition

The Management Committee shall establish a definition of the project for the purpose of identifying the work to be financed, outlining the work program, method of implementation, types of services to be employed, equipment and materials required and estimates of cost.

(2) Implementation

- (a) All contracts for professional services in excess of \$25 000 shall be awarded and supervised in accordance with procedures to be established by the Management Committee, unless in its opinion it is impractical to do so;
- (b) reports produced by consultants or resulting from projects under this Agreement shall become the property of both parties hereto; and
- (c) the Province shall forward to the Management Committee a report as to the progress of the work, in such detail and at such time as may be required by the Management Committee.

PUBLIC INFORMATION

13. (1) Canada and the Province agree to cooperate in the development and implementation of a joint program of public information respecting implementation of projects under this Agreement, and further agree to supply, erect and maintain on the direction of the Management Committee:
- (a) during the course of construction of capital projects, a project sign or signs in both official languages, specifying that the relevant project is a Canada-New Brunswick Regional Development Project, financed by contributions from the Department of Regional Economic Expansion of the Government of Canada and the Government of the Province of New Brunswick or such other wording to the like effect as may be agreed upon by the Ministers; and
 - (b) where relevant upon completion of each project, a permanent sign or plaque to the effect set forth in (a).
- (2) Any public announcement of the measures covered and of the products generated by this Agreement, as well as any official opening ceremony for the project under this Agreement, where such ceremony is indicated and appropriate, shall be arranged jointly by the Ministers.

RECORDS AND AUDIT

14. Each of the parties hereto shall keep detailed and accurate accounts and records of its expenditures in respect of all programs and projects, the cost of which is to be shared between them under this Agreement, 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 adjusted by means of subsequent progress claims.

GENERAL

15. (1) The provision of financing by Canada and the Province for the implementation of programs under this Agreement is subject to the Parliament of Canada and the Province having provided funds for such financing for the fiscal year in which such financing is required.
- (2) No member of the House of Commons or of the Legislative Assembly of New Brunswick 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.

- (3) Any dispute between the parties hereto on any question of law or fact arising out of this Agreement shall be submitted to and determined by the Federal Court of Canada pursuant to the Federal Court Act of Canada.
- (4) Where one party hereto is responsible for the implementation of a cost-shared program or project 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 program or project, except as such claims or demands relate to the act or negligence of any officer, employee or agent of the other party.
- (5) This Agreement shall terminate on March 31, 1982.
- (6) Subject to the terms and conditions of section 14 of the GDA, this Agreement may be renewed for any further period agreed upon by the parties hereto, but such renewal shall be subject to the approval of the Governor in Council and Lieutenant Governor in Council.
- (7) The following conditions relevant to employment and the award of contracts shall apply in respect of all programs and projects carried out under this Agreement:
 - (a) Recruiting of labour shall be conducted through the Canada Manpower Centres unless the Management Committee considers that this service cannot reasonably be provided.
 - (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; it being agreed, however, that the foregoing shall not prevent the implementation of special measures designed to benefit native people or disadvantaged groups.
 - (c) With regard to the applicability of labour standards, the parties agree as follows:
 - (i) rates of pay shall be those prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation;
 - (ii) in building construction, the rates of pay for overtime shall be 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, the rates of pay for overtime shall be 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; and
 - (iv) labour conditions shall be specified in all tendering documents and shall be posted conspicuously in the work place; it being expressly understood and agreed that to the extent to which there are higher provincial standards applicable to particular occupations or regions, these higher provincial standards shall apply.
- (d) Canadian material and manpower shall be used in respect of all programs and projects to the extent to which it is procurable and consistent with proper economy and the expenditures performance of the initiatives.

EVALUATION

16. During this Agreement, Canada and the Province shall jointly effect an assessment of the programs listed in Schedule "A" with regard to the stated objectives. Annual progress reports shall be submitted by the Management Committee to the Ministers on or before the annual meeting of the Ministers as prescribed under sub-section 9.1 of the GDA. In addition, Canada and the Province shall also jointly effect an evaluation of all the programs with respect to the general economic and socio-economic development objectives of this Agreement.

AMENDMENTS

17. (1) Substantive changes to this Agreement, and to Schedule "A" thereof, may be effected as agreed from time to time by the Ministers. Each program added to Schedule "A" shall form part of this Agreement as if it had originally been included in this Agreement. It is expressly understood and agreed, however, that any amendment to section 6 shall require the approval of the Governor in Council and Lieutenant Governor in Council.
- (2) Subject to sub-section (1), the Management Committee may make adjustments during the fiscal year to the programs in Schedule "A" to this Agreement provided, however, that such adjustments do not increase the total amounts of the Schedule nor conflict with the objectives of this Agreement.

REVENUES

18. Where direct revenues accrue through the ownership and operation of the developed initiative or through the sale, lease or otherwise of acquired and/or developed resources under this Agreement, such revenues shall not accrue to Canada and shall not form part of the calculation of shareable costs, excepting only that where experimental or demonstrational equipment or machinery which is jointly acquired is sold, the full recovered cost of such equipment or machinery shall be considered as revenue and shall be shared in the same proportion as the contributions by both parties to this Agreement, provided that the relevant sale is effected within three (3) years from the date of expiry of this Agreement.

EXCHANGE OF INFORMATION

19. Canada and the Province shall freely share information relating to any and all aspects of the work undertaken under this Agreement.

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 Premier of New Brunswick.

