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SUMMARIES OF
FEDERAL-PROVINCIAL
GENERAL DEVELOPMENT AGREEMENTS
AND
CURRENTLY-ACTIVE SUBSIDIARY AGREEMENTS

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION
DECEMBER 1976

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AND
CURRENTLY-ACTIVE
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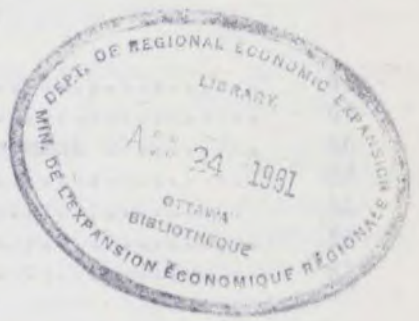
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DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

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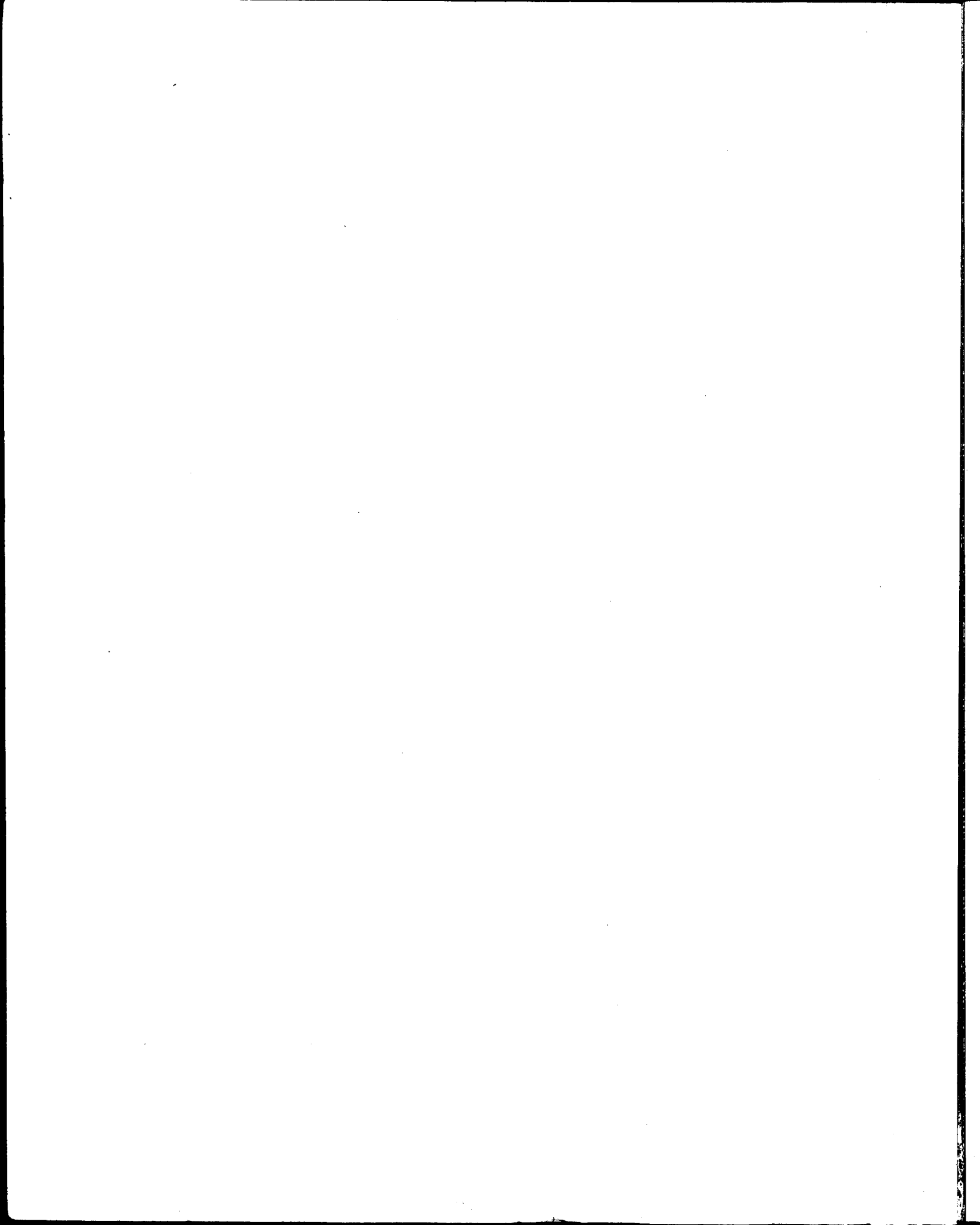


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GENERAL DEVELOPMENT AGREEMENTS

General Development Agreements (GDAs) have been signed with all provinces except Prince Edward Island, which signed a 15-year Development Plan in 1969. The purpose of these GDAs is to enable the federal government and the provinces to cooperate in improving the number and quality of, and access to, long-term employment opportunities thus permitting people to enjoy improved living standards in the region of their choice. The GDAs contain brief references to the economic background of each province, record agreed development objectives for the province, and outline the strategies required to meet the objectives.

The vehicles by which the strategies and objectives of the GDAs are to be met are subsidiary agreements, which are separate agreements signed with each province as a follow-up to the GDAs where initiatives are to be undertaken by both Canada and the province. Each sub-agreement has a financial limitation and a fixed cost-sharing arrangement with the province, with provisions for monitoring the implementation of programs and projects under the agreement. It also includes appropriate provisions regarding the evaluation of its operation to ensure consistency with the objectives and strategies of the GDA. Wherever possible, DREE involves other federal government departments in order to take full advantage of the funding available through programs of all departments and consults with them to benefit from their expertise.

The General Development Agreements are ten-year agreements which are reviewed on agreed dates, in consultation with the province and other government departments, to review progress and to consider the implementation of new development initiatives based on an ongoing analysis of each province's socio-economic circumstances.

To December 31, 1976, nine General Development Agreements and 63 sub-agreements had been signed. The following summaries of these agreements are designed as brief reference points. Copies of the signed agreements may be secured through the Information Services of the Department of Regional Economic Expansion, 161 Laurier Avenue West, Ottawa, Ontario. KIA OM4



NEWFOUNDLAND



NEWFOUNDLAND
GENERAL DEVELOPMENT AGREEMENT

The Canada/Newfoundland General Development Agreement (GDA) was signed on February 1, 1974. A synopsis of this GDA follows.

Although the Newfoundland economy is expanding rapidly in terms of income and employment, the level of economic performance remains well below the Canadian average. The provincial rate of unemployment, adjusted for July 1975, stands at 18.9 per cent with a trend toward further increases. Average earned incomes only slightly exceed half the Canadian average. Although earnings have increased in recent years, historically low incomes have resulted in a situation where living standards, as measured by various economic and social indicators, are below the levels suggested by current measures of economic activity. Indeed, potential developments have not been realized in many geographic and economic sectors of the Province because of basic inadequacies in public services and manpower skills to meet the normal expectations of entrepreneurs.

The objectives of the GDA are to increase the number and quality of long-term employment opportunities in Newfoundland and to improve accessibility to those opportunities, while permitting people to enjoy improved living standards in the area of their choice.

These objectives are being pursued through joint federal/provincial cooperation in the economic and socioeconomic areas to:

- (a) improve utilization of natural resources;
- (b) develop potentials arising out of the geographic location of Newfoundland in the North Atlantic;
- (c) maximize the retained values of activities in the Province by increasing the capability of business in the Province to participate on a viable basis in supplying goods and services demanded by provincial, national and international markets;
- (d) ensure that the Newfoundland labour force has the capability to benefit from and contribute fully to the initiatives to be undertaken; and
- (e) increase the capability of both public and private sectors in the Province to identify and realize opportunities.

Within the general strategy of this Agreement, the two governments are cooperating on a continuing basis to assess development opportunities and encourage their realization. In addition to other development opportunities that may be agreed upon during the operation of this Agreement, a number of areas for action have been identified. These include forestry, fisheries, agriculture, tourism, ocean science and technology, minerals, manufacturing and integrated initiatives.

An important requirement for an increased rate of development is a significantly greater capacity in both the public and private sector for planning and implementation activity. This capacity will be supported through provision of assistance for major studies and supplementary provincial manpower resources for planning and implementation.

The Newfoundland economy has been unable to provide the level of investment in infrastructure reached in other parts of Canada, resulting in significant deficiencies in basic infrastructure required for development.

To December 31, 1976, the following sub-agreements have been signed with Newfoundland:

- Forestry
- Gros Morne Park Area Development
- Highways 1974-75 (expired)
- Highways 1975-76 (expired)
- Fisheries Marine Service Centre Program
- Special Fish Plant Water System
- Ocean Research and Development
- St. John's Urban Region
- Planning
- Inshore Fisheries Development
- Labrador Interim
- Mineral Development
- Highways 1976-78

Summaries of currently active sub-agreements follow. These summaries include all amendments made as of December 31, 1976.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

SUBJECT Forestry

DURATION OF April 26, 1974, to March 31, 1978, as amended January
AGREEMENT 27, 1975, April 15, 1976 (retroactive to June 1, 1973)

OBJECTIVES To increase employment and income in the province's
forestry sector by improving resources management
and forest utilization and by taking advantage of
opportunities to diversify and expand forest utilizing
industries. The first amendment has the specific
objective of protecting existing jobs at the provin-
cially-owned Labrador Linerboard Co. at Stephenville
by assuring the plant of an economic wood supply. The
second amendment increased the funding for aquisition
of forest land and protection of the forest resources,
but reduced the funding for access road construction.

BACKGROUND Between July 1972 and March 1973 a Federal-Provincial
Task Force on Forestry in which the Canada Departments
of Regional Economic Expansion, Environment, Agricul-
ture, and the Newfoundland Departments of Forestry
and Agriculture, Community and Social Development,
Tourism and Justice were the principal participants,
made an exhaustive study of the Newfoundland forest
resource and forest-based industries. This study
concluded that, based on the market prospects for
newsprint, linerboard, lumber and wood-based panel
products, it was possible to expand forestry production
in Newfoundland if the provincial forest resources
potential was improved. It was suggested that in-
creased amounts of commercial timber could be realized
under more intensive management of the forestry
resources. It also recommended improved harvesting
techniques together with better methods of resource
allocation and utilization. The opportunity is
important to Newfoundland since the potential exists
to generate approximately 2 400 new jobs over the next
four to five years in addition to stabilizing current
employment of 8 500 in the forest industry sector.

This sub-agreement was developed in consultation with the federal Departments of Environment and Agriculture. It was signed by the Minister of Regional Economic Expansion and the Newfoundland Minister of Forestry and Agriculture.

ELEMENTS

The following is an outline of the key elements of the overall development strategy:

- (a) the acquisition of management control of the forest resource;
- (b) the establishment of forest management practices adequate to sustain a net annual cut of 1.9 million cunits;
- (c) the provision of adequate access for more intensive utilization and management;
- (d) the development of steep slope logging to further increase utilization;
- (e) the establishment of integrated logging to achieve full utilization;
- (f) the establishment of hardwood-using industries to serve provincial needs and export markets;
- (g) the establishment, expansion and modernization of softwood sawmill capacity to serve provincial needs;
- (h) the restructuring and strengthening of the Newfoundland Forest Service to ensure that acquisition of management control can be made effective.

MAXIMUM
EXPENDITURES

The following is a list of projects which have
been identified under the agreement, as amended.

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Acquisition of Forest Lands	\$ 4 228 600	\$ 2 114 300	\$ 2 114 300
Forest Management	371 900	37 200	334 700
Harvesting, Utilization, Research and Development	15 065 300	1 506 500	13 558 800
Access Road Construction	17 463 800	1 746 380	15 717 420
Intensive Forest Inventories	2 837 000	283 800	2 553 200
Protection of Forest Resource	2 420 400	242 040	2 178 360
Forest Improve- ment	5 827 400	582 700	5 244 700
Administration of the Forest Resource	5 868 900	586 900	5 282 000
TOTAL	<u>\$54 083 300</u>	<u>\$7 099 820</u>	<u>\$46 983 480</u>

ADMINISTRATION
AND MANAGEMENT

A Management Committee composed of senior officials
designated by the Federal and Provincial Ministers is
responsible for the administration of the agreement.
Both DREE and Environment are represented on the
Committee.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

SUBJECT Gros Morne Park Area Development

DURATION OF AGREEMENT May 28, 1974 to March 31, 1978, as amended December 22, 1975 (retroactive to June 1, 1973)

OBJECTIVES To create new employment and income opportunities in the area through the development of the potential of the Park and to ensure that local residents are able to take advantage of these opportunities.

BACKGROUND Recognition of the outstanding scenic appeal and high recreational capability of the Gros Morne area on the west coast of Newfoundland led to the establishment in 1973 of a 750 square mile national park. In 1970, a tentative agreement between Canada and Newfoundland on the establishment of the park, provided for the complete relocation of five of the 23 small communities within the park. The other 18 communities would be allowed to remain in four enclaves within the park, servicing the park itself and the tourists expected to visit the area.

Resistance to relocation led to the reopening of negotiations on this aspect of the agreement. In 1973 the federal Minister of Indian Affairs and Northern Development agreed that no resident of the park communities would be forced to move, but that Canada stood ready to share with the Province the cost of providing fair and just options to the people concerned.

The people of this area have traditionally experienced high unemployment rates and low incomes. Since the already weak economic base of the area has been reduced still further by controls over the resources within the Park, the major strategy for improving employment and earnings is in servicing the park itself and the tourist trade attracted to the area.

This sub-agreement was developed in consultation with the federal Departments of Manpower and Immigration, and Indian and Northern Affairs. It was signed by the Minister of Regional Economic Expansion and the Newfoundland Minister of Forestry and Agriculture.

ELEMENTS

The major elements of this sub-agreement include:

- (a) Planning studies and development programs focussing on ways in which the potential demand for tourist services can be met and development of inshore sports fishing.
- (b) Community infrastructure of water and sewer systems, residential land development and a solid waste disposal system.
- (c) Road and bridge construction and up-grading between and through the enclave communities.

Also included are technical supervision and related expenses, and evaluation - impact studies.

MAXIMUM EXPENDITURES

The following is a list of projects identified under this Agreement, as amended.

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Planning Studies and Development Programs	\$ 150 800	\$ 15 080	\$ 135 720
Community Infrastructure	10 495 200	1 049 520	9 445 680
Road Construction	4 333 000	433 300	3 899 700
Technical Supervision & Related Expenses	130 000	13 000	117 000
Evaluation - Impact Studies	30 000	3 000	27 000
TOTAL	<u>\$15 139 000</u>	<u>\$1 513 900</u>	<u>\$13 625 100</u>

ADMINISTRATION AND MANAGEMENT

A Management Committee composed of senior officials designated by the Federal and Provincial Ministers is responsible for the administration of the agreement. The federal membership includes representation from DREE and IAND.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

SUBJECT Fisheries Marine Service Centre Program

DURATION OF AGREEMENT October 15, 1974 to March 31, 1977, as amended November 10, 1975 (retroactive to January 1, 1974)

OBJECTIVES To improve the impact of the fishing industry on the provincial economy by promoting the more efficient and effective use of the longliners employed in the mid-water fishery.

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

These vessels can range farther afield and catch more varied species of fish. The boats are equipped with large engines and sophisticated electronic gear. Unlike smaller boats which could be hauled up on the beach for shelter or repairs, these craft require the facilities of service centres which can haul the boats from the water, and provide parts and technicians for repairs, maintenance, and storage.

The strategy for this sub-agreement was developed in conjunction with the Department of Environment. It involves the establishment of marine service centres at strategic locations around the Province which will make it possible for more fishermen to take advantage of multi-purpose boat technology, and to use these vessels more effectively by reducing the loss of fishing time due to breakdown in peak periods.

This sub-agreement was signed by the Minister of Regional Economic Expansion and the Newfoundland Minister of Fisheries.

ELEMENTS

The sub-agreement, as amended, will enable the province to establish 14 service centres equipped with slipways or haulouts, sheltered harbours and repair facilities for the boats and fishing gear including the specialized services required by large engines and electronic equipment.

The marine service centres will be owned by the provincial Department of Fisheries who will hire the appropriate technical and management staff.

MAXIMUM
EXPENDITURES

Construction of various facilities, such as wharves, service centre buildings, storage areas, 50-ton travelifts and other appropriate haulout devices and equipment for marine service centres, have been identified for the following locations:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
(1) Durell	\$ 973 500	\$ 97 350	\$ 876 150
(2) Welseyville	1 115 000	111 000	1 004 000
(3) Harbour Grace	1 397 000	139 700	1 257 300
(4) Bonavista	1 034 000	103 400	930 600
(5) Old Perlican	1 172 000	117 200	1 054 800
(6) Isle aux Morts	1 320 000	132 000	1 188 000
(7) Port Union	330 000	33 000	297 000
(8) La Scie	698 500	69 850	628 650
(9) Fogo Island	880 000	88 000	792 000
(10) Southern Harbour	1 265 000	126 500	1 138 500
(11) Englee	737 000	73 700	663 300
(12) Mobile Barge Facility (Deleted in amendment)			
(13) Labrador South-Marine Service Centre	444 000	48 000	396 000
(14) St. Barbe North	550 000	55 000	495 000

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
(cont'd)			
(15) Burgeo - Supply and Installation of Travelift	88 000	8 800	79 200
	<u>\$12 004 000</u>	<u>\$1 203 500</u>	<u>\$10 800 500</u>

ADMINISTRATION
AND MANAGEMENT

A Management Committee composed of senior officials designated by the Federal and Provincial Ministers is responsible for the administration of the agreement. The federal membership includes representation from the Department of Regional Economic Expansion and the Department of Environment.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

SUBJECT Special Fish Plant Water System

DURATION OF AGREEMENT October 15, 1974 to March 31, 1977, as amended January 23, 1976 (retroactive to January 1, 1974)

OBJECTIVES To improve the efficiency of the Province's fish processing industry by increasing the capacity of existing plants and generally improving the quality of fish products manufactured in the province.

BACKGROUND It is generally recognized that the marine fisheries resources potential of Newfoundland has not been fully exploited and that economic activity associated with the Province's marine resources continues to be the mainstay of a large number of communities and towns. Consistent with this realization is the need for well formulated programs to accommodate ongoing developments within the fishing industry. Such programs can be designed to meet specific goals and objectives and provide opportunities which otherwise would not contribute to rational growth and expansion within a vital component of the Province's resource indicator.

Inadequate water supply systems together with the high capital costs of providing such systems continue to impede overall efficiency within the processing sector of the Province's fishing industry. This Agreement is designed to facilitate and improve processing of Newfoundland fish landings through integrated fish plant water system infrastructure projects.

This sub-agreement was developed in consultation with the federal Department of Environment. It was signed by the Minister of Regional Economic Expansion and the Newfoundland Minister of Fisheries.

ELEMENTS Provision is made in the agreement for completely new water supply systems and an increase in capacity to systems which are insufficient to meet individual plant demands.

The projects identified are designed to deal with specific problems at the regional and sub-regional level and represent the highest priorities of the Province that are consistent with the objectives of the proposed program. Included are such projects as construction of new water lines and reservoir dams as well as the drilling of artesian wells.