IN THE PRESENCE OF:

GOVERNMENT OF CANADA

Witness

Minister of
Regional Economic Expansion

GOVERNMENT OF THE PROVINCE OF
NEW BRUNSWICK

Witness

Premier of New Brunswick

CANADA - NEW BRUNSWICK
SUBSIDIARY AGREEMENT
NORTHEAST DEVELOPMENT

SCHEDULE "A"

<u>Program Description</u>	<u>Estimated Cost of Program</u>
1. <u>Industrial Development</u>	\$24.0 M (Federal Share - \$18.0 M)
1.1 <u>Industrial Support Services</u> To provide technical services and planning capability required to identify and support growth in manufacturing and service industries.	2.0 M
1.2 <u>Community Business Development</u> To initiate, promote and support the establishment of a privately financed regional development financing institution and to support the formulation of community-based and co-operative manufacturing and service industries.	
1.3 <u>Industrial Development Initiatives</u> To stimulate and support new private sector investment and re-investment in large-scale resource processing enterprises, by making provision for extraordinary infrastructure requirement.	16.0 M
1.4 <u>Industrial and Commercial Services Development</u> To support the growth of industrial and commercial services, where limited government funding will encourage accelerated investment of private capital in major commercial development.	4.0 M
1.5 <u>Small Business Development</u> To support the continuation of small business incentives (NED) in the region.	2.0 M

Program Description

Estimated Cost of Program

2.	<u>Urban-Industrial Infrastructure Program</u>	\$23.1 M (Federal Share - \$17.3 M)
2.1	<u>Industrial Infrastructure</u> Provision of serviced commercial and industrial land and plant facilities where there exists an identified need.	8.5 M
2.2	<u>Municipal Infrastructure</u> Provision of essential infrastructure to adequately service commercial, industrial and residential users in municipalities where growth is occurring or is likely to occur.	8.2 M
2.3	<u>Transportation System Development</u> To reduce or eliminate significant deficiencies in the transportation system which lowers the competitiveness and attractiveness of the region for industrial growth and which constrains economic growth.	4.9 M
2.4	<u>Regional and Community Planning</u> To complete the commitment made under the revised FRED Agreement of 1972 and, by supporting the Regional Planning Commissions, develop regional and community plans.	1.5 M
3.	<u>Resource Development Program*</u>	\$26.5 M (Federal Share - \$19.825 M)
3.1	<u>Resource Industry Opportunity Search and Promotion</u> To provide research, technical and staff resources necessary, identify and define development opportunities based on resource industries and tourism.	4.0 M

*The Resource Development Program will apply to all resource-based industries, including agriculture, fishing, fish processing and aquaculture, mining, tourism and handcrafts. Special emphasis will be placed on realizing the full potential of the peat resources of the region on an accelerated basis.

Program Description

Estimated Cost of Program

3.2 Resource Centre Development

To provide in selected rural locations, concentrations of infrastructure and industry related services necessary to maintain and enhance the economic viability of resource industries.

14.5 M

3.3 Resource Management

To create employment through the improved management and utilization of the renewable and non-renewable resources of the region and to capitalize upon the tourism potential of the region.

8.0 M

4. Human Resources Development

\$12.0 M (Federal Share - \$5.625 M)

4.1 Northeast Institute of Technology

To establish the Northeast Institute of Technology in Bathurst on an accelerated basis to meet the technical and technological training requirements of New Brunswick francophones and the northeast regional economy, including the development of physical facilities, buildings, equipment and library expansion.

9.0 M

4.2 Special Employment Activities

To initiate, promote and support employment creation and rehabilitation projects for the chronically unemployed and under-employed in order to identify and test innovative approaches to successful employment creation among the work disadvantaged.

1.5 M

4.3 Educational Services (financed by Province only)

To complete the commitment made in the revised FRED Agreement of 1972 to make good deficiencies previously identified in the school system from the perspective of preparing the student population for entry to the labour force and to establish a modern educational system.

1.5 M

Program Description

Estimated Cost of Program

5. Special Housing Program

\$1.9 M (Federal Share - \$1.425 M)

5.1 Home Improvement Assistance

To provide supplementary financial assistance for the installation of water and sewage facilities for owner-occupied homes meeting the criteria for home improvement loans from the New Brunswick Housing Corporation.

1.5 M

5.2 Participation-Habitat

To expand the capacity of Participation-Habitat, and to support the creation of comparable organizations in other locations, in order to improve the delivery of special housing programs and to contribute to improvements in the housing stock and the labour force in the region.

.4 M

6. Management and Implementation Program

\$8.0 M (Federal Share - \$5.0 M)

6.1 Co-ordination of Implementation

To provide the full range of resources required to co-ordinate the management and implementation of all programs and projects under this agreement.

3.75 M

6.2 Program Planning, Analysis and Review

To provide the research, technical, and staff resources necessary to effectively plan, analyze, review and evaluate the programs and projects implemented throughout the life of the agreement.

2.0 M

Program Description

Estimated Cost of Program

6.3 Public Information and Consultation

To provide and maintain open lines of communication between those who are implementing the programs and projects of this agreement and those who are served by it, through formal and informal programs of public information and consultation.