MAXIMUM EXPENDITURES The construction of special fish plant water systems have been identified for the following. (As amended)

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Port-aux-Basques	Deleted by amendment		
Burnt Islands	\$1 089 000	\$108 900	\$ 980 100
Little Bay Islands	220 000	22 000	198 000
Newstead-Comfort Cove	924 000	92 400	831 600
Hermitage	561 000	56 100	504 900
Southern Harbour	770 000	77 000	693 000
St. Brides	Deleted by amendment		
Admiral's Beach	396 000	39 600	356 400
Valleyfield	696 000	69 600	626 400
Bay Bulls	506 000	50 600	455 400
New Harbour	528 000	52 800	475 400
Various Locations	440 000	44 000	396 000
TOTAL	<u>\$6 130 000</u>	<u>\$613 000</u>	<u>\$5 517 000</u>

ADMINISTRATION AND MANAGEMENT A Management Committee composed of one or more senior officials designated by the Federal and Provincial Ministers is responsible for the administration of the agreement. The federal representation is by officials from both the Department of Regional Economic Expansion and Department of Environment.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

SUBJECT NORDCO (Newfoundland Ocean Research and Development Corporation)

DURATION OF AGREEMENT May 23, 1975 to March 31, 1979 (retroactive to January 1, 1975)

OBJECTIVES To stimulate the development of marine technology within the Province and to foster the establishment of marine ice-related industries. It also seeks to ensure that the Newfoundland business community becomes fully involved in marine resource development in the adjacent ice-congested waters.

BACKGROUND The continental shelf off Newfoundland is one of the world's largest, stretching nearly 1400 miles from Northern Labrador to the Grand Banks. This continental shelf has a substantial oil and gas potential. At the present time, there is a world shortage of expertise and experience in operating in ice-infested waters. The ability to exploit these undersea oil and gas resources could be of great benefit to Newfoundland and Canada and as an economic development opportunity available to the Province, could provide a multitude of new jobs over the next two decades. Successful exploitation of this opportunity through NORDCO could give Newfoundland a leadership role in ice-related technology and experience.

As a means of achieving these objectives, the Province will incorporate a limited liability company under the name of NORDCO Limited (Newfoundland Ocean Research and Development Corporation). NORDCO is the focal point of this new Subsidiary Agreement and is the means of implementing strategies that will achieve the objectives of the Agreement. NORDCO will endeavour to establish itself as an internationally recognized centre of expertise for the development of technology and applied research related to the exploitation of northern oceans resources and to ice-related activities. It will undertake projects in the nature of applied research and technology development related to northern oceans resources exploration and promote the commercial

utilization of such technological advances. Further strategies include encouraging participation by the private sector, providing technological assistance to Canadian marine-oriented firms wishing to expand, and initiating projects in response to requests from other organizations.

In formulating these strategies, extensive consultation was held with the federal Departments of Industry, Trade and Commerce, Environment, and the Ministry of State for Science and Technology. Provincial authorities were also deeply involved.

The sub-agreement was signed by the Minister of Regional Economic Expansion and by the Provincial Ministers of Industrial Development and Intergovernmental Affairs.

ELEMENTS

This sub-agreement is designed to foster applied research and technological development in the marine industry sector. Consequently it is anticipated that a wide variety of innovative projects will be undertaken by the Corporation in cooperation with the private sector. Specific elements, therefore are not identified in this sub-agreement.

MAXIMUM EXPENDITURES	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
	\$4 910 080	\$ 491 008	\$4 419 072

ADMINISTRATION
AND MANAGEMENT

A Management Committee composed of two senior officials designated by each of the Ministers shall be responsible for the administration of this sub-agreement.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

SUBJECT St. John's Urban Region

DURATION OF AGREEMENT July 23, 1975 to March 31, 1980
(retroactive to September 30, 1974)

OBJECTIVES To permit the continued development of the St. John's Urban Region as the major centre for administration, transportation and communications, and distribution of goods in the Province.

BACKGROUND The St. John's Urban Region is currently suffering from the lack of an adequate water supply, average daily consumption having reached the available supply. This has the effect of impeding development, both industrial and residential. A study funded under the Canada/Newfoundland Second Special Areas Agreement recommended the augmentation of the existing supply by the addition of a new water source at Bay Bulls Big Pond, together with the necessary treatment facilities and transmission lines.

As well, a major arterial road from the Donovan's Industrial Park and the Trans-Canada Highway sector of the Region to the waterfront, was begun under the Second Special Areas Agreement and the first six miles were completed. Three miles, primarily through an urban setting, remain to be constructed to complete the link.

Under this Agreement, it is proposed that the necessary water supply works, together with the remaining section of the Harbour Arterial Road, be constructed.

In preparing this sub-agreement, the Department benefited from the active participation of the Ministry of State for Urban Affairs and Central Mortgage and Housing Corporation, as well as provincial authorities. In addition, the following departments were consulted on a continuing basis: Transport, Environment, Public Works, Manpower and Immigration, Finance and the Treasury Board Secretariat.

The sub-agreement was signed by the Minister of Regional Economic Expansion and the Newfoundland Minister for Intergovernmental Affairs.

ELEMENTS

The inadequacy of the St. John's water supply has already placed restrictions on the growth of industrial and commercial development in the city, including the vital area of residential housing. The projects approved by this agreement will require the construction of an intake and treatment facility at Bay Bulls Big Pond with a large diameter pipeline to bring the treated water into the existing St. John's - Mount Pearl distribution system. The construction of this additional network will more than double the capacity of the present water supply. Work has already begun on the project and it is expected that water from the new source will begin flowing through the system by late 1977.

The St. John's Harbour Arterial Road from Kilbride to the downtown area will be completed under this new agreement. Besides improving access to downtown St. John's from the Donovan's Industrial Park and the New Town Residential Development, the Harbour Arterial will help to revitalize the downtown area and offer full access to the harbour itself.

MAXIMUM EXPENDITURES

The maximum expenditures for the major programs of this sub-agreement are allocated as follows:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
St. John's Urban Region Water Supply	\$33 400 000	\$ 8 300 000	\$25 100 000
St. John's Harbour Arterial	34 600 000	8 700 000	25 900 000
TOTAL	\$68 000 000	\$17 000 000	\$51 000 000

ADMINISTRATION AND MANAGEMENT

Each of the Ministers shall designate one or more senior officials to be responsible for the administration of this sub-agreement. The Federal Government will be represented by the Department of Regional Economic Expansion, Ministry of State for Urban Affairs and Central Mortgage and Housing Corporation.

NEWFOUNDLAND
SUBSIDIARY AGREEMENT

SUBJECT	Planning
DURATION OF AGREEMENT	June 22, 1976 to March 31, 1981 (retroactive to April 1, 1976)
OBJECTIVES	To provide a capability for the undertaking of studies and the carrying on of such planning as is required to identify and analyse economic and socio-economic development opportunities in Newfoundland and to develop and implement strategies, programs and subsidiary agreements pursuant to those opportunities.
BACKGROUND	<p>Detailed analysis and studies of Newfoundland's economic and socio-economic circumstances, as well as studies of sectors and opportunities in which Newfoundland has a significant advantage, are required to achieve the objectives of the GDA and the development potential of the Province. Federal financial contributions are required to assist Newfoundland in obtaining external professional resources and provincial staff in order to enable both governments to plan and implement, more effectively, joint development initiatives.</p> <p>The Agreement was signed by the Minister of Regional Economic Expansion and the Newfoundland Minister for Intergovernmental Affairs.</p>
ELEMENTS	<p>The Agreement provides for:</p> <ul style="list-style-type: none">(a) Acquiring external staff and services, and(b) Covering the costs of provincial staff.

MAXIMUM
EXPENDITURES

External Staff and Services

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
1976-79		10%	90%
1979-1981		50%	50%
	<u>\$4 800 000</u>	<u>\$1 760 000</u>	<u>\$3 040 000</u>

Provincial Staff

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
1976-77		10%	90%
1977-78		25%	75%
1978-79		50%	50%
	<u>\$1 585 000</u>	<u>\$ 625 000</u>	<u>\$ 960 000</u>
TOTAL	\$6 385 000	\$2 385 000	\$4 000 000

ADMINISTRATION
AND MANAGEMENT

The Agreement is administered by a Management Committee composed of one senior official from each government, designated by the respective Federal and Provincial Ministers.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

SUBJECT Inshore Fisheries Development

DURATION OF AGREEMENT June 22, 1976 to March 31, 1981 as amended October 7, 1976

OBJECTIVES To increase per capita income of inshore fishermen in Newfoundland, and to increase employment and productivity in the processing sector of the fishing industry.

BACKGROUND The pursuit of the inshore fishery has been a traditional economic activity in rural Newfoundland. The strategy for the catching sector of the inshore fishery is to raise incomes by efficiency improvements and product diversification. In the processing sector the strategy is to increase the number of jobs and the duration of employment by increasing and diversifying production, raising the value added, and improving the product quality. The initiatives in this Agreement, as well as others that may be developed, are intended to relieve certain difficulties in the industry, and specifically to support the productive herring fishery in the St. Barbe North Area.

The Agreement will provide multi-purpose facilities for use directly by private fishermen. Improvements in these facilities will benefit the various phases of the industry, from the catching operations through the processing, and consequently to the marketing because of quality improvements. For example, the community stages are publicly-owned landing and processing facilities. They generally consist of a wharf, storage shed, and a processing area. The stages enable the production of high quality and higher value products from the herring resources of the Gulf of St. Lawrence landed and processed in the St. Barbe North Area.

The central cool storage building will improve quality control during processing and provide facilities for repacking the herring for shipment.

The water supply systems will provide larger supplies of clean fresh water to two fish plants. Clean water is required under the Fish Inspection Act and will, in turn, ensure higher quality production. Further, abundant water supplies will permit increases in production.

The Agreement was signed by the Minister of Regional Economic Expansion and the Provincial Minister of Fisheries and the Minister for Intergovernmental Affairs.

ELEMENTS

Provision is made in the Agreement for the following facilities and activities:

- (a) St. Barbe North Facilities Improvement Program
 - i) upgrading of six community stages
 - ii) construction of two new stages
 - iii) construction of a central cool storage facility
- (b) Water Supply Systems for Fish Plants
- (c) Program Evaluation and Development Planning Studies

MAXIMUM EXPENDITURES

The following is a list of projects that the Province will arrange to carry out under this Agreement (as amended).

<u>Project</u>	<u>Description</u>	<u>Total</u>	<u>Provincial</u>	<u>Federal</u>
1. St. Barbe North Facilities Improvement				
1.1 Community stage upgrading	Structural repairs electrical installation or modification, installation of water supplies and plumbing purchase of processing equipment, as appropriate at L'Anse-au-Clair, Forteau, Pinware, Flowers Cove, Blue	\$311 000	31 000	\$279 900

<u>Project</u>	<u>Description</u>	<u>Total</u>	<u>Provincial</u>	<u>Federal</u>
	Cove, and Anchor Point. Purchase and installation of ice-making machines and ancillary equipment.			
1.2 Community stage construction	Construction of wharves, foundations, and buildings, complete with electrical and plumbing services at Red Bay and in the Bartlett's Harbour area. Purchase and installation of ice-making machines and ancillary equipment.	\$530 000	53 000	\$477 000
1.3 Cool storage building construction	Erection at Brig Bay of a herring repacking and controlled temperature storage facility, complete with electrical, mechanical, plumbing, refrigeration, ventilation and heating systems. Provision is to be made for offices, access roads, parking and landscaping. Purchase and installation of ice-making machines and ancillary equipment.	990 000	99 000	891 000
2. Water Supplies for Fish Plants				
2.1 Port-aux-Basques	Construct a new water line from the present supply at the	1 500 000	150 000	1 350 000

<u>Project</u>	<u>Description</u>	<u>Total</u>	<u>Provincial</u>	<u>Federal</u>
	property of Canadian National Railways to the fish plants.			
2.2 St. Brides	Construct a reservoir dam and connecting line to the fish plant.	\$360 000	36 000	\$324 000
3.	Program Evaluation and Development Planning Studies	200 000	20 000	180 000
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		3 891 000	389 100	3 501 900

ADMINISTRATION
AND MANAGEMENT

The Agreement is administered by a Management Committee of one or more senior officials of each government designated by the Federal and Provincial Ministers.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

SUBJECT Labrador Interim
1976-1980

DURATION OF AGREEMENT December 3, 1976 - March 31, 1980

OBJECTIVES To assist the Municipality of Happy Valley-Goose Bay to maintain its socio-economic viability following the substantial reduction of U.S. military operations at Goose Bay airport.

To initiate, in selected communities, infrastructure improvements and services required for the diversification of the local economy and to assist Labradorians to participate in emerging developmental opportunities.

To reinforce the long-term orderly development of Labrador for the benefit of its inhabitants and the Province.

BACKGROUND The substantial reduction of United States Air Force operations at Goose Bay airport precipitated the development of a subsidiary agreement as a means of assisting the community of Happy Valley-Goose Bay to maintain its socio-economic base and as a means of helping the community to develop new industrial endeavours at the airport as its primary place of employment. At the request of the Province the scope of the proposed agreement was widened to include a project in the town of Wabush. Subsequently the Labrador Interim Subsidiary Agreement was developed as a mechanism for the immediate and long-term development of Labrador.

PROJECTS AND
EXPENDITURES

<u>PROJECTS</u>	<u>ESTIMATED COST</u>	<u>FEDERAL SHARE (DREE)</u>
1. Wabush Industrial Park	\$ 3 800 000	\$3 420 000
2. Northwest River Bridge	2 800 000	2 250 000
3. Happy Valley-Goose Bay Economic Development Corp.	385 000	346 500
4. Student Dormitory at Happy Valley Vocational School	2 225 000	2 002 500
5. Auxiliary Sewage Collector System and Outfall Facility	500 000	450 000
6. Street Improvement in the Town of Happy Valley	500 000	450 000
7. Town of Happy Valley Neighbourhood Improvement Program	750 000	450 000
8. Program Evaluation	200 000	180 000
	<hr/>	<hr/>
TOTAL	\$11 160 000	\$9 819 000
	<hr/>	<hr/>

NOTE: The DREE share represents 90% of the direct costs connected with projects 1 to 6 and 8. The DREE share of project 7 is 90% of the estimated municipal cost of a Neighbourhood Improvement Program up to a maximum of \$450 000, subject to the provision set out in sub-section 4(6) of the Agreement.

ADMINISTRATION AND MANAGEMENT Supervision of the program will be provided by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

Provision is made for an on-going evaluation process to commence immediately under the supervision of the Management Committee.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

SUBJECT Mineral Development

DURATION OF AGREEMENT January 1, 1977 to December 31, 1981

OBJECTIVES To develop Newfoundland's mineral resources by upgrading geoscientific data in selected high potential areas, by providing a comprehensive inventory of known deposits, and by developing policies for mineral resource management that will encourage exploration and development by the private sector while providing maximum socio-economic benefit to Newfoundland.

BACKGROUND The mineral industry in Newfoundland represents some twenty-two per cent of the Gross Provincial Product, but its full potential is far from realized. The industry is largely extractive in nature with very little upgrading of the mined product being undertaken. Considerable opportunity exists for expanding both mining and processing activities with a consequent improvement in both economic and social returns to the Province. About 6 500 persons or 4 per cent of the labour force are employed in the mineral industry. It is reasonable to assume that a minimum of 1000 to 1 500 new jobs could be created within ten years of program initiation.

Short to medium term benefits in extraction processing opportunities and policy development have derived from the previous Mineral Exploration and Evaluation Agreement between Canada and Newfoundland signed in 1971. This Agreement, which was funded jointly by DREE and EMR, expired on March 31, 1976. An extension of some of the work carried out under the Agreement is included in the present proposal. However, because of the lack of basic geoscientific data, effective long-term development potential cannot be fully realized. The program therefore includes a significant component of geoscientific surveying and mapping.

PROJECTS

There are four main projects, including program evaluation, in the program.

	<u>DESCRIPTION</u>	<u>ESTIMATED COST</u>	<u>FEDERAL SHARE</u>
Regional Mineral Potential Evaluation	Conduct geological, geochemical and geophysical surveys and mapping in Newfoundland and Labrador	\$ 8 587 000	\$ 7 728 300
Mineral Development Strategies	Produce mineral potential maps; develop, research, review and operate a mineral deposits file; research, review and develop a Crown-controlled deposits file; construct four core storage buildings; and initiate studies and reports which research, review, access identify, promote and market development opportunities for minerals and mineral commodities.	2 582 000	2 323 800
Mineral Resource Management	Analyze and evaluate present government policies on mineral-related matters; and research, review, develop and recommend policies, policy options and strategies for the minerals sector and where applicable its integration with other sectors.	1 089 000	980 100
Program Evaluation		200 000	180 000
TOTALS		<u>\$12 458 000</u>	<u>\$11 212 200</u>

The federal share (90 per cent of the program cost) will be shared equally between the Departments of Regional Economic Expansion and Energy, Mines and Resources.

ADMINISTRATION AND MANAGEMENT A Management Committee composed of officials designated by the Federal and Provincial Ministers is responsible for the administration of the Agreement and the evaluation of the program. The Committee is chaired jointly by one federal and one provincial co-chairman. The federal membership includes representation from both sponsoring departments.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

SUBJECT Highways 1976-78

DURATION OF AGREEMENT June 22, 1976 to March 31, 1978 as amended
July 14, 1976 (retroactive to April 1, 1976)

OBJECTIVES To provide access to identified and potential resource development opportunities, and to reduce constraints on the realization of other socio-economic development opportunities by selected improvements in those elements of the transportation system set forth in Schedule "A" of the Agreement.

BACKGROUND On the basis of investigation undertaken jointly with officials of the Provincial Government, it has been concluded that continued upgrading of the transportation system is essential in the pursuit of the socio-economic development objectives and opportunities identified in the General Development Agreement. Selected improvements to the road network will support advances in agriculture, forestry, minerals development and fisheries through more efficient transportation of resources to processing and manufacturing plants and will improve access to Canadian and export markets for a wide variety of products. The proposed roads program will reduce or end isolation, increase labour mobility, promote the viability of the resource industries and tourism, improve living standards by reducing transportation costs, and provide equitable access to social and cultural services.

The sub-agreement was developed in consultation with the federal Departments of Transport and Environment. The sub-agreement was signed by the Minister of Regional Economic Expansion, the Newfoundland Minister of Transportation and Communications and the Newfoundland Minister of Intergovernmental Affairs.