2.25 M

\$95.5 M (Federal Share - 67.175 M)

CANADA - NEW BRUNSWICK
SUBSIDIARY AGREEMENT
NORTHEAST NEW BRUNSWICK

SCHEDULE "B"

DEVELOPMENT STRATEGY AND PROGRAM OUTLINE

BACKGROUND

The northeast region of New Brunswick, defined for the purposes of this Agreement as the counties of Restigouche and Gloucester, plus Alnwick Parish in Northumberland County, contains about twenty per cent of New Brunswick's population. Seventy-five per cent of the residents of this region are Acadians whose mother tongue is the French language. The region is rich in natural resources. For example, the region accounts for close to forty per cent of the provincial fisheries harvest, one-fifth of the production of the forestry sector and all of the Province's base metal production.

Despite the development efforts on the part of both federal and provincial governments to accelerate the development of the region, the region's economy is still lagging behind the rest of the Province. Furthermore, the gap between actual and potential performance has increased in recent years. The most visible result has been declining levels of labour force utilization. The proportion of the population of labour force age actually employed has declined in recent years and currently is less than four-fifths the provincial average. Low levels of labour force utilization are the primary factor behind earned income per capita which is currently only two-thirds the provincial average. The low levels of labour force utilization in the northeast region threaten the attainment of the objectives of the General Development Agreement.

Past federal-provincial development efforts in the northeast of New Brunswick found their focus in the FRED Agreement (1966-1976). The principal objectives of this agreement as revised in September 1972 were the creation of the greatest number of productive jobs and the improvement of the employability of area residents.

The revised FRED Agreement has provided a substantial foundation for future development efforts including infrastructure and educational facilities, the planning and regional industrial commissions and the network of community-based groups. This foundation will undoubtedly prove to be of lasting value, and provides the base for the new agreement.

Employment grew more rapidly than was envisioned at the time the revised Agreement was signed. The labour force, due primarily to unprecedented levels of in-migration, increased much faster than projected. As a result, the unemployment rate nearly doubled and currently approaches the twenty-five per cent rate.

Employment including self-employment in Northeast New Brunswick falls into three broad categories or "economies" distinguished by the nature of the employment and economic activity. The Industrial Economy contains those who work mainly in urban areas in stable, year-round occupations in mining, manufacturing, processing and the service industries. The Seasonal Economy contains those who work in resource based industries, including agriculture, fishing, forestry and the peat moss industry, and tourism. Finally, the Marginal Economy contains those who are chronically unemployed or under-employed or who find only a few months of seasonal work each year. This group is heavily dependent on transfer payments for income. This agreement will provide supplementary resources for use in all three of these areas where development opportunities can be identified.

Significant opportunities to accelerate the development of the northeast region do exist. However, because of the strict constraints which the region faces relative to the rest of the Province, the realization of these opportunities will require a development effort supplemental to existing federal and provincial programs. These constraints include a relatively isolated location, an industrial structure heavily weighted towards the primary industries and low level resource processing, relatively few economic linkage within the region and a low density rural population which lacks a strong urban centre. A fundamental weakness of the region is the lack of a major development centre. This agreement will reduce this weakness and should accelerate the growth of the urban centres.

At the signing of the revised FRED Agreement in September 1972, Canada and the Province jointly committed themselves to a continuing concern for the economic and social problems of Northeast New Brunswick. Both governments expressed their willingness to continue to undertake joint programs necessary for the improvement of conditions in the area.

In fulfillment of this commitment, Canada and the Province have participated during the past year in joint planning and public consultation in order to determine the future development effort necessary in the northeast region. On a detailed sectoral basis, the potential for accelerated development, the constraints impeding the achievement of this potential and the necessary government intervention have been examined. This extensive planning exercise forms the basis for the development strategy embodied in this agreement.

STRATEGY

The basic strategy will be to accelerate the realization of development opportunities wherever they may exist, through the application of supplementary federal and provincial resources. Development opportunities include activities

which offer increases or improvements in viable employment (year-round, seasonal and self-employment), and earned income. The development strategy will concentrate on the identification and realization of development opportunities in all sectors, including the primary industries, resource processing industries, secondary manufacturing and the service sector.

The new agreement will focus on the realization of opportunities leading to or supporting employment and economic activity, and on directly supportive programs.

Primary sector employment is important to the economy of the northeast, however, special efforts will be required to maintain and strengthen employment in this sector. Improvements in primary sector employment will be found through gains in productivity, higher product prices, and reduced seasonality which will in turn result in higher and more stable incomes. Opportunities for self-sustaining improvements in employment and earned incomes in the primary sector will developed wherever they can be identified.

The greater employment gains to be made in the northeast during the next five years are expected to occur in the secondary manufacturing and service sectors of the economy, and special efforts will be made to develop these sectors.

Consideration of development opportunities related to primary industries, primary resource processing, manufacturing and marketing will not be considered separately. Natural resource-based developments will be considered on an integrated basis in order to maximize gains in employment and value added to the region and to the province.

Philosophically the new strategy will be based upon the recognized need to reduce dependence on governments for resources and initiatives and to promote independence. This means that the responsibility for development must be shifted to the people of the region. The ultimate objective will be self-sufficiency in which the northeast becomes a viable region of the provincial economy, and makes the maximum use of its resources for the benefit of the people in the region.