ELEMENTS AND MAXIMUM EXPENDITURES The following is a list of projects that the Province will arrange to carry out under the Agreement:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
	(as amended)		
1. Burgeo Road			
Southwest Brook toward Burgeo			
a) Grading Mile 19-29	\$2 400 000	\$240 000	\$2 160 000
b) Grading Mile 29-26 including bridge at Southwest Brook	2 600 000	260 000	2 340 000
2. Bonavista North Loop Road			
a) Gander Bay towards Wesleyville			
i) Grading Mile 39-49 including bridge at Ragged Hr. River	2 200 000	220 000	1 980 000
ii) Grading Mile 49-54	1 100 000	110 000	990 000
iii) Paving Mile 26.5-54	3 000 000	300 000	2 700 000
b) Lockyers Bay towards Wesleyville			
i) Grading Mile 32.5-46.0	2 600 000	260 000	2 340 000
ii) Grading Mile 46.0-57.5	2 800 000	280 000	2 520 000
iii) Paving Mile 22.5-46.0	2 500 000	250 000	2 250 000
3. Bay d'Espoir Highway Paving Mile 63-81	1 000 000	100 000	900 000
4. Baie Verte-LaScie Paving Mile 20-33	800 000	80 000	720 000
5. Northern Peninsula Highway			
a) Paving North Boundary Gros Morne to Daniels Hr. Mile 75.2-95.7	1 200 000	120 000	1 080 000
b) River of Ponds-Hawkes Bay Granulars and Paving Mile 120.2-131.6	1 400 000	140 000	1 260 000
c) St. Barbe towards Flowers Cove			
i) Paving Mile 183.4-197.2	1 600 000	160 000	1 440 000
ii) Grading Mile 197.2-212.2	3 400 000	340 000	3 060 000
iii) Paving Mile 197.2-212.2	1 800 000	180 000	1 620 000
iv) Grading Mile 212.5-222.8	1 700 000	170 000	1 530 000
d) St. Anthony towards Flowers Cove			
i) Grading Mile 260-265	1 900 000	190 000	1 710 000

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
	(as amended)		
5. d) (cont'd)			
ii) Paving Mile 265-275	1 300 000	130 000	\$1 170 000
iii) Grading Mile 252-260 plus bridge at Parkers Brook	2 500 000	250 000	2 250 000
6. Program Evaluation	200 000	20 000	180 000
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TOTALS	\$38 000 000	3 800 000	\$34 200 000

ADMINISTRATIVE
AND MANAGEMENT

The Agreement is administered by a Management Committee of one or more senior officials from each government designated by the Federal and Provincial Ministers.

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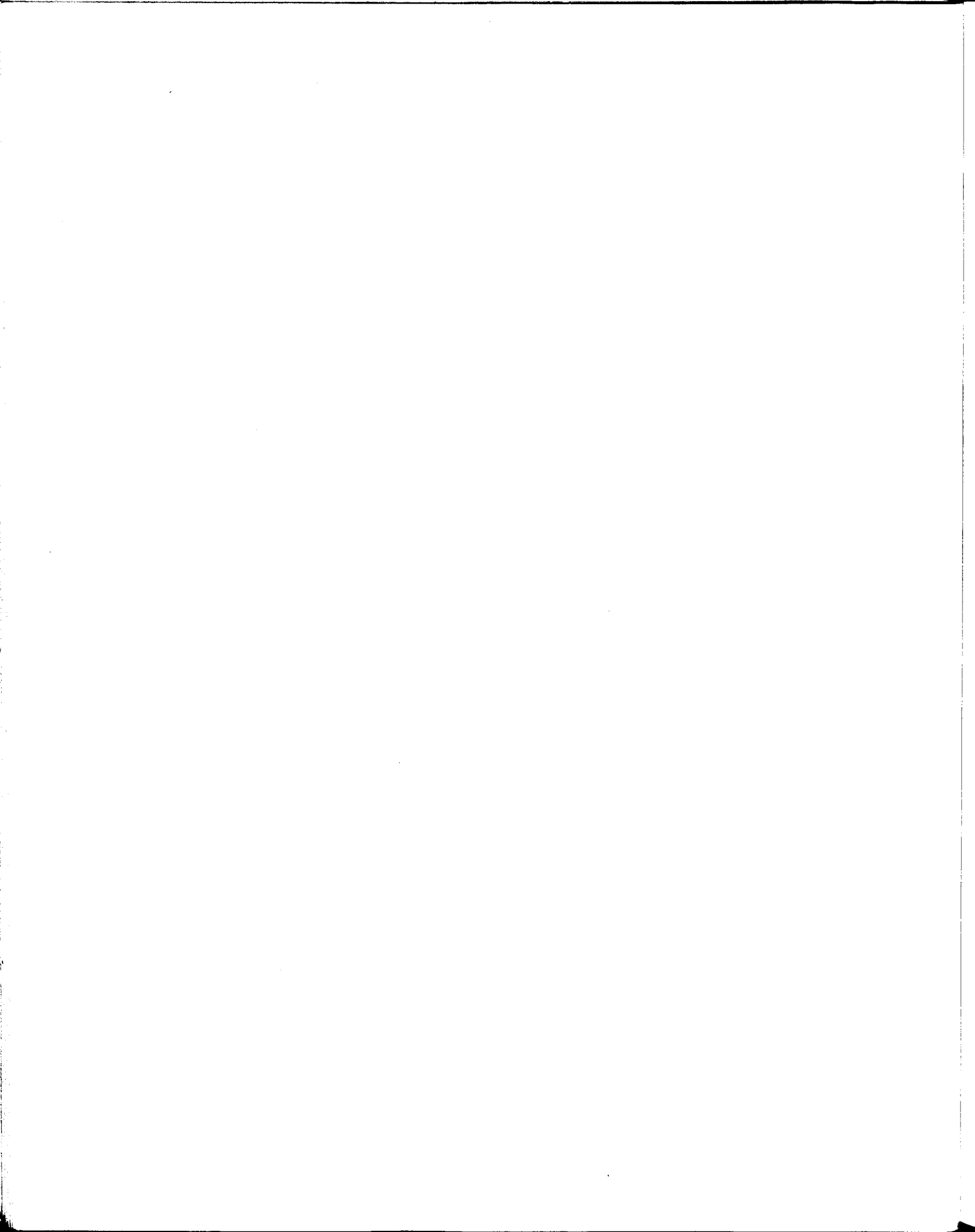
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22900	BILLING J.MCBRIDE.	(804)234-9665	01/06/94 01/01/86	5.00 2000	
2	MID-STATE ELECTRIC CORP.	1335 DOLLY MADISON HIGHWAY	MCLEAN,	MCLEAN	VA
21190	VA101 JAMES WILSON	(703)556-8903	03/15/86 01/12/86	7.25 1200	
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NOVA SCOTIA



NOVA SCOTIA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with Nova Scotia was signed September 12, 1974, by the Minister of Regional Economic Expansion and the Premier of Nova Scotia. A synopsis of this GDA follows.

The Province of Nova Scotia is in the process of rapid and accelerating social and economic change, but significant disparities persist between Nova Scotia and the rest of Canada. Total income per capita is approximately three-quarters of the national level; the rate of participation in the labour force is below national levels, and out-migration has, until recently, been significant. In short, the Nova Scotia economy has experienced some progress toward the reduction of disparities during recent years, but serious problems still exist.

The objectives of this Agreement are to encourage the expansion of viable, long-term employment opportunities and to promote optimum quality of life within Nova Scotia and increased earned incomes for its people; and assist in the development of a dynamic and creative provincial economy which will encourage the growth and stability of economic activity in the province.

In seeking to achieve these general objectives, the governments will jointly pursue strategies involving more specific sectorial and geographic approaches, including:

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

- (e) the continued development of the primary and secondary processing of imported and domestic raw and semi-finished materials in the Strait of Canso area;
- (f) the development of the economic and social opportunities of the tourism/recreation and related sectors;
- (g) the provision of interim assistance required to eliminate impediments threatening the retention and maintenance of otherwise viable employment opportunities and industries;
- (h) the development of spin-off opportunities related to supply, service, exploration, extraction and distribution of off-shore oil and gas;
- (i) the development of ocean science technology and ocean-related industries, including shipbuilding and ship repair;
- (j) the development of energy resources and energy distribution systems to assist in providing the adequate energy supplies to Nova Scotia consumers and industries.

To December 31, 1976, the following subsidiary agreements have been signed with Nova Scotia.

- Mineral Development
- Metropolitan Halifax-Dartmouth Area Development
- Strait of Canso Area Development
- Planning
- Agriculture
- Industrial Development

Summaries of currently active sub-agreements follow. These summaries include all amendments made as of December 31, 1976.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

SUBJECT Mineral Development

DURATION OF AGREEMENT February 17, 1975 to March 31, 1980

OBJECTIVES To increase employment and investment in the province's mining sector by providing for accelerated mineral reconnaissance, geological programs and an assessment of mineral resources.

BACKGROUND The mineral industry in Nova Scotia has been centered in the coal industry, an industry which has not, in the past, been able to contribute significantly towards closing the regional disparity gap.

It has been recognized that new mineral deposits have to be found to broaden the industry base and create more economic impact. Programs have been carried out in mineral exploration, but a less than dynamic industry exists. Previously, policy review work suggested substantial development opportunities existed in lead and zinc, barite and fluorite, gypsum and salt. Recent successful mineral discoveries have indicated a relatively high exploration potential.

It is now an opportune time to accelerate and broaden the scope of these programs; reduce or eliminate identifiable constraints to mineral exploration and development; undertake the processing of minerals which are presently mined and exported in raw or bulk form; all with the intention of increasing employment and investment opportunities through the development of mineral-based industries in the Province.

This sub-agreement was developed in close cooperation with the federal Department of Energy, Mines and Resources and the Province of Nova Scotia. It was signed by the Minister of Regional Economic Expansion and the Provincial Minister of Development.

ELEMENTS

The six major elements of the sub-agreement relate to:

(a) Resource Development Planning

The purpose of resource development planning is to identify development opportunities and devise programs to optimize governmental efforts in promoting exploration and exploitation of the mineral resource.

(b) Mineral Resource Inventory

To provide a base for formulating policies and programs regarding mineral exploration and development, there is required a complete and comprehensive data and information system on the nature, extent and location of known mineral occurrences. An inventory of known resources is the first step in developing priorities of action.

(c) Mineral Evaluation Survey

An examination, mapping and evaluation of known mineral occurrence and the search for new deposits of industrial minerals provides a direct means of encouraging mineral development and the utilization of provincial resources.

(d) Geological-Geochemical Survey

One of the most useful functions in stimulating continuing exploration activity by private industry is the provision of basic geological data and concepts. The program will give priority to selected areas with the objective of carrying out a comprehensive and coordinated approach utilizing a broad range of geological, geochemical and geophysical techniques.

(e) Laboratory Services

The Department of Mines operates a laboratory to perform analytical services, ceramic testing and small scale mineral dressing tests; however, some of its major analytical equipment is now obsolete and of insufficient capacity to meet increasing demands of the Department and industry. This agreement will attempt to improve the situation.

MAXIMUM
EXPENDITURES

The following is a list of projects the province will arrange to carry out under this agreement.

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Resource Develop- ment Planning	\$ 715 000	\$ 143 000	\$ 572 000
Mineral Resource Inventory	120 000	24 000	96 000
Mineral Evaluation Survey	1 920 000	384 000	1 536 000
Geological-Geochemi- cal Survey	2 505 000	501 000	2 004 000
Laboratory Services	325 000	65 000	260 000
Program Management and Administration	753 000	150 600	602 400
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TOTAL	\$6 338 000	\$1 267 600	\$5 070 400

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee composed of one representative from DREE, one from EMR, and two from the province, as designated by the respective Federal and Provincial Ministers.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

- SUBJECT** Metropolitan Halifax-Dartmouth Area Development
- DURATION OF AGREEMENT** March 31, 1975 to March 31, 1980.
- OBJECTIVES** To enable Halifax-Dartmouth to function more effectively in its role as the principal regional centre in the Atlantic Provinces by ensuring desirable development of the downtown areas of the two cities, continued development of the harbour resource and increased industrial development, particularly in high technology industries.
- BACKGROUND** The Halifax-Dartmouth Metro area is the most prosperous part of the Atlantic, with per capita and family incomes about 10 per cent above the national average. More importantly, it is now coming to play a central role within the total Atlantic economy. The Halifax-Dartmouth Metropolitan area has gradually changed from a slow-growth area to a major growth centre, with increasing links to the major metropolitan areas in the rest of Canada and the eastern seaboard of the United States. It is essential that the rate of development and growth in the Metro area be sustained, not only to ensure continued prosperity for the residents of Halifax-Dartmouth but also to ensure the generation of the maximum possible benefits for the remaining parts of Nova Scotia and the Atlantic Region.
- Five broad benefits are anticipated to arise from the implementation of this Subsidiary Agreement:
- (a) It will provide employment for future additions to the work force, particularly additions based on in-migration from other parts of the Atlantic Provinces.
 - (b) The Subsidiary Agreement will help to ensure that expansion goes forward in an orderly manner, with the generation of the minimal amount of "disbenefits" generally associated with high growth.

- (c) The Subsidiary Agreement will assist in ensuring that the current upward momentum in the Halifax-Dartmouth economy is sustained.
- (d) Related to the previous "benefits", the implementation of this Subsidiary Agreement will lead to a better integrated Atlantic economy through an improved and expanded transportation and distribution system to take advantage of the unique "Gateway" location of Halifax in relation to world markets.
- (e) The Subsidiary Agreement will assist in the restructuring of the Halifax-Dartmouth economy towards more highly skilled manufacturing and service activities which will increase opportunities for new employment and increased incomes.

This sub-agreement illustrates the federal policy of interdepartmental cooperation on development matters. On the federal side, the departments of Public Works, Transport, Environment, Urban Affairs, Manpower and Immigration and the National Harbours Board have worked closely with DREE on the sub-agreement and will be closely involved in its implementation.

This sub-agreement was signed by the federal Ministers of Regional Economic Expansion, Public Works and Urban Affairs, and by the Nova Scotia Minister of Development.

ELEMENTS

The Halifax-Dartmouth sub-agreement calls for programs in three broad developmental categories: metro development in the Halifax-Dartmouth area, port-related development and industrial development.

The waterfront development master plan will include space for a hotel and convention complex, office facilities for federal and provincial governments, commercial and retail space, ferry terminals and housing. The development is expected to generate millions of dollars in income annually, and some 2 000 to 4 000 jobs within the office space provided.

Funds are provided to complete the construction of a regional water supply. Demands on the existing water supply are close to capacity, and continued development of the Metropolitan area requires that this new water supply be established.

Work to be done includes the construction of approximately 16 miles of transmission main to carry water from the treatment plant at Pockwock Lake to the City of Halifax and into Bedford. The line will connect with the North End feeder through a control chamber near Main Avenue at Dunbrack Street in Halifax, with the Geizer Hill and Cowie Hill Reservoirs, and with the Bedford Reservoir.

To ease traffic problems in the Halifax area caused by increased development of the waterfront, a computerized traffic management centre will be introduced. Improvements to Portland Street and the construction of Dunbrack Street will also be carried out to accommodate increasing traffic.

The port-related section of the sub-agreement notes the fact that facilities at the highly successful Halifax container terminal will operate at capacity this year. Feasibility and design studies will, therefore, be carried out for possible construction of additional facilities.

The third program in this subsidiary agreement is concerned with industrial development of which the most promising areas are high technology and ocean-oriented industry.

Studies will be carried out into the feasibility of ship repair facilities for the area, and the costs and benefits of industrial park extensions.

Approximately 200 acres adjoining the Burnside Industrial Park will be serviced with water, sewers and roads to meet future demands for industrial land and a Bedford bypass will be constructed to ease traffic in the northeast area of the metropolitan area.

MAXIMUM
EXPENDITURES

The following is a reference to the projects the province will arrange to carry out under this agreement:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Halifax-Dartmouth Waterfront Development	\$ 87 710 000	\$22 253 000	\$65 457 000
The Gateway: The Port	1 500 000	300 000	1 200 000
Industrial Development	21 600 000	8 260 000	13 340 000
	<hr/>	<hr/>	<hr/>
TOTAL	\$110 810 000	\$30 813 000	\$79 997 000

ADMINISTRATION AND MANAGEMENT Administration of the sub-agreement will be in the hands of a joint management committee comprising members from the federal Department of Regional Economic Expansion and the provincial Department of Development. An Intergovernmental Waterfront Committee composed of members from the federal Departments of Regional Economic Expansion, Public Works and Urban Affairs, relevant provincial departments and municipal representatives is responsible for managing the Halifax-Dartmouth Waterfront Development Project of the sub-agreement.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

SUBJECT Strait of Canso Area Development

DURATION OF AGREEMENT March 31, 1975 to March 31, 1978, as amended August 15, 1975, June 10, 1976, December 21, 1976.

OBJECTIVES To stimulate the development of a major industrial concentration at the Strait of Canso and thus ensure that important assets, such as an excellent deepwater harbour, are used to promote maximum income and employment opportunities for the people of Nova Scotia.

BACKGROUND The Strait of Canso has one of the finest deep water harbours in the western hemisphere. Development of the causeway in 1955 created a fully sheltered and ice-free harbour out of the Strait. It has water depths up to 120 feet within a few hundred yards of the shore. Canso is slightly over 200 miles from Halifax and is fully accessible by road, rail and water.

The harbour in itself gives the Strait area a tremendous advantage over most ports on the North American Atlantic Coast. Since the advent of super tankers and large bulk carriers, industrial concerns are indicating a strong preference for locating production and service facilities dependent on large volume raw material shipment, at strategic points with deep water harbours. The Strait has the further advantage of being convenient to important Atlantic shipping routes and is relatively close to urban centres which offer support services and from which a labour force can be drawn.

The opportunity, therefore, lies in capitalizing on these assets by attracting a number of major industries to the Strait.

This sub-agreement was developed in consultation with other federal government departments, such as Industry, Trade and Commerce, and Manpower, and with provincial authorities. It was signed by the Minister of Regional Economic Expansion and the Nova Scotia Minister of Development.

ELEMENTS

(a) The Strait of Canso Development Office

This office will be responsible for the development planning for the region; coordination of municipal and provincial government activities in cooperation with the Strait of Canso Steering Committee, and management and administration of activities to promote industrial development in the area.

(b) Integrated Region Planning

Overall planning will be developed with emphasis on 1) a comprehensive regional and municipal planning program to provide for an orderly and integrated community and physical development of the Strait of Canso, and 2) optimum utilization and environmental management of the harbour area.

(c) Community and Industrial Infrastructure

Under this program, feasibility analyses, design and construction of selected infrastructure projects will be undertaken, including:

- Melford Brook Reservoir
- Expansion of Landry Lake Reservoir
- Port Hawkesbury School/Community Centre
- Mulgrave By-Pass Highway
- Trunk 104 - East of Port Hawkesbury to Cannes.

MAXIMUM EXPENDITURES

The following is a summary of projects that the province will arrange to carry out under this agreement;

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Strait of Canso Development Office	\$ 1 850 000	\$ 370 000	\$ 1 480 000
Integrated Regional Planning	2 090 000	418 000	1 672 000
Community and Industrial Infrastructure	21 531 000	5 561 000	15 970 000
TOTAL	<u>\$25 471 000</u>	<u>\$ 6 349 000</u>	<u>\$19 122 000</u>

ADMINISTRATION AND MANAGEMENT

Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

SUBJECT Planning

DURATION OF AGREEMENT June 22, 1976 to March 31, 1980

OBJECTIVES To enable Canada and the Province to provide a capability for undertaking studies and conducting such planning as is required to identify and analyze economic and socio-economic opportunities in Nova Scotia and to develop strategies, programs and subsidiary agreements pursuant to those opportunities.

BACKGROUND In 1973 an Interim Planning Agreement between Canada and Nova Scotia was approved by Treasury Board. Under this Agreement, several studies were undertaken to investigate development opportunities in Nova Scotia.

The Planning Subsidiary Agreement signed in May of 1976 continues and broadens the type of thrust begun under the Interim Planning Agreement. In particular, it defines three areas for planning and development initiatives. These are: Physical and Resource Planning, Research and Studies to Investigate Development Opportunities and General Development Planning.