The development strategy will embody the following essential elements:

- (1) a coordinated effort to increase the application of existing federal and provincial programs to the northeast region;
- (2) funding supplemental to existing and future federal and provincial programs applicable in New Brunswick and in the region;
- (3) building upon the structures put in place under the FRED Agreement;
- (4) decentralization of the management of the development effort to the fullest extent possible while maintaining responsibility;

- (5) provision of mechanisms for an on-going assessment and evaluation of the contribution of development activities to the objectives of this Agreement. This Agreement will provide the flexibility for the review of programs and for consultation with the public, as may be required in consideration of progress towards objectives, changing circumstances and priorities; and
- (6) encouragement of the realization of development opportunities wherever they may be identified and by the end of the Agreement period successful projects should be operating independently on a sustainable basis.

THE NEW PROGRAMS

Because of the persistence of the economic and socio-economic problems of the region and the continuing concern expressed both by Canada and the Province for the improvement of conditions, new programs will be implemented which will build upon previous joint initiatives and which are aimed at providing sustainable long-term solutions. The new programs will embody a variety of coordinated, joint initiatives which are genuinely supplementary to the regular programs of both senior levels of government and which complement the important steps being taken by local governments and the private sector to promote development in the region.

Accordingly, in order to make the best possible use of the supplementary resources provided through this agreement the new programs will be efficiently focused on those areas of economic activity which can help bring about lasting improvements in the structure and performance of the regional economy. This will require concentrated development in the resource sectors including agriculture, secondary manufacturing, services and urban development. At the same time, each major part of the program will preserve a certain degree of flexibility within the overall strategy. The periodic evaluation of circumstances surrounding the agreement will provide the opportunity to refocus agreement resources as required.

Within each of the programs to be implemented there exists the recognition of an opportunity to be realized and the commitment of new resources sufficient to bring about significant changes in economic circumstances in Northeast New Brunswick. However, the greatest impact of these programs will only be felt if they complement, and do not substitute for, the existing programs of government and the private sector.

Five major development programs, plus a program for administration and implementation, comprise this agreement. Each of the major programs is designed to contribute to the agreement objective of long-term improvement in the well-being and standard of living of residents in Northeast New Brunswick and accelerated development. The six agreement programs are: industrial development program; urban-industrial infrastructure program; resource development program; human resources development program; special housing program; and administration and implementation program.

1. INDUSTRIAL DEVELOPMENT PROGRAM

Objective

The objective of the Industrial Development Program is to accelerate growth in employment and earned income per capita through growth and expansion of the manufacturing and service sectors in the economy of Northeast New Brunswick. It is intended to stimulate and support private investment in industrial and commercial development.

Rationale

Analysis of the economic structure and performance of the economy in Northeast New Brunswick clearly shows that substantial growth in employment and incomes will have to take place in the manufacturing and service sectors if conditions in the region are to be significantly improved. Growth in incomes and jobs has failed to keep pace with other more successful regions because of structural and locational disadvantages. Therefore, in order to overcome the competitive disadvantage of engaging in manufacturing and service sector production in a relatively small and remote location, the Industrial Development Program will be implemented to increase the application of the existing industrial development programs of government, and, where the opportunity exists, to supplement them. Other program elements in this agreement will directly improve the transportation system in the region in order to minimize the disadvantage caused by comparative isolation from regional, national and international markets.

The Industrial Development Program will identify and promote new industries or expansions to existing industries which can operate competitively at an appropriate scale, on a sustainable basis in the region. In addition, the program will be used to enhance, sustain or protect existing employment when this is in the best interests of the region and the Province.

In common with the other programs of this agreement the Industrial Development Program will build as directly as possible on the mechanisms and institutions put in place during the life of the revised FRED agreement of 1972. Implementation of this program will be based on the assumption that sustained growth of the regional economy is unrealistic without strong local involvement in development.

The Industrial Development Program will support initiatives in the manufacturing and service sectors which strengthen the regional economy through (1) import substitution, (2) further processing of natural resources, (3) export development, and (4) the extension of trade and commerce within the region and beyond it. The program will operate through five major sub-programs, each designed to contribute directly or indirectly to employment and income creation.

1.1 Industrial Support Services Sub-Program

The purpose of the Industrial Support Services Sub-Program is to provide the technical resources and planning capability required to define and support accelerated growth of the manufacturing and service sectors in the region. Sub-program resources will be used to translate the development strategy of this agreement into specific industrial initiatives and to promote them. Efforts will be concentrated on opportunity search and promotion, the provision of management advisory services and entrepreneurial development. Each activity will contribute to the employment and income growth objectives of the agreement by improving the viability of existing industries or by assisting in the attraction of new industrial enterprises to the region.

The sub-program will be employed to enhance the application of the existing industrial development programs of government and, where the opportunity exists, to supplement them. To be successful the sub-program will be flexible and responsible to the requirements of business people and potential business people and those who are prepared to invest in the future of the region. The sub-program will permit the Regional Industrial Commissions, which have been established, to grow and expand and to offer a broader range of industrial support services to both entrepreneurs and communities. Special provision will be made for the establishment in the region of a corps of qualified professional and technical support staff who understand the problems and potentials of development in the northeast and who will make good deficiencies in the consultative resources available in the region.

1.2 Community Business Development Sub-Program

The purpose of the Community Business Development Sub-Program is to stimulate the creation of a regional financing institution or fund which will direct local capital into economic development projects in the region and thereby expand employment. The financing institution or fund will be based upon the model of La Caisse d'entraide operating in Quebec. La Caisse d'entraide promotes regional development and economic development and has become a major force in fostering local industrial and community development activities, complementing the work of conventional financing sources. The purpose of the fund proposed will be to mobilize private capital from within the region and to invest it locally in community and business ventures through an institution which is locally owned and managed.

1.3 Industrial Development Initiatives

The purpose of the Industrial Development Initiatives is to stimulate new investment or re-investment in large scale resource processing enterprises by making provision for extraordinary infrastructure requirements.

There are a number of very large-scale resource processing industries currently in operation in Northeast New Brunswick. These include pulp and paper producers and a mineral ore concentrator, all of which are of vital importance to the economies of the region and the Province as a whole. However, in the case of pulp and paper production the continued future health of the industry is dependent on substantial levels of new private investment being put into industry rationalization and plant modernization. In the field of mineral processing, opportunities exist to further process concentrates. The purpose of the industrial development sub-program is to supplement existing programs of assistance to major resource processing industries in order to ensure that adequate levels of investment in new and existing plants is maintained in order to protect existing jobs and to stimulate the creation of new job opportunities.

1.4 Industrial and Commercial Services Development

The purpose of this program is to identify expansion opportunities and encourage the further growth of the industrial and commercial services sector in Northeast New Brunswick. Special emphasis will be given to the development of projects that provide significant increases in employment.

The first element of the program will involve a thorough assessment of the service sector, with particular attention being given to the identification and evaluation of projects that are important for the economic and social development of the region. This element will amplify and broaden work which has recently been completed to determine opportunities for the service sector to improve the direct support offered to industry. Previous analysis has confirmed that the region is under-represented in services relative to the province. The reliance on the supply of services from outside the region (and frequently from outside the province), has hindered the development of the region and contributed to the economic deprivation of the northeast.

The program will concentrate on two broad segments of the service industry:

1. industrial services which comprise: (a) industries supportive to the primary and manufacturing sectors; (b) industries which provide essential service to industry where the existing level of service is considered an impediment to growth and (c) industries which replace services presently being imported into the region; and
2. commercial services which are defined as large scale projects which are identified as essential elements in increasing the attractiveness of urban centres and which contribute to and stimulate development of the larger urban centres.

As a means of stimulating the growth of the industrial services sector, assistance will be provided to projects which are ineligible for existing financial incentive programs of government. The level of assistance will be 25 per cent (25%) of approved capital costs to a maximum of 50 per cent (50%) of the total capital employed in the project.

In order to encourage the development of promising commercial services identified through the assessment process, a program will be established to meet the unique needs of this sector. This assistance is intended to accelerate the growth of the commercial sector. The assistance will be administered with controls and criteria to be established by the Management Committee. The assistance will only apply for projects whose commercial viability will be improved with the application of government support. The size of the assistance will be variable, depending on the significance of the project. Grants will only be made available to large scale projects with total capital costs in excess of \$1 000 000. The grant will not be available for any project that has received any other government financial assistance.

This program will be administered in such a manner that it does not conflict with financing from the private sector. The program will be applied in a restrictive manner, with one or two projects per year being assisted under the agreement.

1.5 Small Business Development

This is a continuation of the Northeast Development Program (NED) started under the FRED Agreement. This program has been very successful and has provided financial assistance to a wide range of small businesses in the region.

The Small Business Development Sub-Program will provide interest-free forgivable loans to new and existing industries. Applicants are required to provide 20 per cent of the approved capital cost, and are expected to apply while the project is in the planning stage. For applicants under this program, the approved capital costs are expected to have a ceiling of \$60 000. Forgivable loans up to \$30 000 may be granted under this program.

2. URBAN-INDUSTRIAL INFRASTRUCTURE PROGRAM

Objective

The objective of the Urban-Industrial Infrastructure Program is to provide essential infrastructure necessary for the support of employment and earned income creation activities.

Rationale

Without substantial growth in employment in the manufacturing and service sectors the relative disadvantage of the Northeast New Brunswick economy cannot be significantly reduced. Structural changes must be encouraged to occur and since employment growth in manufacturing and services is most likely to occur in attractive urban places, equipped with essential infrastructure, it is necessary to ensure the basic physical services are put in place in communities with a recognized potential for growth. While infrastructure projects may provide valuable sources of employment during periods of construction their real value is in the creation of the physical environment within which long-term economic development initiatives can take root.

In addition to promoting structural change, deficiencies in the regional and interregional transportation system must be made good in order to reduce the locational disadvantage. The existing transportation system represents a constraint to economic growth both in terms of the development of a strong regional economy, with effective intra-regional links, and in terms of the northeast as an exporter of goods and services outside the region.

Outstanding regional highway system deficiencies will be significantly reduced in a comprehensive, multi-year highway sub-agreement which will complement this sub-agreement and run concurrently with it. The broad objective of the highway sub-agreement is to strengthen the principal highways in order to remove or reduce to negligible levels weight restrictions for commercial truck traffic.

The provision of urban-industrial infrastructure in key communities with the recognized potential for growth as regional or sub-regional service centres is designed to contribute both directly and indirectly to the job creation objective of this agreement.

The agreement will be used in a highly selective manner to assist those communities which are experiencing growth in employment to meet the increased demands for services which are being placed upon them.

Regional and Community Planning activities will continue the development of district and community plans begun under the FRED agreement. The program will be carried out by the District Planning Commissions in cooperation with the New Brunswick Department of Municipal Affairs. Continued support of the Commissions will encourage the orderly growth of communities, the provision of an adequate distribution of infrastructure for the support of industrial and commercial growth, and the provision of municipal services and amenities at reasonable cost. In a regional economy where the resident population is scattered in a large number of low-density settlements and the per capita cost of provision of essential services is extremely high, the benefits from progress in effective planning of land use and spatial planning of the economy in general are considerable.