Under the Planning Subsidiary Agreement, DREE and the Province are working closely towards developing an overall development strategy for the Province and undertaking the necessary planning and studies to implement the strategy. For example, background studies to develop a Tourism Subsidiary Agreement for Nova Scotia and studies relating to SYSCO are being funded under this Agreement.

ELEMENTS The three major elements of this Subsidiary Agreement are:

(1) Physical and Resource Planning

This program deals with the assembly and analysis of baseline data and information regarding the location of development projects. The program will provide information regarding broad, sub-regional development patterns, and assessments of the socio-economic and environmental impact on development at different locations. This is particularly important for projects which require unique physical attributes (e.g., oil platform construction requires protected, deep-water, steep-gradient harbours). The program will complement and utilize information from the resource survey programs in other subsidiary agreements and ongoing activities of the Maritime Resource Management Center. Activities in this program include studies dealing with land use, the assimilation of baseline data and information, and possibly environmental impact studies.

(2) Research and Studies to Investigate Development Opportunities

This program will fund studies to investigate specific development opportunities. The objective of the program is to provide the necessary background information and strategy for turning broadly-defined development opportunities into job- and income-creating activities. Strategically, it deals primarily with attracting investment by the private sector to Nova Scotia. In certain instances, studies under this program will be jointly financed with private industry. It includes technical feasibility and pre-engineering studies required to put into place supportive infrastructure and social infrastructure, where applicable, for certain specific opportunities.

(3) General Development Planning

The objective of this program is to increase the efficiency of the provincial government in undertaking development within Nova Scotia. Areas to be investigated under this program include basic economic and social research and analysis.

With regard to basic economic research and analysis, an updating of the Nova Scotia input/output tables and their extension and modification for benefit/cost analysis will be undertaken.

MAXIMUM
EXPENDITURES

The following is a list of programs the Province will arrange to carry out under this agreement.

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Physical and Resource Planning	\$1 500 000	\$ 750 000	\$ 750 000
Research and Studies to Investigate Development Opportunities	3 000 000	1 500 000	1 500 000
General Development Planning	500 000	250 000	250 000
TOTAL	<u>\$5 000 000</u>	<u>\$2 500 000</u>	<u>\$2 500 000</u>

STRATEGY AND
MANAGEMENT

Management of this Agreement is by a Management Committee composed of two representatives from DREE and two representatives from the Province, as designated by the respective federal and provincial Ministers. A Coordinating Committee composed of one federal representative and one from the province is responsible for the day-to-day operations of the agreement, including supervision of project teams for each of the projects included in the agreement.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

SUBJECT Agriculture

DURATION OF AGREEMENT June 22, 1976 to March 31, 1981

OBJECTIVES To improve the viability and stability of the agriculture industry and enhance its ability to sustain growth; maintain existing and create new employment opportunities in the agriculture industry; and expand the output and productivity of underexploited components of the agriculture industry which enjoy an economic advantage in provincial or export markets.

BACKGROUND Traditionally, the agriculture base in Nova Scotia has consisted of a large number of small farm units widely distributed throughout the rural areas of the province. Farming has often been combined with fishing and/or forestry, providing only marginal living conditions for the rural population.

Since World War II, technological and economic forces have dramatically changed the role of agriculture. This change is reflected in a decline in census farms from 23 500 in 1951, to the present level of approximately 6 000. As this trend continues, a sound base of good farmers on good land is being established. The further development and success of those farmers depends upon their ability to adapt to a continually changing technological and commercial environment.

According to the 1971 census the total amount of land in farms was 1 383 000 acres, with 386 000 of those acres improved. This can be broken down into 260 000 acres in grass (153 000 acres are in hay and 107 000 acres in pasture) and 126 000 acres in high energy, protein and horticultural crops.

Fifty-seven per cent of the census farms have cash sales of less than \$2 500 and have an average improved acreage of only 32 acres. At the other end of the scale only 20 per cent of the farms have sales in excess of \$10 000. These have an average improved acreage of 150 acres.

Land tends to be subdivided into long, narrow lots. This makes it difficult to assemble blocks of agricultural land to develop a viable land base. Along with the shape of the properties, the land ownership pattern further complicates land assembly.

In terms of production, the existing agriculture industry can best be described by sectors, each with its unique characteristics.

Dairy Products - Although the number of cows kept on Nova Scotia farms has decreased over recent years, increased milk production per cow has kept total production nearly constant. About 350 million pounds of milk are produced annually in the province.

Meat Products - Nova Scotia's beef supply of 45 000 head is produced on pasture or feedlots. The potential exists for increased production since the Nova Scotia market consumes three times more than existing producers can supply.

The production of hogs has been steadily increasing from a low of 47 000 head in 1957 to 131 000 in 1971; but the province is still producing less than half of total requirements. A highlight of the pork industry is its record in leading all provinces in the quality of pork produced.

The production of poultry meats is one of the most efficient segments of the agricultural industry. Producer marketing boards actively monitor production to ensure that market demands will be satisfied.

Eggs - Provincial egg producers have historically supplied both local and export demands.

Fruit - About three million bushels of apples, two million quarts of strawberries, 10 million pounds of blueberries and smaller amounts of pears, plums, raspberries and cranberries form the basis for the fruit industry in the province. Fruit production is especially significant because of its concentration in a few areas.

Vegetables - Vegetables are produced on over 9 500 acres in the province. The most important vegetable crop is potatoes, with 3 500 acres producing, mainly for the processing market. In addition to potatoes and fresh vegetables, processing beans and peas are grown on about 3 500 acres.

Other Agricultural Products - The greenhouse industry sells about \$4.5 million worth of flowers, bedding plants, and vegetables annually from the two million square feet of area covered by glass and plastic in the province.

Tobacco production - Tobacco valued at \$1.2 million annually is produced on 1 250 acres.

Other agricultural products of importance in the province include fur pelts, with farm sales of \$1.9 million; sheep, with farm sales of \$620 000; and other miscellaneous products valued at about \$2.8 million; as well as "income in kind" produced and consumed on the farm valued at \$6.2 million.

In addition to these commodities produced for sale there are many products produced on farms that are used for livestock feed. These include grain, hay, corn grain and silage.

The value of these products is reflected in the sale of the livestock to which they are fed. The fact that these inputs are produced locally rather than imported adds substantially to the importance of the total economics of the agricultural industry in the province.

The concept of the subsistence farm is disappearing and is being replaced by the farm business. Individual farmer initiative, supported by federal and provincial government programs, has made a substantial contribution to the development of a nucleus of farmers who are using sound business management techniques to operate their enterprises. In the past two decades agriculture spending has increased from \$27 million to \$90 million.

While changing technology has resulted in a certain amount of specialization, mixed farming continues to be the agricultural enterprise most suited to the Nova Scotia situation.

In economic terms, farm cash receipts of \$104 million in 1974 resulted in the purchase of \$89 million worth of goods and services, e.g. machinery sales and service,

petroleum products distribution, construction, feed milling insurance, banking, etc., supplied mainly by rural businessmen. Nearly all the financial capital used in agriculture is generated in Nova Scotia and any return remains in the province.

The primary production activity directly supports secondary manufacturing including meat and poultry processing, dairy products, and fruit and vegetable processing industries. The dependence of secondary industry on agriculture can be exemplified by the fact that of 139 manufacturing and processing firms in the Annapolis Valley and Kings County, 68 are wholly dependent on local farm production for their raw materials.

Apart from purely economic considerations, the agriculture industry plays an important role in maintaining the quality of the rural countryside of Nova Scotia. Tourists and residents alike have come to value the aesthetic aspects of the rural scene and a prosperous agriculture industry is a prime force in maintaining this attractiveness.

ELEMENTS

The first element of the strategy involves expansion of the agricultural land base.

There are a number of constraints that must be overcome: low ratio of improved to unimproved land; ownership of a large percentage of unexploited land by non-farmers such as pensioners, non-residents and estates; small scattered holdings; and substantial amounts of Class II and III land which has never been exploited.

Removal of these constraints involves gaining access to unemployed land, consolidation of land into viable-sized units, development of new land, and increasing the productivity of the presently exploited land through cultural improvements, field enlargement and consolidation.

The second element of the strategy concerns development of the type of farming operation best suited to meet the goals of increasing meat production and at the same time decreasing the dependence on imported feed.

The most suitable is the mixed farm with a land base capable of growing the feed requirements of the animal units being produced. There are many combinations that can be used, for example:

hogs - high energy and protein crops - beef
poultry - forage - beef
orchard - forage - beef
dairy - high energy and protein crops - hogs

This type of farming also utilizes the animal by-products in the production of the crops.

The third element of strategy involves the producer. In order to increase production at the rate projected, it will require full-time farmers who have an adequate land base. There are three groups to draw on:

- (a) successful farmers who have resource potential for expansion;
- (b) farmers prepared to expand production but who do not have an adequate resource base to enable them to expand to the point where it would not be necessary to supplement income with off-farm work; and
- (c) young people with the capability to operate a farm but lacking the equity to get started.

The fourth element of strategy involves training and technology utilization. Farming is a business and is continually confronted with technological and economic changes. The farmer must be knowledgeable of management methods, keep abreast of technological changes and understand marketing. Young people entering the farming business must have a sound knowledge of management and a good background in the type of farming to be undertaken.

To fulfill these requirements a variety of tools must be utilized. These would include short courses; a combination of formal and on-farm training; and the use of an innovative demonstration program to encourage the development and adoption of suitable technology on the farm.

MAXIMUM
EXPENDITURES

The following is a list of programs the Province will carry out under this agreement:

	<u>ESTIMATED COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Land Development	\$31 400 000	\$14 280 000	\$17 120 000
High Energy and Protein Feed	7 192 000	2 032 000	5 160 000
Livestock Development	6 200 000	1 240 000	4 960 000
Horticulture	2 425 000	485 000	1 940 000
Special Develop- ment	1 000 000	200 000	800 000
	<hr/>	<hr/>	<hr/>
TOTAL	\$48 217 000	\$18 237 000	\$29 980 000

ADMINISTRATION
AND MANAGEMENT

The appropriate federal and provincial ministers shall designate one or more senior officials in equal number to be responsible for the administration of this agreement. These officials shall constitute the Management Committee.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

SUBJECT Industrial Development

DURATION OF AGREEMENT June 22, 1976 to March 31, 1981, as amended September 28, 1976.

OBJECTIVES To support the development of new employment opportunities in Nova Scotia in the secondary and tertiary sectors of the economy; to encourage the development, expansion and efficiency of indigenous enterprises in Nova Scotia; and to increase the variety of employment opportunities available, with particular emphasis on higher skill and higher wage employment, particularly in certain intermediate-sized communities.

BACKGROUND During the sixties manufacturing output in Nova Scotia showed fairly substantial gains but manufacturing employment grew at a very low rate. Only Quebec and Saskatchewan reported smaller employment gains during this period. From about 1970 on, however, an important reversal occurred with employment gains outstripping the national average. This is particularly significant when the service sector gains from manufacturing employment are taken into account.

The Nova Scotia and Maritime markets are now judged to be of sufficient size and concentration to support the manufacture of product lines that were previously produced and imported from central Canada. This "import substitution" activity, combined with the growth in export-oriented firms, have provided the province with its strongest gains in secondary manufacturing activity since the Second World War.

An analysis of industry trends show that a wide range of activities has contributed to the recent upturn. Among those showing the most impressive increases are the production of: pulp and paper, rubber products, ships and boats, railroad rolling stock,

motor vehicles, petroleum products, carpets, mats and rugs, other furnitures, fabricated and structural metal, electronic communications equipment, truck body and trailer manufactures, miscellaneous machinery and equipment, electrical wire, and industrial chemicals.

The gains realized by these industries more than offset the losses experienced by some of the more traditional activities, including fish processing and sawmilling.

Thus, for the first time in many years, secondary manufacturing has played a leadership role in the upward trend of the Nova Scotia economy.

Most of these manufacturing gains have been concentrated in the central counties of the province, and in particular Halifax-Dartmouth, Truro and Amherst. This has combined with the urban bias of most of the high-growth service activities to make the central corridor of Nova Scotia one of the more rapidly expanding areas of Canada over the last five years.

The medium-sized urban centres along this corridor have thus displayed a strong capability for generating secondary manufacturing activity over the past few years. These trends are expected to continue. Therefore, it is anticipated that secondary manufacturing will continue to play a leadership role in the future expansion of the intermediate-sized centres.

Efforts are required, however, to accommodate and accelerate this growth in secondary manufacturing and to ensure it provides the maximum possible benefits to the residents of these centres and to Nova Scotia generally.

The sub-agreement was developed in close cooperation with the Nova Scotia Department of Development. It was signed by the Minister of Regional Economic Expansion and the Provincial Minister of Development.

ELEMENTS

There are five major elements to the strategy involved in this sub-agreement:

(a) Opportunity Identification, Analysis and Promotion

The purpose of this element is to identify the industries which would be suitable for Nova Scotia, undertaking analysis for their viability

and provide for special promotional efforts. It will also cover studies of special infrastructure requirements and the development of an industrial information system in the provincial Department of Development.

(b) Support for Local Enterprise

The purpose of this element is to provide assistance in the areas of management generally and marketing in particular to help Nova Scotia business become firmly established and stay abreast of new markets and new techniques and thus maintain a strong competitive position. Skills and tools developed during this process will help smaller firms to lessen their dependence on government assistance in the long run. The cost of this second element is to be borne by the Province.

(c) Industrial Location

The purpose of this element of the strategy is to reinforce existing growth patterns, particularly in the central corridor of the Province, assuring the availability of serviced industrial land in industrial parks at higher growth areas of Amherst and Debert, and at Kentville, Stellarton and Windsor, which are peripheral to the high-growth region. Also included are special industrial park-related activities and provisions for the establishment of shell factories.

(d) Provision of Industrial Infrastructure

The purpose of this element is to facilitate industrial expansion through provision of serviced industrial land and other basic infrastructure for specialized industries which may be better accommodated outside of established industrial parks.

(e) Manpower Development

The purpose of this element of the strategy is to provide skill upgrading in existing employment and provide comprehensive manpower assistance to major new industries where required.

MAXIMUM
EXPENDITURES

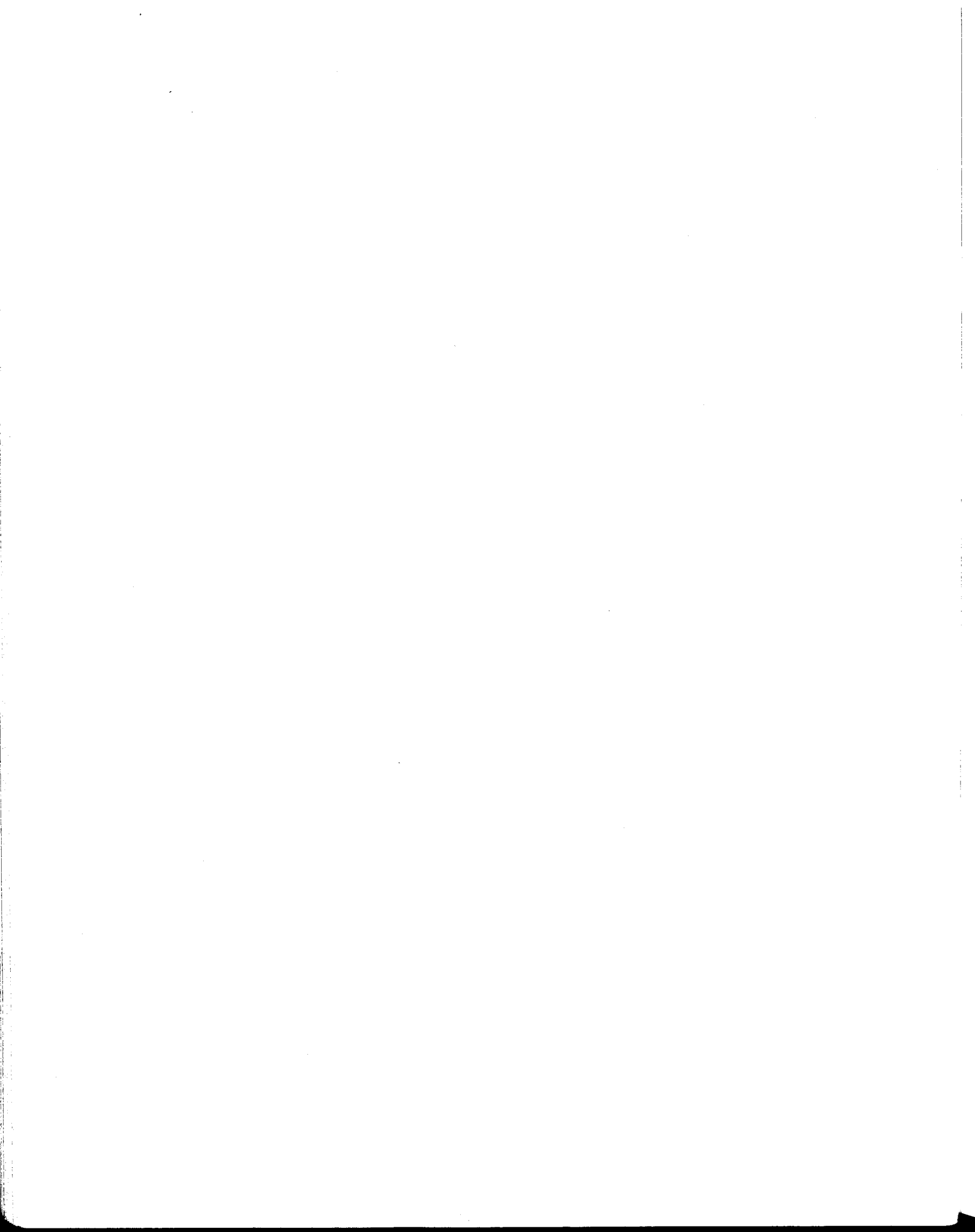
The following is a list of programs the province will carry out under this agreement (as amended).

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Opportunity, Identification, Analysis and Promotion	\$ 2 850 000	\$ 570 000	\$ 2 280 000
Industrial Parks and Related In- frastructure	10 279 000	2 055 800	8 223 200
Industrial Infrastructure	3 000 000	600 000	2 400 000
Public Information and Evaluation	<u>160 000</u>	<u>32 000</u>	<u>128 000</u>
TOTAL	\$16 289 000	\$3 257 800	\$13 031 200

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Committee composed of one or more senior officials in equal numbers to be appointed by the respective Federal and Provincial Ministers.

NEW BRUNSWICK



NEW BRUNSWICK

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement with New Brunswick was signed April 23, 1974, by the Minister of Regional Economic Expansion and the Premier of New Brunswick. A synopsis of this GDA follows.

The Province of New Brunswick is characterized by economic underdevelopment in relation to Canada generally. Levels of employment and participation in the labour force are lower than the Canadian average and many thousands of provincial residents have been obliged to leave the province to seek opportunities elsewhere. Per capita incomes are significantly below the national average with a high proportion of families living in relative poverty. Further indications of underdevelopment are levels of education, health, housing and other basic services which are below the national average.

The primary objective of this General Development Agreement with New Brunswick is to reduce the gap in earned income per capita between that province and Canada on a whole. A further objective is that per capita incomes should be raised while minimizing net migration from the province. To meet these objectives, development strategy is aimed at achieving a faster rate of growth in provincial output by raising productivity, increasing the number of viable employment opportunities, and encouraging the development of a skilled and versatile labour force.