2.1 Industrial Infrastructure Sub-Program

The purpose of the Industrial Infrastructure Sub-Program is to accelerate growth in employment and earned incomes in the region by adding to the supply of serviced commercial and industrial land and plant facilities where there exists an identified need. The sub-program will add to, and not replace, existing programs of government and will be applied on a highly selective basis in locations with a recognized potential for growth. Industrial infrastructure provided through this sub-program will be supportive to the objectives of this agreement by increasing the competitiveness of the region through reductions in costs to industries establishing, expanding or relocating in the region.

The location and timing of provision of new industrial infrastructure supported by this agreement will be carefully controlled in order to ensure that all serviced land and plant facilities are fully utilized and provide the maximum regional development impact.

2.2 Municipal Infrastructure Sub-Program

The purpose of the Municipal Infrastructure Sub-Program is to assist communities, where significant employment growth is occurring or is likely to occur, to put essential infrastructure in place in order to adequately service commercial, industrial and residential users. While the provision of municipal services does not by itself ensure that job-creation activities will follow, it is equally clear that in Northeast New Brunswick, key communities which are otherwise well-equipped for growth, lack essential infrastructure. As with the provision of industrial infrastructure, while there are temporary employment gains to be made from infrastructure projects during periods of construction, the real benefits will be gained over the long-run through employment development activities taking place within serviced communities. Municipal infrastructure projects are therefore intended to support the long-term development of the regional economy.

2.3 Transportation System Development Sub-Program

The purpose of the Transportation System Development Sub-Program is to increase the competitiveness of industries located in the region by reducing locational disadvantages and to enhance the attractiveness of the region to industries which could become established there. Since the underlying causes of poor economic performance in the northeast are a weak economic structure and locational disadvantages, the various elements of this agreement are all aimed at removing or reducing these constraints.

The problems associated with locational disadvantage include higher than normal transportation costs, remoteness from markets, parent plants and specialized services, and the loss of benefits derived

from close proximity to related industries or suppliers. In addition, in Northeast New Brunswick the disadvantage of a poor location is increased by the relatively small size of the regional economy.

This sub-program will aim at removing or reducing transportation system deficiencies which lower the attractiveness of the region as a location for manufacturing and service industry production, and putting in place a transportation system suited to a region still heavily dependent on shipments of natural resource products. Specific initiatives which will be considered will include improvements to port facilities, and access to resources.

2.4 Regional and Community Planning Sub-Program

The purpose of the Regional and Community Planning Sub-Program is to continue the development of regional plans begun by the District Planning Commissions established under the revised FRED agreement of 1972. The significance of well-founded regional and community plans as pre-requisites for regional centre development and rational resource utilization has become fully recognized since the creation of the District Planning Commissions. This sub-program will provide resources to build upon and consolidate the planning work already completed. Every effort will be made to link district or regional plans to urban community plans in order to minimize the costs of dispersed development. By the end of this agreement regional and community plans will be in place throughout the region and the responsibility for further planning will become the total responsibility of the provincial and municipal levels of government.

3. RESOURCE DEVELOPMENT PROGRAM

Objective

The objective of the Resource Development Program is to accelerate growth in employment and earned income per capita in Northeast New Brunswick through the development of initiatives in resource-based industries.

Rationale

Because the health of the resource-based industries will continue to be essential to the economy of Northeast New Brunswick, resource development initiatives must continue to form a significant component of a supplementary economic development program for the region. Opportunities exist in the primary sector and tourism not only to stabilize the employment that exists but to expand, on a limited scale, job opportunities through new developments.

The purpose of the Resource Development Program is to enlarge and make more dependable the contribution which resource-based industries make to the economies of the region and the Province. Because of the often

seasonal nature and relatively poor financial returns associated with resource industries, the program will focus as much on improving the quality of employment enjoyed by those currently working in these industries as on promoting new income-earning opportunities.

Initiatives which directly or indirectly increase, extend or complement viable employment outside the principal urban areas will be undertaken in agriculture, forestry, fishing, mining including the peat industry, and in tourism and handcrafts. Particular emphasis will be placed on efforts to reduce seasonality and improve the quality of employment in resource-based industries by improving the returns to seasonal employment and promoting complementary, counter-seasonal activities.

Tourism, based as it is on the natural features and beauty of the region and on the unique cultural attributes of the people, will also be considered as a significant element of this program. The tourism development strategy for the region which was begun under the revised FRED agreement of 1972 will be further developed in order to capitalize fully on the potential of the region and new tourism plan which is now in place.

The Resource Development Program will operate through three major sub-programs: Resource Industry Opportunity Search and Promotion; Resource Centre Development; and Resource Management. Each of these sub-programs will contribute to the development of resource-based industries and tourism in the region.

3.1 Resource Industry Opportunity Search and Promotion

Resource Industry Opportunity Search and Promotion will provide the essential research, technical and staff inputs necessary for the identification of development opportunities based on resource industries and tourism in the region. Special emphasis will be placed on improving resource management and utilization to improve earned incomes and employment in the region and to increase value added to the provincial economy. In particular, measures will be sought which improve the quality, security and remuneration associated with work in resource-based industries including the identification of effective means to minimize the adverse effects of seasonality and to create counter-seasonal employment.