Specific strategies to be employed to meet the objectives include:

- (a) The identification, pursuit and realization of development opportunities through the coordinated application of relevant federal and provincial programs.
- (b) The joint funding of infrastructure required to support development opportunities as well as to facilitate broader community and area development.
- (c) For resource based industries, to raise incomes through greater productivity and maintenance of employment by increased output of primary products. A major element of this strategy will be to encourage the processing in New Brunswick of natural resources now exported in raw form and the production of higher-value products. Resources of concern are: agriculture, forestry, minerals and fish.

- (d) In recent years manufacturing not directly based on natural resources had increased its share of employment in New Brunswick, with some diversification into product lines new to the province. The further diversification of the manufacturing base into items of higher value requiring modern technology and skilled labour will continue to be of high priority in the development strategy.
- (e) Tourist activity provides provincial residents with a valuable source of income and employment. The development strategy will focus on the most effective means by which residents of New Brunswick can benefit from the increasing flow of travellers and visitors to the province.

To December 31, 1976, the following sub-agreements have been signed with New Brunswick.

- Highways - 1974-75 (expired)
- Miramichi Channel Study (expired)
- Agricultural Development
- Forestry
- Industrial Development
- Kent Region Pilot Project
- King's Landing Historical Settlement
- Saint John and Moncton Arterial Highways
- Tourism
- Planning
- Minerals and Fuels
- Highways 1975-76 (expired)
- Highways 1976-77

Summaries of currently active sub-agreements follow. These summaries include all amendments made as of December 31, 1976.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

- SUBJECT Agricultural Development
- DURATION OF AGREEMENT February 17, 1975 to March 31, 1977, as amended September 5, 1976.
- OBJECTIVES To encourage increased employment opportunities, higher income levels and improved job stability for people working in agriculture and related industries; to maintain a higher level of product quality and to further expand production from the agricultural sector.
- BACKGROUND In order to achieve the above objectives, a number of measures will be required, including the following:
- (a) Measures to ensure a fuller utilization of the existing land, labour and capital resources in each region of the province.
 - (b) Measures to stimulate fuller exploitation of market opportunities, both domestic and export.
 - (c) Measures to enhance the industry's ability to consult with government on the establishment of development goals and identification of possible development initiatives.
 - (d) Measures to provide the support and developmental assistance required to implement the strategy.

The terms of this subsidiary agreement were developed by a task force comprised of representatives from DREE, Agriculture Canada, New Brunswick Department of Agriculture and the New Brunswick Provincial Cabinet Secretariat. It was signed by the federal Ministers of Regional Economic Expansion and Agriculture, the Premier of New Brunswick and the New Brunswick Minister of Agriculture and Rural Development.

ELEMENTS

There are four program elements under this sub-agreement:

- (a) Planning and Development Program - which is designed to provide a provincial agricultural policy and planning framework within which development opportunities may be elaborated by government, individuals and commodity groups, and to support research and studies designed to identify specific employment opportunities with the agricultural sector.
- (b) Development Opportunities Program - which is designed to provide the financial assistance required to stimulate the development of those agricultural commodities for which New Brunswick enjoys a comparative advantage on either the provincial or export market.
- (c) Entrepreneurial Development Program - which is designed to provide opportunities for participants to consult with government in shaping policy and programs and to encourage and influence entrepreneurs to develop opportunities in the sector.
- (d) Implementation Support Program - which is designed to provide the financial assistance required to administer and implement the activities of the sub-agreement.

MAXIMUM EXPENDITURES (as amended)	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Planning and Development	\$1 156 900	\$ 231 380	\$ 925 520
Development Opportunities	5 028 950	1 005 790	4 023 160
Entrepreneurial Development	1 258 675	251 735	1 006 940
Implementation Support Program	1 291 450	258 290	1 033 160
TOTAL	\$8 735 975	\$1 747 195	\$6 988 780

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

NEW BRUNSWICK
SUBSIDIARY AGREEMENT

SUBJECT Forestry

DURATION OF AGREEMENT February 17, 1975 to March 31, 1979, as amended February 18, 1976.

OBJECTIVES To mount a comprehensive province-wide forestry development program that would increase production of high quality timber and expand the wood processing industry, thus improving employment and earning opportunities for local people.

BACKGROUND The programs and projects to be carried out under this Forestry Sub-Agreement are based on the results of the New Brunswick Forest Resources Study, the product of a separate Federal-Provincial Agreement made in March, 1972. To realize the full potential for timber production and significantly expand processing capacity, it will be necessary to improve the management of public and private forest lands. Priority has been placed upon the development of an increased wood supply of improved quality which can be produced and sold on the domestic and world markets at competitive prices. To achieve this objective, effective resource allocation, more complete utilization and an improved wood delivery system will be necessary.

The Agreement provides for major development efforts to be undertaken on a pilot basis in the Bathurst region which will test, under operational conditions, new policies for wood allocation and new techniques in forest management and harvesting.

Approximately one-half of the funds provided under the Agreement are devoted to intensified forest management. This will include the development of better forest management information; the expansion of forest nursery activities; increased tree planting and stand improvement; the development of an integrated network of forest roads; the testing of spruce budworm control concepts; and the development of other uses of the forest resource, including recreation. In addition,

steps will be taken to encourage increased productivity and output from private woodlots.

Other programs are focused at increasing resource utilization through the adoption of more efficient harvesting techniques, improved transportation facilities and industrial development. Within the pilot area, a serviced industrial site for a wood industries complex is being established.

To support these initiatives, the agreement includes programs for the provision of an adequate supply of well trained labour, the provision of professional and technical services and the design of an institutional facility to accommodate forest resource-oriented education, research and administrative activities.

This sub-agreement was signed by the Minister of Regional Economic Expansion, the Premier of New Brunswick and the New Brunswick Minister of Natural Resources.

ELEMENTS

There are five program elements under this sub-agreement:

- (a) Forest Management - which covers such subjects, as: Woodlands Inventory, Silviculture, Crown Land Consolidation, Resource Protection, Multiple Use Development, Arterial Road System, Private Woodlot Management.
- (b) Resource Utilization - which deals with: Forest Harvesting, Equipment Loan Fund, Industrial Development, Transportation.
- (c) Manpower Development - including studies of problems of recruiting, supply, demand, working conditions, rates of pay, benefits and training as well as education and research.
- (d) Administration - to cover costs of staff expenses and related equipment; the planning and design of new facilities and other associated costs.
- (e) Pilot Project - to provide assistance for establishing and maintaining a management team; to assist in the purchase of assets, and to contribute to the cost of site preparation and servicing.

MAXIMUM EXPENDITURES	ESTIMATED TOTAL COST	PROVINCIAL SHARE	FEDERAL SHARE (DREE)
Forest Management	\$36 386 000	\$ 7 277 200	\$29 108 000
Resource Utilization	10 453 500	2 090 700	8 362 800
Manpower Development	2 219 500	443 900	1 775 600
Administration	4 582 750	916 550	3 666 200
Pilot Project	4 387 250	877 450	3 509 800
TOTAL	\$58 029 000	\$11 605 800	\$46 423 200

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

NEW BRUNSWICK
SUBSIDIARY AGREEMENT

SUBJECT Industrial Development

DURATION OF AGREEMENT February 17, 1975 to March 31, 1979

OBJECTIVES To expand, diversify and strengthen manufacturing and processing activities in the province. Specifically, it will seek to diversify manufacturing into higher value products requiring modern technology and skilled labour, and to encourage the establishment of industries based on the province's natural resources or its strategic maritime location.

BACKGROUND Major portions of the funds provided under the Agreement are devoted to opportunity identifications and promotion and provision of industrial infrastructure. This includes provision of facilities, equipment and services required to carry out experimental manufacturing enterprises for industrial locations or expansions; acquisition and servicing of industrial sites in areas where there is a significant demand for industrial land; and the provision of finished factory space and related facilities supplying central administrative and technical services simultaneously to several manufacturers wishing to produce new products. Other initiatives are directed toward the formulation, monitoring and evaluation of industrial development policies and programs and the planning of technical and impact studies related to specific industrial development opportunities and projects.

This sub-agreement was developed in consultation with the federal Departments of Finance and Industry, Trade and Commerce, and with various provincial departments. It was signed by the Minister of Regional Economic Expansion, the Premier of New Brunswick, and the New Brunswick Minister of Economic Growth.

ELEMENTS

There are four program elements under this sub-agreement:

- (a) Planning of Industrial Development - under which funds will be provided for a small staff and other services for a planning and programming unit to be established in the New Brunswick Department of Economic Growth. Planning studies will also be supported.
- (b) Regional Industrial Development - under which funds will be provided for the establishment of Regional Industrial Development Commission in a number of regions, together with the funding of additional provincial staff required to assist the Commissions.
- (c) Assistance to Manufacturing Industry - which involves investment in building and equipment and initial operating expenditures to carry out experimental manufacturing and marketing on a scale intermediate between pilot and full production. Sales of products and patents might generate some revenue, which would be shared between the governments in the same proportions as the funding.

Also included in this element is the provision of factory space when necessary to assist manufacturing enterprises to become established.

- (d) Provision of Industrial Infrastructure - under which funds will be provided for: the acquisition and servicing of industrial sites; creation of an industrial mall in which space will be rented; and the funding of other industrial infrastructure at as yet unidentified sites if necessary to promote investment by private industry.

MAXIMUM EXPENDITURES	ESTIMATED <u>TOTAL COST</u>	PROVINCIAL <u>SHARE</u>	FEDERAL <u>SHARE (DREE)</u>
Planning of Industrial Development	\$ 5 313 000	\$ 1 062 600	\$ 4 250 400
Regional Indus- trial Develop- ment	5 307 250	1 061 450	4 245 800
Assistance to Manufacturing Industry	3 967 500	793 500	3 174 000
Provision of Indus- trial Infrastructure	15 640 000	3 128 000	12 512 000
TOTAL	<u>\$30 227 750</u>	<u>\$ 6 045 550</u>	<u>\$24 182 200</u>

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

NEW BRUNSWICK
SUBSIDIARY AGREEMENT

SUBJECT Kent Region Pilot Project

DURATION OF February 17, 1975 to March 31, 1977
AGREEMENT

OBJECTIVES To undertake a pilot project which would assist residents of the Kent Region (Kent County and Hardwick and Rogersville Parishes in Northumberland County) in developing and implementing projects in fisheries, forestry, agriculture, resource-based manufacturing, tourism and recreation, in order to improve income and employment opportunities in the region and to gain experience which could be usefully applied in other areas of Canada.

BACKGROUND Although the Kent Region is presently characterized by high unemployment and low income, it has potential for substantial economic expansion. A variety of organizations, including New Brunswick NewStart, regional development groups and federal and provincial agencies, have studied development possibilities in the Kent region. Among development opportunities identified to date are: increasing production and processing of agricultural products; increasing returns from regional forests through improving their management and increasing local value added; developing Christmas tree stands; expanding tourist facilities based on the scenic and historic resources of the area and the growth of Kouchibouguac National Park; increasing returns from the fisheries and increasing the locational advantages to attract manufacturing activity in parts of the region.

One of the most promising aspects of the Kent situation is the interest and initiative of the local people, who may be encouraged to capitalize on area potential. To facilitate this, measures must be taken to encourage interested individuals or groups in exploring opportunities and, where possible, assisting them in obtaining necessary information, technical guidance and capital to pursue opportunities.

This sub-agreement was signed by the Minister of Regional Economic Expansion and the Premier of New Brunswick.

ELEMENTS

The main program elements of this agreement are:

- (a) Project Initiation and Technical Support Program - which will involve providing financial assistance to projects as they become ready, as well as providing technical and marketing guidance, and studying selected sectors.
- (b) Infrastructure Program - which involves funding municipal services and other facilities in communities where a lack of such facilities is demonstrated to be hindering economic expansion.

MAXIMUM EXPENDITURES	ESTIMATED TOTAL COST	PROVINCIAL SHARE	FEDERAL SHARE (DREE)
Project Initiation Technical Support	\$1 656 000	\$ 331 200	\$1 324 800
Infrastructure	1 150 000	230 000	920 000
Program Administration	345 000	69 000	276 000
TOTAL	\$3 151 000	\$ 630 200	\$2 520 800

ADMINISTRATION AND MANAGEMENT. Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

SUBJECT King's Landing Historical Settlement

DURATION OF AGREEMENT February 17, 1975 to March 31, 1977

OBJECTIVES To contribute to the further development of the province's tourist industry through the completion of the King's Landing Historical Settlement near Fredericton.

BACKGROUND The development of King's Landing was undertaken originally by Canada and New Brunswick under the FRED-Mactaquac Agreement following the decision to build the Mactaquac power dam on the Saint John River. The 90-mile area flooded by the dam contained a number of buildings of architectural and historical significance, which were dismantled and reconstructed at the Settlement situated on the headpond, 23 miles west of Fredericton.

The Historical Settlement recreates for the visitor the lifestyles of Saint John River Valley residents during the 19th century. The Settlement, by providing visitors with the opportunity to step into the past, has proved to be a remarkably successful tourist attraction and a major educational asset for the province. Despite its unfinished state, the number of visitors to the Village rose from 28 000 in its first season three years ago to 80 000 in 1974.

The subsidiary agreement will provide \$4.4 million over three fiscal years for the completion of the village to a fully operational level. Among activities to be undertaken are: completion of all remaining complexes in the settlement such as additional historical houses, a wharf and ferry landing, construction of a modern highway interchange system, construction of a visitor reception centre, parking lot and access road and a study of a potential water transport system on the Mactaquac headpond.

The sub-agreement was signed by the Minister of Regional Economic Expansion, the Premier of New Brunswick and the New Brunswick of Education (who is responsible for Historical Resources Administration).

ELEMENTS

There are four program elements under this sub-agreement:

- (a) Completion of Site Development, including the construction and restoration of features of the site; improvement of visitor handling systems, and further site development work.
- (b) Interchange Construction, to facilitate access to the site from the Trans-Canada Highway.
- (c) Construction of Visitor Reception Centre, Parking Lot and Access Road, to provide visitor information, general controls and services.
- (d) Water Transportation Pilot Project, to investigate a ferry system between the site and Mactaquac Provincial Park.

MAXIMUM EXPENDITURES	ESTIMATED TOTAL COST	PROVINCIAL SHARE	FEDERAL SHARE (DREE)
Completion of Historical Settlement			
(a) Completion of site develop- ment	\$1 259 250	\$ 251 850	\$1 007 400
(b) Construction of Interchange	2 012 500	402 500	1 610 000
(c) Visitor recep- tion centre parking lot, access road	948 750	189 750	759 000
(d) Water transporta- tion pilot project	172 500	34 500	138 000
TOTAL	\$4 393 000	\$ 878 600	\$3 514 400

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

SUBJECT Saint John and Moncton Arterial Highways

DURATION OF AGREEMENT February 17, 1975 to March 31, 1979, as amended December 16, 1975.

OBJECTIVES To complete the work begun under earlier Special Areas Agreements on arterial roads required to improve the transportation of goods and people within Saint John and Moncton, and thus contribute to the further development of these major growth communities.

BACKGROUND This subsidiary agreement upholds a joint commitment by both governments to continue construction of the following major urban arterial roads: Wheeler Boulevard in Moncton, the Shediac Highway and the Saint John Throughway.

Construction was initiated under the Canada-New Brunswick Special Areas Agreement under which the Department of Regional Economic Expansion contributed \$5.5 million towards the cost of constructing Wheeler Boulevard, \$19.8 million toward construction costs and a further \$6.7 million in loans for land acquisition on the Saint John Throughway. The western section of the Throughway was opened last fall.

Sections of Wheeler Boulevard between St. George Street and Mountain Road have been completed. Last November, the City of Moncton and Canadian National Railways agreed upon the desirability of relocating rails from the city centre to an area north of the Trans-Canada Highway. In consequence, design and construction can now proceed on the eastern sections of Wheeler Boulevard between Mountain Road and Church Street.

Construction will proceed on the eastern section of the Saint John Throughway between the Harbour Bridge and the MacKay Highway; on Wheeler Boulevard between St. George and Church Streets, including related road connections; and on the Shediac Highway from the Trans-Canada Highway to Floral Avenue in Moncton.

These urban arterial highways will make a significant contribution towards economic and socioeconomic development in these larger metropolitan areas of the Province.

This sub-agreement was signed by the Minister of Regional Economic Expansion, the Premier of New Brunswick, and the New Brunswick Minister of Highways.

ELEMENTS

(a) Saint John Throughway

To complete the design and construction of the following portions of a limited access throughway in the City of Sain John from the eastern end of the Harbour Bridge to MacKay Highway.

(b) Wheeler Boulevard

To complete the design and construction of portions of a limited access four-lane regional arterial highway as a ring route around the Moncton Urban area and certain related connecting roads to the Trans-Canada Highway and south shore commodities.

(c) Shediac Highway

To complete the design and construction of a four lane Shediac to Moncton Highway from the Trans-Canada Highway to Floral Avenue.

In the listing of maximum expenditures, the costs of Wheeler Boulevard and the Shediac Highway are combined.

MAXIMUM EXPENDITURES (as amended)	ESTIMATED TOTAL COST	PROVINCIAL SHARE	FEDERAL SHARE (DREE)
Saint John Throughway	\$20 200 000	\$ 6 060 000	\$14 140 000
Wheeler Boulevard and Shediac Highway	24 500 000	7 350 000	17 150 000
TOTAL	\$44 700 000	\$13 410 000	\$31 290 000

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

SUBJECT Tourism Development

DURATION OF AGREEMENT December 16, 1975 to March 31, 1978

OBJECTIVES To encourage development of the New Brunswick tourism sector and improve productivity in the industry by increasing tourism spending in New Brunswick through:

- (a) increased number of visitors;
- (b) lengthening the average tourist visit; and
- (c) expanding tourist activities in the shoulder and winter months.

BACKGROUND Tourism activities currently make an important contribution to employment and incomes in New Brunswick. In 1973, about 48 per cent of all travel expenditures in the province were attributable to non-resident tourists, while a further 15 per cent of travel expenditures were attributable to resident tourists. Hence approximately 63 per cent of the total 1973 travel expenditures of \$125 million can be attributed to tourists, making tourism activities a significant contributor to the 14 900 man-years of employment and \$49 million of household income generated by the province's travel industry in 1973.

Based on expected continued growth in the demand for the type of attractions that New Brunswick can offer tourists there is considerable potential for the expansion of the province's tourism sector. By undertaking measures to promote and develop existing and potential attractions, and measures to encourage increased private sector participation in tourism-related ventures, it is expected that the extent to which the growing tourism demand is captured in the province can be significantly increased.

To expand the tourism industry in New Brunswick one of the principal requirements is to induce visitors to stay longer. By virtue of its location New Brunswick is characterized as a "pass through" province in that it attracts a large number of tourists who traverse the province en route to destinations in other Atlantic regions. Consequently these visitors spend a relatively small amount of time in New Brunswick and have a disproportionately low average spending rate.

The basis of the approach to the development of the tourism industry in New Brunswick is an interim strategy jointly prepared by the Federal and Provincial Governments which is designed to counteract key problems, such as the traverse phenomenon, over the next three to five years through the use of a "destination area" approach to development. The strategy outlines the kinds of development efforts which will be required to enable destination areas to realize their potential in regard to attractions, services and facilities necessary to draw significant number of visitors for overnight and extended stays.