Opportunity searches may be carried out in all resource-based industry, including: agriculture and blueberry production, forestry, Christmas tree and maple sugar production, fishing, fish processing and aquaculture, mining, tourism and handcrafts. Identification and development of the peat resources of the region will be a major priority.

3.2 Resource Centre Development

As a complement to the development of urban-industrial centres in the region, a limited number of strategically located resource centres, or rural industry service centres, will be assisted to

grow on an accelerated basis. These resource centres will provide in one place a concentration of infrastructure and industry-related services necessary to maintain growth and development in the primary sector. The concentration of industrial services and facilities will improve the access of farmers, fishermen, woodlot operators and others to the new technologies and procedures required to make rural industries competitive and profitable and perform to their potential. Resource centres will be essentially supportive to the improved income and employment goals of the agreement.

Initially a limited number of resource centres will be developed to service farmers, fishermen and woodlot operators and these will be located in rural communities in order to maximize the ease of access to common facilities and services. Resource centres will be industry-oriented, responding as directly as possible to the identified needs of primary producers.

3.3 Resource Management

The purpose of the Resource Management Sub-Program is to create employment through the improved management and utilization of the renewable and non-renewable resources of the region and the completion of the tourism development strategy begun under the revised FRED agreement of 1972. The assistance will be used to assist in the implementation of development initiatives identified in Resource Industry Opportunity Search and Promotion and to carry out other job creation projects in primary industries of long-term value to the region. Particular support will be given to projects which improve productivity and reduce seasonality in employment or which create counter-seasonal job opportunities.

The Resource Management Sub-Program will be employed to supplement development efforts in all the resource-based industries, including: agriculture and blueberry production, forestry, Christmas tree and maple sugar production, fishing, fish processing and aquaculture, mining, tourism and handicrafts. Special emphasis will be placed on realizing the full potential of the peat resources of the region on an accelerated basis.

The Resource Management Sub-Program will be employed to assist directly in the creation of new jobs and the improvement of the quality of employment in resource-based industries. Successful employment of the Fund will result in the revitalization of the primary industries in the region and an increase in the contribution rural industries make to the life of communities throughout the region.

4. HUMAN RESOURCES DEVELOPMENT PROGRAM

Objective

The objective of the Human Resources Development Program is to increase the skills and capabilities of the labour force in the region through the provision or expansion of specific educational, training and rehabilitation services and facilities.

Rationale

Without significant improvements in the preparation of young people for the world of work, the residents of Northeast New Brunswick, and francophones in particular, will continue to be ill-prepared for entry to employment opportunities in the region. A particular gap exists in the field of technological training and educational preparation prior to entering the labour force. At the same time a continuing effort needs to be directed at increasing school retention rates, improving pupil performance and preparing high school students for entry into the labour force. Efforts in this direction represent the completion of a commitment made under the revised FRED agreement. A third area for action concerns the development of approaches to employing the chronically unemployed and underemployed who form a significantly large element of the northeast regional labour force.

Accordingly, the Human Resources Development Program will function through three major sub-programs, each designed to fill a specific and recognized gap in the educational services and facilities available to residents in the region. The three sub-programs are: the development of the Northeast Institute of Technology; Special Employment Activities; and Educational Services. Each sub-program will be directly supportive to the overall employment and earned income objectives of this agreement.

4.1 Northeast Institute of Technology

Unless access to technical and technological training is significantly improved, residents of Northeast New Brunswick, and francophones in particular, will continue to be prevented from finding employment in expanding industrial sectors of the regional and national economies. Opportunities, both locally and outside the region will remain restricted to mining, mineral processing, forestry, wood processing and other industrial sectors.

The purpose of this sub-program is to develop the new Northeast Institute of Technology in Bathurst on an accelerated basis, over a five-year period, in order to meet the technical and technological training requirements of New Brunswick francophones and the northeast regional economy. This sub-program will contribute to the accelerated development of the physical facilities, buildings, equipment, library expansion and curriculum for the new institution, by supplementing the financial assistance available from regular government programs.

4.2 Special Employment Activities

The Special Employment Activities Sub-Program is designed to provide specific employment rehabilitation projects for the chronically unemployed and underemployed. Funds will be utilized in what has been labelled the "marginal economy". The objective of the sub-program is to systematically identify and test innovative approaches to successful employment creation among the work disadvantaged.

Special Employment Activities will be supplementary to existing or planned programs of small scale employment creation. The sub-program will not only enrich and extend existing programs but will be sufficiently flexible to permit adaptation to new approaches or unforeseen circumstances. In particular, the sub-program will provide a source of capital which can be teamed with resources from other programs to provide a comprehensive project development package. For example, capital funds could be provided on a selective basis and on clearly defined criteria in support of Canada Works and Manpower training. Activities undertaken through this sub-program will complement, and be compatible with, the coordinating services provided by the Community Employment Strategy. At the same time the opportunity to provide for totally experimental approaches to job creation in the marginal economy will also exist.

Special Employment Activities projects will produce a number of different outputs, including not just a test of approaches to employment creation among the work disadvantaged but also measurable increases in participation in the labour force and permanent job opportunities, which will be self-sustaining beyond the life of the agreement.