ELEMENTS

There are two program elements under this sub-agreement:

- (a) Essential Resource Services - which are designed to supplement the resources available for the planning, development and coordination of the New Brunswick tourism industry and to provide resources in the areas of planning, financial assistance and land acquisition to complement the Infrastructure Program.
- (b) Infrastructure - which is designed to increase the level of expenditure by tourists and visitors to the Province through the provision of necessary tourism infrastructure such as visitor orientation centres, beach redevelopment, construction of a major handcraft centre and development of a provincial hospitality school.

MAXIMUM EXPENDITURES	<u>ESTIMATED TOTAL</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Essential Resource Services	\$ 4 887 500	\$ 977 500	\$3 910 000
Infrastructure	6 514 750	1 302 950	5 211 800
TOTAL	<u>\$11 402 250</u>	<u>\$2 280 450</u>	<u>\$9 121 800</u>

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

SUBJECT Planning

DURATION OF AGREEMENT April 1, 1975 to March 31, 1980

OBJECTIVES The objective of this agreement is to provide federal and provincial funds required to acquire external staff and services to undertake studies and to carry out planning activities required to identify and analyse economic and socio-economic development needs and opportunities in New Brunswick and to develop and implement strategies, programs and subsidiary agreements pursuant to those needs and opportunities.

BACKGROUND In recognition of the need to reinforce and supplement the Provincial Government's planning capability in order to better identify and analyze socio-economic development opportunities in New Brunswick, the process to develop a Planning Subsidiary Agreement under the GDA was undertaken.

The proposed Planning Subsidiary Agreement is similar to the interim planning agreement approved by Treasury Board in 1973.

While other subsidiary agreements provide assistance for the planning of activities in various sectors and for specific developments, this agreement will supplement the resources available to Canada and the province to meet planning and co-ordination requirements which are beyond the scope of other subsidiary agreements.

ELEMENTS It will provide funds to acquire external professional services in order to carry out the following tasks:

- (a) general development planning to determine best allocation of resources under the GDA;

- (b) research and studies to investigate potential opportunities prior to their consideration as subjects for subsidiary agreements;
- (c) planning of physical development to demonstrate development and economic change in an orderly manner; and
- (d) co-ordination of the activities under each subsidiary agreement to permit reaction to changing circumstances and adjustment of program priorities where necessary.

MAXIMUM EXPENDITURES	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Total Sub- Agreement (Cost Sharing: 50/50)	\$4 875 000	\$2 437 500	\$2 437 500

ADMINISTRATION AND MANAGEMENT The overall management of this agreement will be the responsibility of the Management Committee consisting of an equal number of representatives of each government, designated by the respective Federal and Provincial ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

SUBJECT Minerals and Fuels

DURATION OF AGREEMENT June 24, 1976 to March 31, 1981

OBJECTIVES To undertake measures directed towards the attainment of maximum economic and socio-economic net benefits from the mineral resources of New Brunswick while ensuring the maintenance of a high level of environmental quality. This objective will be achieved by:

- (1) the promotion of private investment in both exploration and mine development;
- (2) the encouragement of further processing of indigenous minerals;
- (3) measures aimed at contribution to national self-sufficiency in fuel supply.

ELEMENTS

Financing and Operation

Canada is contributing 80 per cent of the total eligible costs up to an amount of \$9 050 500 in Federal funding which includes a 15 per cent contingency allowance. To assist with the interim financing of programs and projects Canada may, if the Province so requests, make interim payments to the Province of 100 per cent of Canada's share of claims submitted based on estimates of costs actually incurred. There are two programs being implemented under this Agreement:

	<u>ESTIMATED TOTAL COSTS</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
(1) Opportunity Identification	\$ 6 310 625	\$1 262 125	\$5 048 500

	<u>ESTIMATED TOTAL COSTS</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
(2) Opportunity Development	\$ 5 002 500	\$1 000 500	\$4 002 000
TOTAL	<u>\$11 313 125</u>	<u>\$2 262 625</u>	<u>\$9 050 500</u>

Opportunity Identification

The opportunity identification program provides for: an examination of the development potential of New Brunswick's energy resources; exploration and evaluation of known mineral occurrences which, on the basis of existing resource and market information, have potential for development; exploration in areas where potential land use changes would otherwise preclude mineral developments; and basic geological mapping on a scale sufficient to improve the effectiveness and efficiency of exploration decisions.

Opportunity Development

The opportunity development program provides for resolution of technological problems constraining increased use of the province's mineral and fuel resources; promotion of identified opportunities for increasing mineral and fuel production, value added, productivity and participation by New Brunswick residents in all phases of their mineral industry; and the construction of transportation routes necessary for mineral and fuel resource development.

ADMINISTRATION AND MANAGEMENT 1976-77 expenditures are estimated to be \$1 344 000 in Federal funding.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

- SUBJECT** Highways 1976-77
- DURATION OF AGREEMENT** April 1, 1976 to March 31, 1977
- OBJECTIVES** To facilitate broader community and area development through the provision of financial assistance for highway construction and to simultaneously encourage development in the resource-based industries, secondary manufacturing and service industries through greater efficiency in goods, transport and improved accessibility.
- BACKGROUND** The scale and nature of the Agreement have been determined primarily on the basis of the following four elements:
- (a) GDA objectives and strategy;
 - (b) National Highway Policy;
 - (c) Provincial Five-year Highway Program;
 - (d) Previous DREE Highway Activity.
- The National Highway Policy provided the following criteria which were used in the evaluation of highway construction proposals:
- DREE Criteria
- (a) improves accessibility to selected areas;
 - (b) gains access to selected areas to develop economic or socio-economic opportunity;
 - (c) gains access to isolated areas to improve social mobility;
 - (d) improves regional infrastructure and supportive services.

M.O.T. Criteria

- (e) improves the overall efficiency of the highway system in Canada on a national basis;
- (f) contributes towards a balance between competing or complementary modes of transport;
- (g) contributes towards a continuous network, in the national sense, both in terms of the highway network and terms of its relationships to other modes.

ELEMENTS

There are seven program elements under this subsidiary agreement:

- (a) to continue construction of a controlled access highway from Lily Lake Road to Eel River, including final paving;
- (b) continuation of structural and alignment improvements of Route 11 between Belledune and Bathurst;
- (c) to replace the Tabusintac River Bridge to a design standard of H25520 loading including completion of approaches and paving;
- (d) continuation of Route 11 improvements between Rexton and Moncton including construction of three interchanges;
- (e) design and construction of sections along coastal Route 11 including initiation of work on two major bridges; and
- (f) and (g) completion of work previously initiated on Route 17 between St. Leonard and St. Quentin and on the Plaster Rock - Renous Highway (Route 109).

<u>MAXIMUM EXPENDITURES</u>	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
(a)	\$1 231 000	\$ 307 750	\$ 923 250
(b)	1 483 667	370 917	1 112 750
(c)	934 000	233 500	700 500
(d)	4 529 00	1 132 250	3 396 750
(e)	3 683 000	920 750	2 762 250

(f) & (g) \$	139 333	\$	34 833	\$	104 500
	<hr/>		<hr/>		<hr/>
	\$12 000 000		\$3 000 000		\$9 000 000

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee consisting of equal members of representatives of each government, designated by the respective Federal and Provincial Ministers.

QUEBEC



QUEBEC

GENERAL DEVELOPMENT AGREEMENT

The Canada-Quebec General Development Agreement was signed on March 15, 1974, by the Minister of Regional Economic Expansion on behalf of Canada and by the Minister responsible for the Quebec Planning and Development Bureau on behalf of the Province.

The Canada-Quebec GDA was based on a study of the socio-economic issues and priorities of the province, as briefly outlined below, and from which developmental objectives were drawn and agreed upon.

An analysis of the economic situation reveals that Quebec has a quite diverse industrial base when compared to Ontario and the Canadian situation as a whole. However, secondary manufacturing and processing tends to be concentrated in Montreal, the major growth centre in the Province of Quebec. In addition to the concentration in Montreal, there are a number of other weaknesses in the Quebec economy. Although the per capita personal income is 24 per cent higher than that of the Maritime Provinces, it is 11 per cent lower than the national average. Quebec also has a much higher unemployment rate than the majority of the other provinces and a relatively lower rate of participation in the labour market. Finally there are important disparities between the various social groups and the various regions in Quebec. In spite of this, from the end of the second World War until the mid-sixties, the total performance of the Quebec economy compared favourably with that of the Canadian economy. However, in the interval, the performance of the Quebec economy has deteriorated in relation to Ontario and the whole of Canada. For example, the Quebec share of Canadian investments fell from 25.3 per cent in 1964 to 20.1 per cent in 1970. The rate of growth in production, productivity and income was also weaker in Quebec during the same period. While the Quebec economy has shown some improvement in recent years, a massive effort will still be required to improve long-term economic performance.

The general objectives of the program for the economic development of Quebec may be summarized as follows:

- (a) to improve opportunities for productive employment and to consolidate employment in the traditional sectors;
- (b) to improve the standard of living;

- (c) to reinforce industrial and urban structure and promote the optimal development of the various regions;
- (d) to promote increased participation of Quebecers in their own development;
- (e) to promote balanced development in Quebec in relation to the various regions of Canada.

To pursue the objectives just stated, a broad development strategy for Quebec with the following sectorial and regional priorities was agreed on:

- (a) Primary Sector - The programs proposed in this sector comprise three elements: to increase incomes through high productivity; to aim for a development of the natural resources of Quebec which maximizes their impact on the manufacturing sector; and to add additional steps to the production processes.
- (b) Manufacturing Sector - The analysis of the industrial structure of Quebec leads to the formulation of development programs centered on two fundamental facets. We must first consolidate the traditional industrial sectors of non-durable goods and resource-processing. The other facet of the industrial strategy is oriented towards the accelerated transformation of the industrial structure of Quebec. The interdependent structures between industries must be changed with new links added to the chain of activities of high-growth, high-productivity industries.
- (c) Tertiary Sector - Although the tertiary sector is generally the result rather than the generator of a development, we can still identify certain activities which play a promoting role in development. First we have the case of tourism, whose impact can be felt over the entire territory. As for other activities of the tertiary sector which promote development, transportation, finance and research have been singled out for concerted action.
- (d) Regional Balance - Efforts will be made to distribute growth among the various regions of Quebec in order to achieve a better urban balance and reduce interregional disparities.

The agreement provides a general orientation for the socioeconomic development of Quebec, it also permits Canada and Quebec to better coordinate their respective initiatives in the development of the Province.

To December 31, 1976, the following sub-agreements have been signed with Quebec:

- SIDBEC
- Key Highway Networks
- Industrial Infrastructure
- Forest Resources Access Roads
- Agricultural Development
- Industrial Research
- Mineral Development
- St. Félicien
- PICA

Summaries of currently active sub-agreements follow. These summaries include all amendments made as of December 31, 1976.

QUEBEC

SUBSIDIARY AGREEMENT

SUBJECT Financing of the 1974-1978 SIDBEC Expansion Plan.

DURATION OF AGREEMENT March 15, 1974 to March 31, 1978, as amended July 15, 1975

OBJECTIVES To assist SIDBEC to carry out a major expansion, enabling the Corporation to capitalize on growing Canadian and export markets for steel. Among the anticipated benefits are more complete utilization of the province's labour potential, increased participation by SIDBEC in the domestic and export markets for steel products, and the general enhancement of industrial growth through the attraction of secondary industry for further processing of steel.

BACKGROUND Sidérurgie du Québec, or SIDBEC, was established by the Quebec government in the early sixties, in recognition of the need for competitively priced steel to act as a backbone for industrial development and economic growth in the province. Despite this active public role in the provincial steel industry, Quebec, in 1972, produced only 6 per cent of the national output of basic steel while, at the same time, consumed 18 per cent of the finished steel used in Canada. By carrying out a major expansion, the SIDBEC Corporation will be able to capitalize on growing Canadian and Quebec markets for steel, and this in turn will create more jobs, increase SIDBEC's participation in the domestic and export steel products market and attract secondary industry.

This sub-agreement was developed in consultation with several federal departments, more particularly with the Departments of Finance, Industry, Trade and Commerce as well as with various provincial departments. It was signed by the Minister of Regional Economic Expansion and the Minister responsible for the Office de planification et de développement du Québec.

ELEMENTS The SIDBEC expansion plan 1974-1978 calls for the expansion of its steel-making and fabricating capacity from 900 000 to 1 600 000 tons per year as well as the modernization of part of its existing operations and the added capability of manufacturing galvanized steel.

MAXIMUM The following projects will be carried out as part of
EXPENDITURES the 1974-1978 expansion plan.

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL & INDUSTRY SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Contrecoeur			
(a) Unloading, storage and transport of iron ore	\$ 5 850 000		
(b) Reduction plant	45 382 000		
(c) Steel plant expansion	88 000 000		
Other projects* (excluding Port Cartier)	46 670 000		
Reserve	20 000 000		
TOTAL	<u>\$205 902 000</u>	<u>\$175 902 000</u>	<u>\$30 000 000</u>

* This amount will be committed progressively, giving priority to the exigencies of the above mentioned projects.

ADMINISTRATION AND MANAGEMENT A Development Committee established under the authority of the General Development Agreement will provide policy direction. A Management Committee, consisting of an equal number of representatives of Canada and Quebec, appointed by the Federal and Provincial Ministers, will be established to supervise the implementation of this agreement and provide routine management.

QUEBEC

SUBSIDIARY AGREEMENT

SUBJECT Key Highway Networks

DURATION OF AGREEMENT September 13, 1974 to March 31, 1979, as amended March 31, 1976

OBJECTIVES As part of the realization of programs for industrial, regional and urban development, which implies rapid means of communication between various urban centres, to set up a major highway infrastructure thus consolidating the key role of such centres. In addition, projects included under this agreement are designed to promote a greater movement of industrial products among various regions of Quebec.

More specifically, Varennes, Contrecoeur, Tracy and Sorel together represent one of the heaviest concentrations of the metallurgical and iron and steel industries in Quebec. Thus, development of the Tracy-Boucherville corridor will be accelerated and communication links with the vast Montreal market will be greatly improved.

The amendment relating to autoroutes 10, 51 and 55, signed on March 29, 1976 will facilitate commercial, industrial and tourist exchanges by improving highway links in the Sherbrooke district with industrial towns in the St-François valley and the Bois-Francs area as well as with Trois-Rivières/Bécancour.

It will also be necessary to complete another departmental project in the Sherbrooke region, the development of a vast regional industrial park adjacent to the proposed autoroute.

Another project is the reconstruction of Route 138 linking Port-Cartier and Sept-Iles which together form the urban centre with the highest economic and demographic growth rate in Quebec. As well, this project will constitute a follow-up of our activities in this

region, which include the establishment of SIDBEC and Rayonnier Quebec in Port-Cartier and the numerous projects undertaken under the Special Areas Agreement.

BACKGROUND

The south shore of the St. Lawrence between Boucherville and Tracy is already showing signs of dynamic industrial growth primarily based on the metallurgical, iron and steel industries. The area already has access to excellent harbour facilities, including a vast shipyard, and reserves of electrical power. Moreover, it is gaining considerable ground in several other sectors, such as the petrochemical and electrical industries, research and heavy metal industry.

Two factors are regarded as essential to the reconstruction of Route 138; universal access to the main services concentrated in Sept-Iles and safety despite the increase in heavy traffic as a result of new industrial activities.

The present highway network is inadequate and may impede future development if corrective action is not taken. Planned improvements should ease the situation, maintain the current growth rate and maximize industrial expansion in areas with great economic development potential.

These projects were developed in consultation with several federal departments, in particular Finance and Transport, as well as with various provincial departments. They were ratified by the Department of Regional Economic Expansion and the Minister responsible for the Quebec Planning and Development Bureau.

ELEMENTS

The initial project will include the construction of a divided highway with two lanes in each direction, from Boulevard Grande Rivière in Tracy to Montée Sainte-Julie (29 miles), and of two additional lanes from Montée Sainte-Julie to the Trans-Canada Highway (3 miles). Overall, the project provides new highway networks over a distance of 32 miles, including roadways, structures, drainage system, signs, lighting and displacement of public utilities.

The two projects dealt with in amendment No. 1 are the construction of Autoroute 10 over a distance of 12 miles between Omerville and Sherbrooke, and the construction of Autoroutes 51 and 55 over a distance of 22 miles between Sherbrooke and Drummondville and the reconstruction of Route 138 (15) over a distance of 37 miles between Port-Cartier and Sept-Iles, including the

approach to Sept-Iles as far as the Poste River to the west of the town.

MAXIMUM EXPENDITURES The following are the projects to be carried out by the province under the agreement:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Autoroute from Boucherville to Tracy (No. 30)	\$ 43 661 000	\$ 17 464 000	\$ 26 197 000
Rebuilding Route 138 between Sept-Iles and Port-Cartier	17 480 000	6 992 000	10 488 000
Autoroutes 10, 51 and 55. Connecting-up of Autoroutes 10 and 55 with Sherbrooke. Sherbrooke/Drummondville link.	60 700 000	24 280 000	36 420 000
SUB TOTAL	\$121 841 000	\$ 48 736 000	\$ 73 105 000
Reserve	12 334 000	4 934 000	7 400 000
	\$134 175 000	\$ 53 670 000	\$ 80 505 000

ADMINISTRATION AND MANAGEMENT The agreement shall be supervised by a Development Committee established under the General Development Agreement. A Management Committee, comprising an equal number of representatives of Canada and Quebec appointed by their respective Ministers, shall be set up to supervise the implementation of the agreement and assume its routine management. Quebec shall be represented on this Committee by one representative from the Quebec Planning and Development Bureau and another from the Department of Transport. The federal government shall be represented by one representative from the Department of Regional Economic Expansion and another from Transport Canada.

QUEBEC

SUBSIDIARY AGREEMENT

SUBJECT Industrial Infrastructure

DURATION OF AGREEMENT March 26, 1975 to March 31, 1978

OBJECTIVES To promote more balanced industrial development throughout Quebec by providing community facilities and services required to encourage and facilitate the establishment of new enterprises in various regions of the province.

BACKGROUND The development of the manufacturing sector in Quebec is dependent on the reinforcement of a network of infrastructures encouraging industry in various urban centres which will not necessarily be in a position to finance the growth or establishment of new industrial parks. To avoid too wide a diffusion of the thrust towards development in Quebec, and taking careful note of current trends in the province, the effort will be concentrated on a limited number of urban service centres. Those urban centres in Quebec which are already recognizable as growth poles must have large industrial parks so that, by their natural power of attraction, they will be able to draw enterprises which will reach beyond the purely local market. In this way, the role of these centres will be strengthened so that they can reach a level of development at which they can independently consolidate and accelerate economic development.

The installation of infrastructure necessary for the fish-processing industry in the Lower St. Lawrence, the Gaspé, Iles-de-la-Madeleine and North Shore areas, will be facilitated, in that it enables the development of the fishery industrial parks to be completed.

Finally, when an important industrial project wishes to establish in any region of Quebec, and if that project cannot move into one of the existing industrial parks, financial assistance may be provided to supply

it with municipal services. The proposed actions should ensure that a certain number of centres reach a level of development sufficient to bring about an independent growth pattern. These initiatives will thereby contribute to improved opportunities for productive employment through the reinforcement of the industrial and urban structure of Quebec, and promote the optimal development of the various regions.

This sub-agreement was developed in consultation with several federal departments, more particularly with the Departments of Environment and Finance as well as with various provincial departments. It was signed by the Minister of Regional Economic Expansion and the Minister responsible for the Office de planification et de développement du Québec.

ELEMENTS

Financial assistance under this program will facilitate the provision of infrastructure required by industry throughout Quebec. The program has three elements:

- (a) creation or expansion of industrial parks in a specific number of urban centres of the province;
- (b) establishment and development of several well-equipped fishery industrial parks in the Gaspé and Iles-de-la-Madeleine areas and fishery infrastructure in the North Shore area; and
- (c) the provision of essential infrastructure projects in municipalities which are financially incapable of meeting the industrial requirements of specific industries.

<u>MAXIMUM EXPENDITURES</u>	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Industrial Parks	\$32 551 720	\$13 020 688	\$19 531 032
Industrial Fishery	15 448 280	6 179 312	9 268 968
Special Industrial Infrastructure Projects	12 000 000	4 800 000	7 200 000
TOTAL	<u>\$60 000 000</u>	<u>\$24 000 000</u>	<u>\$36 000 000</u>

ADMINISTRATION
AND MANAGEMENT

A Development Committee established under the authority of the General Development Agreement will provide supervision. A Management Committee, consisting of an equal number of representatives of Canada and Quebec appointed by the Federal and Provincial Ministers, will be established to supervise the implementation of this agreement and provide routine management.

Environment Canada has been invited to participate in the supervision of the development of fishery industrial parks.

QUEBEC

SUBSIDIARY AGREEMENT

SUBJECT Forest Resources Access Roads

DURATION OF AGREEMENT March 26, 1975 to March 31, 1978

OBJECTIVES To encourage optimum utilization of Quebec's forestry resources, and thus consolidate and create employment in wood-based industries, through the development of an improved network of access roads serving forests in the northern regions of the province.

BACKGROUND The forest regions of southern Quebec, including Estrie, Outaouais, Mauricie, Quebec, Montreal, Gaspé and the Lower St. Lawrence, were the first to be developed and for all practical purposes, they are being exploited to the limit. Furthermore, with an increasing demand in the next several decades, existing supplies will be unable to satisfy the demand for wood-using industries in the province. Additional forest resources exist in the northern regions of Quebec but development has lagged to the extent that only one-half of the productive capacity is being realized. One of the chief reasons for this lag is the lack of access to the commercial timber stands by the processing industries. It is thus important that an adequate network of forest highways be constructed that would not only enable the shortfall in timber supply from the south to be offset, but to ensure the profit-making ability of existing installations in the northern regions thereby stimulating the expansion of existing industries as well as fostering the establishment of new forestry complexes. The optimal exploitation of the forest resources will allow these areas of Quebec to better realize existing potential for development and to consolidate - as well as create - forest-based employment in such industries as sawmills and pulp and paper plants. Finally, by giving access to the northern forests, the program will ameliorate the shortage forecast for the turn of the century.

This sub-agreement was developed in consultation with several federal departments, more particularly with the Departments of Environment and Finance as well as with various provincial departments. It was signed by the Minister of Regional Economic Expansion and the Minister responsible for the Office de planification et de développement du Québec.

ELEMENTS

(a) Saguenay - Lac-Saint-Jean - Chibougamau
 Chapais, Ste-Marguerite, Frotet Lake, Waconichi Lake, Bras Nord, Bourgat Lake, Margonne Lake.
 Improvement of existing roads: 74 miles
 Construction of new roads: 75 miles

(b) North-Western Quebec
 Quévillon-Matagami, Canica Island, Lac Valet, Townships of Fonteneau, Mazarin, Villebois, Bourque, Caire and Lanoue; Val d'Or - Laforce, Lac Alfred - Rapide Sept and Témiscamingue, Waswanipi and Kokomis Lakes.
 Improvement of existing roads: 96 miles
 Construction of new roads: 160 miles
 Construction of bridges: 4

(c) North Shore
 Sacré-Coeur, Domanial Forest of Outardes, Rivière-au-Tonnerre, Rivière-St-Jean and Natashquan, Labrieville.
 Improvement of existing roads: 50 miles
 Construction of new roads: 49 miles
 Construction of bridges: 2

TOTAL WORK TO BE DONE:

Improvement of existing roads: 220 miles
 Construction of new roads: 284 miles
 Construction of bridges: 6

MAXIMUM
 EXPENDITURES

The following is a list of projects to be carried out under this agreement:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Saguenay Lac- St-Jean	\$ 5 812 000	\$2 324 800	\$ 3 487 200
North West	12 703 000	5 081 200	7 621 800
North Shore	5 685 000	2 274 000	3 411 000
	<hr/>	<hr/>	<hr/>
TOTAL	\$24 200 000	\$9 680 000	\$14 520 000

ADMINISTRATION AND MANAGEMENT A Development Committee established under the authority of the General Development Agreement will provide supervision. A Management Committee, consisting of an equal number of representatives of Canada and Quebec appointed by the Federal and Provincial Ministers, will be established to supervise the implementation of this agreement and provide routine management.

QUEBEC

SUBSIDIARY AGREEMENT

PURPOSE Agricultural Development

DURATION OF AGREEMENT From March 29, 1976 to March 31, 1979

OBJECTIVES The purpose of this agreement is to carry out an integrated land reclamation program in the Montreal Plain, and to continue the land-use adjustment program in the eastern regions of Quebec, Saguenay-Lac St-Jean-Chibougamau and Abitibi-Temiskaming, and the gradual extension of this program in accordance with the needs of the other regions in Quebec with the exception of the Montreal Plain.

BACKGROUND In Quebec, gross agricultural income, measured in constant dollars, increased by only 5.4% between 1963 and 1973 compared to 16.4% in Ontario and 16.7% in Canada. Therefore the first priority must be to increase agricultural revenues through greater productivity, while taking care to develop the land resources in such a way as to maximize the effects for the manufacturing sector.

The Montreal Plain, accounting for more than one-third of the six million acres of agricultural land in the province, is generally high in soil quality and lies in that area of Quebec where the climate is most favourable to agriculture. It is the major consumer area of Quebec, which should favour the development of industrialization in the agricultural sector.

The very slight slope of the land, however, and the high water table in this plain are major constraints which have reduced the quality and quantity of harvests.

By providing a significant improvement in productivity and a diversification of produce, the integrated land

reclamation program in the Montreal Plain will favour the establishment of processing plants for agricultural products.

In recent years agriculture has undergone numerous transformations, both in the Montreal Plain and in other regions of Quebec. Labour has been replaced by capital because decreasing marginal returns and the lack of manpower have brought about an increase in the size of farms and a higher degree of mechanization. In regions with lesser potential than the Montreal Plain however, producers take longer to adapt to these new conditions and catch-up efforts are needed.

It has become necessary to make adjustments, on one hand to strengthen productive farms, and on the other to ensure the more rational use of cleared land which is not suitable for agriculture.

The land-use adjustment program includes a number of closely interrelated measures intended to provide the adjustments needed both for the rationalization of the use of the land unsuitable for modern agriculture and for reallocation and profit-improvement of agricultural concerns.

ELEMENTS

This subsidiary agreement will finance a land reclamation and land-use adjustment program comprising the following steps:

- improvement of water systems under municipal supervision to control the disposal of waste water that could be harmful to agriculture, while conserving the water supplies needed for irrigation;
- improvement of organic soils to permit optimum exploitation, after analysis of the potential and preparation of guidelines for development;
- reclamation of the Lac St-Pierre alluvial lands which are exposed to annual floods, to recover and protect an area of approximately 30 000 acres,
- underground drainage to supplement surface drainage with additional protection required in the climatic conditions of the Montreal Plain for the introduction and development of intensive farming;
- land-use adjustment in the various regions of Quebec, except the Montreal Plain.

MAXIMUM
EXPENDITURES

Under the terms of the agreement the province shall carry out the following:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Land reclama- tion, Montreal Plain	\$25 500 000	\$10 200 000	\$15 300 000
Land-use adjustment	16 100 000	6 440 000	9 660 000
	<hr/>	<hr/>	<hr/>
TOTAL	\$41 600 000	\$16 640 000	\$24 960 000

ADMINISTRATION
OF MANAGEMENT

A development committee set up according to the General Development Agreement shall be entrusted with supervision of the agreement. A management committee, composed of an equal number of representatives from Canada and Quebec appointed by the federal and provincial ministers, will be established to supervise the implementation of the agreement and to provide routine administration. The Department of Agriculture shall participate in the routine administration of the projects under this agreement through its representative on the management committee.

QUEBEC

SUBSIDIARY AGREEMENT

PURPOSE Industrial Research

DURATION OF AGREEMENT From March 29, 1976 to March 31, 1977

OBJECTIVES The purpose of this agreement is to provide the provincial and federal funds required to obtain the additional personnel and services necessary for carrying out the studies leading to the preparation or implementation of policies, programs and projects affecting the industrial sector in Quebec and, when desirable, of subsidiary agreements.

BACKGROUND Government decisions relating to the implementation of programs for capital assistance, regrouping or merging businesses, expansion of internal or external markets, innovation (R & D, design, and so on) and increasing productivity, must rely on a better understanding of the real problems of and opportunities for development in the various industrial sectors, and must be based on an evaluation of the appropriateness of these interventions and their possible impact on the industrial development of Quebec.

This agreement has been drawn up with a view to supplying the information and knowledge needed for government action affecting the industrial sector in Quebec. In carrying out the required studies and analyses, both in terms of understanding industrial problems and in matters of planning policies, strategies and methods of concrete action, this agreement is intended to provide the Government of Quebec with the tools to improve the coherence and co-ordination of its activities relating to the implementation of existing policies and programs or to the introduction of new measures for stimulating Quebec's industrial development.

ELEMENTS

The first element of the agreement provides for the carrying out of analytic studies and the synthesis of general aspects or problems, either those which affect the development of all manufacturing industries in Quebec or those which are common to many industrial sectors.

The second element concerns program studies, with the purpose of creating the framework and specific procedural methods for action by the Government of Quebec, affecting all manufacturing industries, one or several industrial sectors or even certain specific industrial projects.

The third element concerns studies to identify and evaluate new or additional manufacturing opportunities in Quebec.

The fourth element involves studies to identify the fields and define the methods for rationalizing production within a sector or industrial activity, studies which could be applied either through a merger or regrouping of businesses or by specializing the production of existing firms.

MAXIMUM
EXPENDITURES

Under the terms of the agreement the province shall carry out the following:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Industrial research	\$2 000 000	\$1 000 000	\$1 000 000

ADMINISTRATION
AND MANAGEMENT

A development committee set up according to the General Development Agreement, is entrusted with supervision. A management committee composed of an equal number of representatives from Canada and Quebec appointed by the federal and provincial ministers, shall be established to supervise the implementation of the agreement and to provide routine administration.

QUEBEC

SUBSIDIARY AGREEMENT

PURPOSE Mineral Development

DURATION OF AGREEMENT From March 29, 1976 to March 31, 1979

OBJECTIVES The purpose of this agreement is to assist Quebec in carrying out activities to encourage mineral development in Quebec. The intention is to favour the exploitation and use of Quebec's natural resources for the benefit of the population by financing an integrated program to promote mineral and petroleum exploitation, access to resources, mineral research and the rational exploitation of resources.

BACKGROUND Despite the considerable potential of Quebec's subsoil, the distribution of exploitable mineral resources is very uneven from one region to another.

The level of production has affected the economic development of the various regions. In the North Shore region, for example, the doubling of iron production between 1960 and 1973 made rapid growth possible. In contrast, Quebec's Northwest, where the mining economy relies mainly on primary constituents and precious metals, has had rather slower growth. Declining production and the closing of mines have had a strongly adverse effect on this region. To a lesser degree the economy of the Gaspé also is based in large part on the mining industry. Lastly, the Eastern Townships suffer from a lack of diversification in the mining industry. In terms of real growth, the value of production has increased at an annual rate of only 4.4% during the last 13 years.

The search for and utilization of mineral deposits are affected by a number of factors ranging from purely scientific considerations to economic constraints which affect the growth of the mining sector in Quebec to varying degrees.

Private industry invests between 10 and 15 million dollars annually in mineral exploration in Quebec.

Investments in the order of 25 to 30 million dollars, or 6% of metallic mineral production, are needed in order to ensure an annual rate of increase of approximately 7.5 to 8% in Quebec's metallic mineral production.

The processing industry is weak in relation to mineral production and is not sufficiently diversified.

Working low-density and complex ore deposits presents many problems in mining and refining. In order to ensure the growth of the mining industry in Quebec, the utilization of these known but not yet exploited resources must be encouraged by finding solutions to the technical and technological problems which present their development and processing. This should be done through the development of research units and research centres specializing in the field of mineral resources and metals.

Hydrocarbons account for a major part of Quebec's energy bill. All oil and gas used in Quebec is imported. It is important, therefore, that governments further encourage the oil companies in their exploration of the main sedimentary basins of Quebec.

ELEMENTS

Access to Mineral Resources

This agreement will enable the construction of access roads to the most promising geological areas in order to maximize the exploration efforts of private industry.

Geoscientific Studies and Oil Exploration

These projects, financed by the agreement, will permit an intensifying of existing geological knowledge through the use of up-to-date geoscientific methods such as aerial geophysics, geochemistry and drill-hole geophysics.

The geoscientific program on hydrocarbons aims at increasing knowledge in this field through geological, geophysical and geochemical projects, at stimulating exploration for oil and gas and at locating the most favourable sites for the underground storage of petroleum products.

Industrial Research and Development Projects

The research and development program will centre on the development of procedures of the mining and processing of complex ores of which it is impossible at present to produce forms concentrated enough to meet the current specifications of processing plants.

MAXIMUM EXPENDITURES Under the terms of the agreement the province shall carry out the following:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Access to mineral resources	\$10 700 000	\$ 4 280 000	\$ 6 420 000
Geoscientific studies and oil exploration	6 200 000	2 480 000	3 720 000
Industrial research and development projects	7 400 000	2 960 000	4 440 000
SUB-TOTAL	\$24 300 000	\$ 9 720 000	\$14 580 000
Reserve capital	4 300 000	1 720 000	2 580 000
TOTAL	\$28 600 000	\$11 440 000	\$17 160 000

ADMINISTRATION AND MANAGEMENT

A development committee set up according to the General Development Agreement, is entrusted with supervision. A management committee composed of an equal number of representatives from Canada and Quebec appointed by the federal and provincial ministers, will be established to supervise the implementation of the agreement and to provide routine administration. The Department of Energy, Mines and Resources will participate in the routine administration of these projects through its representative on the management committee.

QUEBEC

SUBSIDIARY AGREEMENT

PURPOSE Establishment of a Bleached Kraft Pulp Mill at St-Félicien

DURATION OF AGREEMENT From April 21, 1976 to March 31, 1980

OBJECTIVES The purpose of this agreement is to enable Quebec to create an integrated forestry complex at St-Félicien, Roberval, by contributing to the financing of a bleached kraft pulp mill and the sawmills which will supply it.

BACKGROUND The pulp and paper industry is one of the oldest and most important in the economic structure of Canada and Quebec.

For Canada, the growth of the industry which processes its immense wealth of forest resources began to accelerate after the complete removal of American tariffs on newsprint in 1913.

Since that time the industry has continued to grow and diversify, spurred on by market demand, the accessibility of forest resources and technological developments in the fields of both pulp and paper. Today, in a world market that stands at 175 million tons per year, Canada is the second-largest producer with an output of 15 million tons of paper and 7 million tons of pulp. The economic impact of the industry in Canada is, however, much greater than the figures indicate because of the large percentage of production which is exported.

In addition to the strategic value of pulp and paper in the balance of trade (10% of Canada's total exports), the industry plays a primary role in regional development. The mills and the forestry operations that supply them are often the only viable economic activities in vast areas of Canada's territory and in the towns and villages which they have created.

Quebec, the birthplace of Canada's pulp and paper industry, is still the country's largest producer. In 1974 Quebec produced 45% of the newsprint made in Canada, but only 12% of the pulp.

Quebec's pulp and paper industry provides employment for some 79 000 people in the factories and forests, or about 11% of total employment in the primary and secondary sectors. It cannot be denied that a competitive, modern and dynamic pulp and paper industry is essential for the economic health of Quebec as a whole and of all the remote regions in particular.

Since 1968, however, Canada has witnessed a general downturn in the industry and such a low rate of return that new investments have not generally been justified despite the predicted growth of world demand. Quebec suffers more from this situation than do the other producing regions, its share of Canadian investments having dropped from 37% in 1968-1969 to 16.5% in 1970-1972.

For approximately the last fifteen years the Government of Quebec has thus been trying to co-ordinate all the factors which, in the otherwise disadvantaged region of Roberval-Chibougamau-St-Félicien, could allow the best use of the Crown forest which is one of the last great reserves of wood capable of supporting an integrated forestry complex of optimum size.

This agreement not only meets one specific objective in the forestry sector but at the same time satisfies all the general objectives of the general agreement.

The establishment of Donohue St-Félicien will also provide the means for the optimum utilization of the forestry resources of this vast region. Forestry operations will be conducted according to a development plan which will make use of both the more accessible woodlands in the southern region and the northern forests on Crown land. The three sawmills will be supplied with tree-length logs which will, depending on quality, be made either into lumber or into chips which would then go, along with the refuse, to supply the pulp mill.

ELEMENTS

The specific purpose of this agreement is to enable Donohue St-Félicien Inc. to build a bleached kraft pulp mill with an annual capacity of 262 000 tons and to modernize the sawmills belonging to it. After modernization it is expected that the annual production of the sawmills will be 135 million board feet and 548 000 tons of chips.

MAXIMUM EXPENDITURES	<u>ESTIMATED TOTAL COST*</u>	<u>PROVINCIAL AND INDUSTRIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Bleached kraft pulp mill	\$50 000 000	\$20 000 000	\$30 000 000

*The total costs of building the complex will be \$298 000 000, to be covered by financing from industry, the agreement fund and provincial agencies.

ADMINISTRATION
AND MANAGEMENT

A development committee, set up according to the General Development Agreement, is entrusted with supervision. A management committee, composed of an equal number of representatives from Canada and Quebec appointed by the federal and provincial ministers, shall be established to supervise the implementation of the agreement and to provide routine administration.

QUEBEC

SUBSIDIARY AGREEMENT

SUBJECT Mirabel Airport Industrial and Commercial Park
 (PICA) 1976-1979.

DURATION OF From June 16, 1976 to March 31, 1979
AGREEMENT

OBJECTIVES The agreement is aimed at increasing industrial
 development through the establishment of an indus-
 trial airport complex integrating the whole range
 of activities of a modern airport and the various
 means of transportation converging on it.

 The financial assistance to the Société du parc
 industriel et commercial aéroportuaire de Mirabel
 is to help set up the infrastructure necessary for
 developing the industrial and commercial airport park
 and carrying out industrial projects.

BACKGROUND The achievement of the general objectives stated in
 the General Development Agreement will receive an
 additional impetus through this agreement, which is
 a logical extension of the Quebec government's efforts
 to create and consolidate industrial boards and
 rationalize and develop modern industrial parks.

 This Canada-Quebec subsidiary agreement on the finan-
 cing of the Société's capital assets is designed to
 extend the subsidiary agreement on industrial infrastruc-
 ture. This agreement differs from the previous one
 in its two composing facets: first, the intended inter-
 national character of the activities carried on by the
 new industries, and second, the corporate mechanism used
 to implement and administer the future industrial and
 commercial airport park.