Program implementation will be carefully controlled in order to permit the testing of concepts before implementation, provision of technical backup resources, and formal evaluation or results. Because of the chronic nature of some unemployment and underemployment in the region, Special Employment Activities projects will be allowed to develop over a number of years. Technical and administrative resources will be provided for via the sub-program itself and through the staff resources provided in the Management, Evaluation, Implementation and Support Services Program.

4.3 Educational Services

In order to complete the commitment made by the revised FRED agreement of 1972 a supplementary program of educational services to complete the modern educational system is now in place in the region. These special services are designed to make up deficiencies identified in the school system from the perspective of preparing the student population for entry into the labour force. These include special efforts to provide non-teaching personnel to deliver pupil services and special projects aimed at increasing school retention rates and improving pupil performance.

5. SPECIAL HOUSING PROGRAM

Objective

The primary objective of the Special Housing Program is to increase the quality and supply of affordable housing for qualified low income residents of Northeast New Brunswick who are unable to participate in existing housing programs of the public and private sectors. The secondary objective of the program is to create jobs through house construction and rehabilitation projects.

Rationale

The poor housing for many residents of Northeast New Brunswick is caused by the low incomes in the region. Also, there is very limited rental accommodation or public housing available to families with low incomes. The Special Housing Program will be designed to make affordable housing available to qualified low income groups in the region. The program will add to, and not replace, the existing programs of the Central Mortgage and Housing Corporation and the New Brunswick Housing Corporation.

The Special Housing Program will operate through two major sub-programs, each designed to use a community or self-help approach to supplement the work of the private sector and existing programs. The two sub-programs are: Home Improvement Assistance; and Participation-Habitat.

5.1 Home Improvement Assistance

The Home Improvement Assistance Sub-Program will provide grants up to a maximum of \$2 500 for the installation of water and sewage facilities for owner-occupied homes meeting the criteria for a home improvement loan from New Brunswick Housing Corporation. The New Brunswick Housing Corporation improvement loan will be "piggy-backed" to the Home Improvement Loan, and in areas of less than 2 500 population, the Central Mortgage and Housing Corporation Rural Rehabilitation Grant would also be applicable. The sub-program will have a target of 750 improved homes.

5.2 Participation-Habitat

Participation-Habitat (PH) is a successful, community-based delivery mechanism for housing programs to low-income people. However, PH performs two significant functions: first, PH constructs homes and contributes to an improving housing market for low income people; and second, PH employs disadvantaged members of society who have shown only marginal attachment to the labour force and produces significant work rehabilitation effects. The purpose of this sub-program is to expand the capacity of PH to deliver special housing programs and to contribute to improvements in the housing stock and the labour force in the region.

6. MANAGEMENT AND IMPLEMENTATION PROGRAM

Objective

The objective of the Management and Implementation Program is to ensure that the objectives and purposes of this agreement are achieved to the greatest possible extent with the resources which have been made available.

Rationale

The prime purpose of this program is to increase the application of the existing programs of government and if necessary to supplement them with new programs, in order to accelerate sustainable growth in employment opportunities and earned income per capita. The programs of this agreement will add to, and will not replace, existing programs in order to respond to an identified problem of persistently higher unemployment and low earnings in Northeast New Brunswick. Management and implementation of this agreement will therefore be co-ordinated to ensure that programs in fact focus as directly as possible on the objectives and purposes of this agreement, and to ensure that agreement resources are used to supplement and not replace other resources.

Canada and the Province will establish a mechanism for joint management of the sub-agreement in the form of a Management Committee to ensure effective utilization of sub-agreement funds to meet agreed objectives. The Province will continue through the Community Improvement Corporation, to assume ultimate responsibility for program and project development, implementation, public information, co-ordination and operation of all cost-shared programs under the sub-agreement subject to the approval of the Management Committee.

In order to simplify the co-ordination of program and project implementation and to ensure responsiveness to opportunities and conditions in the region, the Management Committee will delegate some decision-making authority to a joint Regional Committee located in Northeast New Brunswick. The Regional Committee of the Management Committee will be supported by a technical advisory staff drawn from both senior levels of government. The joint support staff will advise on program and project development, implementation and evaluation, and will be available as consultants to projects.

Three sub-programs will be implemented: Co-ordination of Implementation; Program Planning, Analysis and Review; and Public Information and Consultation. In all of these activities every effort will be made to place qualified staff in the region who are aware of the constraints and opportunities facing the northeast to co-ordinate the implementation of programs and projects under this agreement.

6.1 Co-ordination of Implementation

The objective of the Management and Implementation Sub-Program is to provide the full range of essential resources required to co-ordinate the management and implementation of all programs and projects implemented through this sub-agreement. Responsibility for this sub-program will rest with the New Brunswick Community Improvement Corporation.

6.2 Program Planning, Analysis and Review

The objective of the Planning and Evaluation Sub-Program is to provide the research, technical and staff inputs necessary to effectively plan, analyze, review and evaluate the programs and projects implemented under this sub-agreement. Responsibility for this sub-program will rest with the New Brunswick Community Improvement Corporation and the joint support staff to the Regional Implementation Committee.

6.3 Public Information and Consultation

The objective of the Public Information and Consultation Sub-Program is to maintain open lines of communication between those who are implementing the programs and projects of this agreement and those who are served by it. Co-ordination of this information function will be the responsibility of the New Brunswick Community Improvement Corporation who, in consultation with the Federal Department of Regional Economic Expansion, will regularly consult with individuals and groups in the region in order to continue local involvement in supplementary economic development initiatives in the region.