The construction of a new international airport at Mirabel is in keeping with thorough modification of the entire infrastructure in the neighbouring region. The size and the nature of the investments involved are helping to promote the establishment and development of many commercial and industrial businesses in this part of the Montreal region.

The area north of Montreal is already equipped with host structures that could accommodate many of these businesses. If, however, the area is to derive maximum benefit from the industrial potential generated by the location of the airport and the related infrastructure, and comply with the objectives of the General Development Agreement under which efforts to develop industry in the Montreal region are to meet qualitative rather than quantitative criteria, the region must be equipped with additional infrastructure capable of attracting high-growth, high-productivity activities to Mirabel.

The airport park will encourage not only the creation of new jobs but the establishment of high-growth industries, namely those most likely to strengthen or modify Quebec's industrial structure.

In addition, the setting up of an intermodal TDM centre, which is currently under study and includes transfer, distribution and manufacturing activities to be integrated with Mirabel Airport, could make Montreal the hub of air transport for eastern North America.

Quebec undertakes to subscribe for 60 per cent and Canada for 40 per cent of the Société's common shares.

The Société's Board of Directors shall be made up of seven (7) members who shall be the directors of the Société as defined in the Companies Act.

ELEMENTS

Waste Water Evacuation

As the park's supply system is nearly completed, it is important to make sure that the sewage system is ready before the park begins operations. Essentially this means building sewers that will connect with the St.-Canut purification plant.

Physical Development

This heading covers all work involved in building roads and sidewalks, as well as lighting and paving each of the blocks designed to accommodate prospective industries.

Downtown Mirabel

We include under this heading all the infrastructure work, that is, work on the water supply and sewage disposal systems planned for downtown Mirabel, which will have an important role as a complement to PICA itself.

Administration

Forecast expenditures in this category cover two aspects: first, putting SPICAM, the company that is to look after development and management of the park into operation and second, concluding the work of setting up the transfer and distribution facilities that complement the park's manufacturing function.

MAXIMUM EXPENDITURES

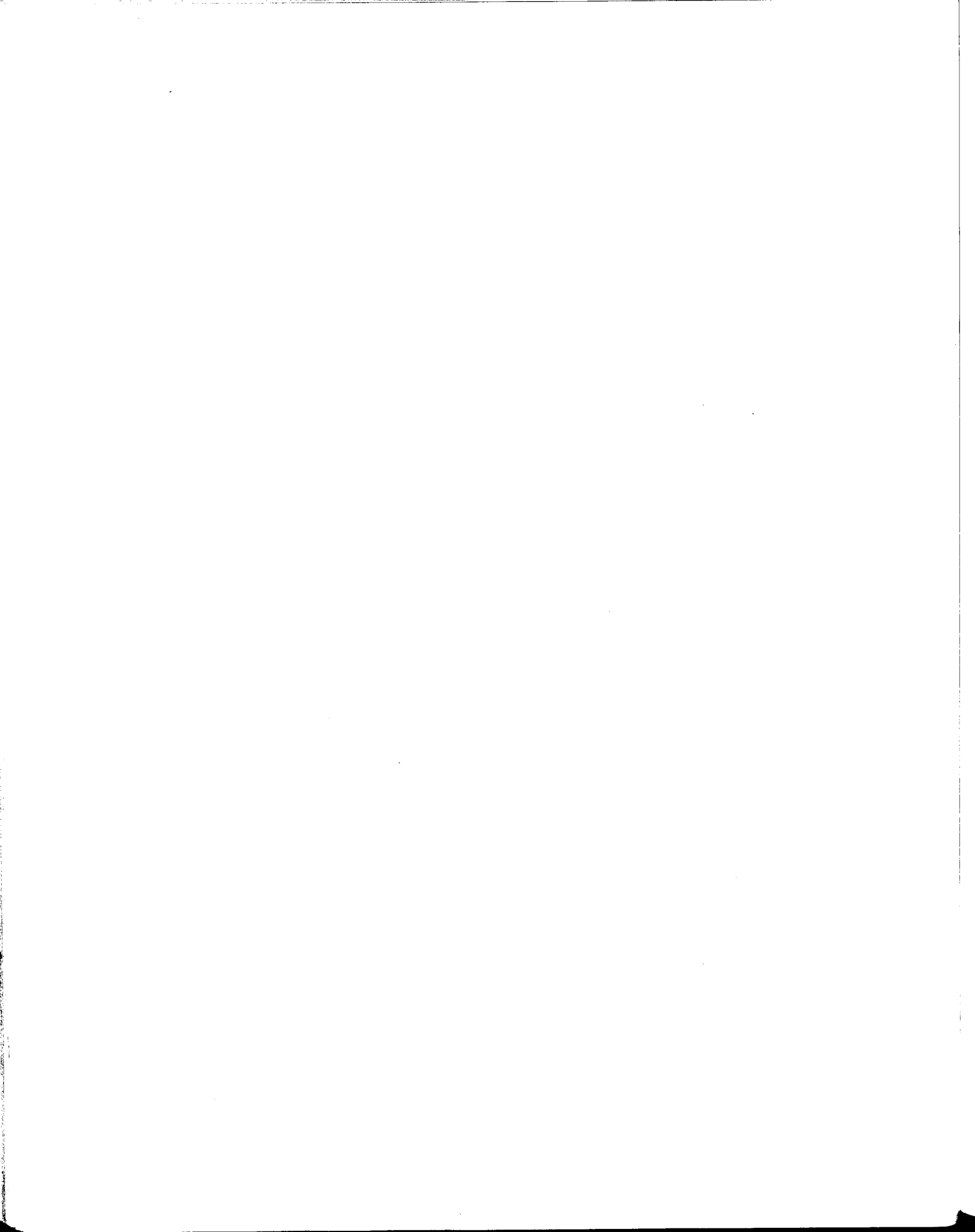
The following is a list of projects that will be undertaken under this agreement:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Waste water evacuation system	\$ 2 953 000*	\$ 1 181 200	\$ 1 771 800
Physical de- velopment	5 886 000*	2 354 400	3 531 600
Mirabel (down- town)	1 520 000*	608 000	912 000
Administration expenses	1 200 000	480 000	720 000
Reserve (15 per cent)	1 733 000	693 200	1 039 800
TOTAL	\$13 292 000	\$ 5 316 800	\$ 7 975 200

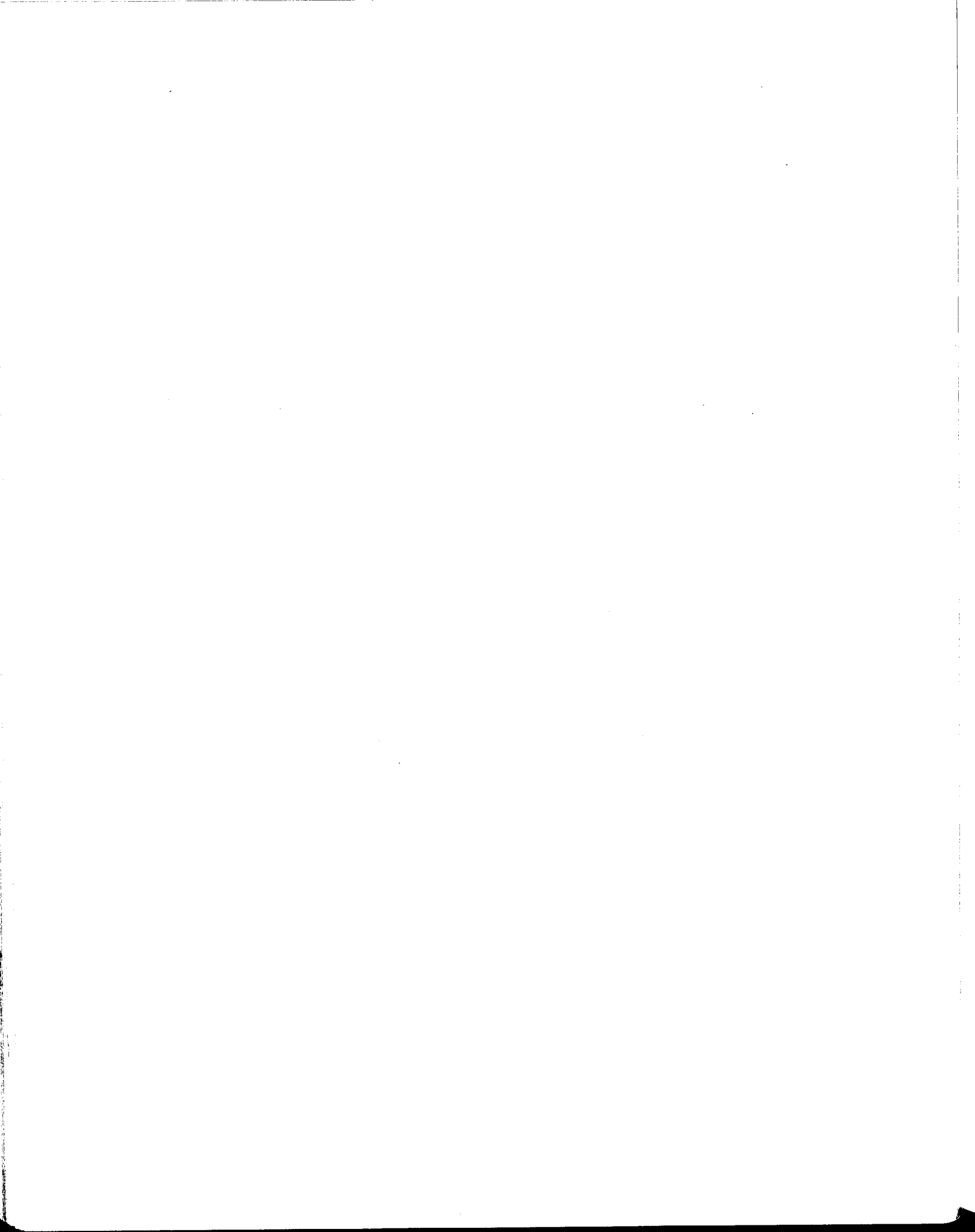
*including 10 per cent of indirect costs.

ADMINISTRATION
AND MANAGEMENT

Supervision will be ensured by a development committee established under the General Development Agreement. A Management Committee, comprising an equal number of representatives of Canada and of Quebec nominated by federal and provincial Ministers will be set up to supervise the implementation of the agreement and to handle routine administration.



ONTARIO



ONTARIO

GENERAL DEVELOPMENT AGREEMENT

The Canada-Ontario General Development Agreement was signed on February 26, 1974 by the Minister of Regional Economic Expansion on behalf of Canada, and by the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs on behalf of the Province.

The Canada-Ontario GDA provides a general framework for the coordinated planning and implementation of regional development objectives and strategies which have jointly been identified and agreed upon.

Although Ontario ranks among the most prosperous of the 10 provinces from the standpoint of aggregate indicators of economic wealth, such measures fail to reflect the significant disparities in economic terms among the province's five Planning Regions. In fact, the rate of development in Northern Ontario and a significant portion of Eastern Ontario has not kept pace with that in the Province as a whole or in Canada generally. Unemployment rates and per capita income levels in these areas compare unfavourably with the corresponding provincial and national averages.

Social and economic development in Northern Ontario is impaired by the long distances separating the communities in the region from each other and from national and international markets and sources of supply. Also, the range of economic activities in the north is comparatively narrow, consisting mainly of the exploitation and export of mineral and forest resources. The relative lack of processing facilities and service operations acts as a serious constraint on the number of income and employment opportunities. Many communities suffer from a serious lack of public services.

As a consequence of the foregoing traits, the rate of population growth is approximately one-quarter of the provincial rate. The labour force participation is below average and the rate of unemployment is relatively high.

In Eastern Ontario the underlying cause of the region's comparatively unfavourable unemployment and per capita income record is a decline in the labour requirements of the traditionally important agriculture and forest-based industries, together with a relative lack of employment growth in secondary manufacturing. Within some parts of the region there is an overdependence on a narrow range of economic activities. This lack of a diversified economic structure has frequently meant instability and unemployment.

In order to affect in a positive way the economic situation in Northern and part of Eastern Ontario, special measures will be required to take advantage of the development potential. In the North, further resource processing may be an important means of providing additional employment and income opportunities. Tourism will also continue to be an important component of the economy and scope may exist for some import substitution enterprises. In Eastern Ontario, manufacturing, government institutions and tourism appear to offer the best growth prospects.

The general objectives of this agreement may be summarized as follows:

- (a) to improve opportunities for productive employment and access to those opportunities, and to sustain existing employment opportunities in those areas and sectors of Ontario which, relative to other areas and sectors of the province, are in need of special measures in order to realize their development potential in socioeconomic terms;
- (b) to encourage socioeconomic development in those areas of the province requiring special initiatives to permit the residents to contribute to and participate in the benefits of economic development;
- (c) to reinforce policies and priorities of the province for regional development within Ontario insofar as they pertain to the areas and sectors of the province identified in objective (a).

Programs carried out in pursuit of the objectives just stated will basically be in Northern and part of Eastern Ontario and these will be closely coordinated with the province's regional planning priorities and objectives and within the framework of the Ontario Design for Development Program. A list of action plans, which could lead to sub-agreements, was worked out cooperatively by the two governments, including:

(a) Cornwall Area of Eastern Ontario:

Cornwall has attracted a considerable number of the workers leaving the agricultural sector, while being hit hard by major industrial closures. Consequently, unemployment has been much above the provincial average. A Cornwall subsidiary agreement has now been signed, which will facilitate joint government action in the Cornwall area. The two governments will contribute \$16 330 000 towards programs which will increase income and employment opportunities by stimulating industrial growth and developing the tourist potential of the city and area.

(b) Northwestern Ontario

Northwestern Ontario is the first part of the province for which a set of policy recommendations designed to help achieve the goals of the provincial Design for Development Program has been published and officially accepted. Consideration has been given to initiatives consistent with federal and provincial development objectives and priorities and designed to facilitate both urban and rural development. Emphasis has been placed on ways to enable the region's primate centre to play its intended central role in the development of the area. This, and other development initiatives have been facilitated through the signing of a Northwestern Ontario sub-agreement, under which the two governments are contributing \$47 344 000 dollars.

(c) Ontario Northlands

Outside growth centres designated pursuant to the Ontario Design for Development Program, there is a substantial group of socially and economically disadvantaged people isolated from the mainstream of provincial, social, and economic life by carriers such as geography, low levels of educational attainment, and poverty. A significant portion of this population is Indian or Metis. Although the Indians are located primarily in Northern Ontario, there are Indian Bands throughout the province. Many of these members can be considered to be isolated and disadvantaged. Special efforts will be made to encourage and assist residents of isolated communities to participate in and benefit from the realization of development opportunities. Possible areas for early attention in this regard include economic assistance for small businesses, community improvement measures (consistent with regional planning goals), and manpower training and skill upgrading programs. The federal and provincial governments have signed an Interim Northlands Agreement representing a commitment in principal to the development of a long-term Northlands Agreement. This interim agreement calls for the expenditure of \$427 500 to establish life skills courses, homemaker courses, recreation development, the identification of manpower adjustment needs, and evaluation of pilot projects.

This list of possible initiatives is not meant to be confining in any way; indeed, the expectation is that the number of topics will be augmented continuously over the life of the GDA, on the basis of an ongoing analysis of the opportunities for socio-economic development.

To December 31, 1976 the following subsidiary agreements have been signed with Ontario:

- Cornwall Area
- Northwestern Ontario
- Dryden Development Infrastructure
- Interim Northlands
- Northeastern Ontario
- Single-Industry Resource Communities: Phase I

Summaries of currently active sub-agreements follow. These summaries include all amendments made as of December 31, 1976.

ONTARIO

SUBSIDIARY AGREEMENT

SUBJECT Cornwall Area

DURATION OF AGREEMENT February 26, 1974 to March 31, 1977, as amended July 17, 1975, October 26, 1976

OBJECTIVES To create a long-term expansion in employment and income opportunities in the Cornwall area, and thereby to improve the rate of the area's growth relative to other regions of the province.

BACKGROUND Although Ontario ranks among the most prosperous of the ten provinces, unemployment rates and per capita incomes, in parts of Eastern Ontario, compare unfavourably with both the provincial and national averages.

Much of Cornwall's unemployment problems result from the decline of the textile industries. At the same time, however, a considerable number of workers have been leaving the traditional agriculture and forestry sectors and locating in the city.

In recent years, with the assistance of both federal and provincial industrial incentives programs, an important start was made in the diversification of the city's industrial base.

Tourism has not yet developed to the point where it is generating substantial income and employment opportunities. However, the city, due to its strategic location and its attractive and scenic natural environment, possesses great potential to support a thriving tourism and convention industry.

As the major urban center on the St. Lawrence Seaway in Eastern Ontario, Cornwall has an important role to play in the attainment of the goals of the province's Design for Development Program. These goals include the achievement of greater income and employment opportunities and a better standard of living for the population of a sizable surrounding area. The city, however, lacks both an adequate supply of serviced

industrial land and the fiscal capacity to provide industry with municipal services as required.

Canada and Ontario have agreed to cooperate in the launching of measures designed to bring about a long-term expansion in the employment and income opportunities available through improvements in the local physical, social and cultural environment. The agreement is directed toward the development of new industry, the expansion of commercial business and increased tourist facilities.

This sub-agreement was developed in consultation with several federal departments, more particularly with the Department of Public Works as well as with various provincial departments. It was signed by the Minister of Regional Economic Expansion and the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs.

ELEMENTS

The following projects are to be carried out under this agreement:

- (a) Eastern Industrial Park - completion and servicing of an industrial park of approximately 410 acres through the planning and installation of sanitary sewers, water mains and the construction of associated all-weather internal roads.
- (b) Canal Lands Development - construction of an all-purpose facility for athletic and cultural events on canal lands and associated upgrading of existing sanitary and storm sewers and water mains, as well as arterial roads.
- (c) West End-Single Industry Site - extension of water and sewer lines, improvement of the filtration plant and upgrading of internal services for industry locating on the site.
- (d) Tourist and Recreation Area - landscaping and services necessary to develop a tourist and recreation area in the western part of the city.

MAXIMUM EXPENDITURES	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Eastern Industrial Park	\$ 1 840 000	\$ 920 000	\$ 920 000
Canal Lands Develop- ment	10 020 000	5 010 000	5 010 000
West End Single Industry Site	3 319 000	1 659 500	1 659 500
Tourist and Recrea- tion Area	1 076 000	538 000	538 000
	<u>TOTAL \$16 255 000*</u>	<u>\$8 127 500*</u>	<u>\$8 127 500*</u>

*Includes 15% contingency allowance.

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the federal and provincial Ministers.

The Department of Public Works will participate in the supervision of this Agreement through its representatives on the Management Committee.

ONTARIO

SUBSIDIARY AGREEMENT

SUBJECT Northwestern Ontario

DURATION OF AGREEMENT May 31, 1974 to March 31, 1978, as amended August 26, 1975, December 12, 1975

OBJECTIVES To increase the number and range of viable employment opportunities available in Northwestern Ontario; specifically, to strengthen strategic centres in the region, increase local processing of local resources, improve transportation and communication systems, make optimum use of existing public investments in the region by assisting in the rationalization of the urban structure and providing a stimulus to the economy of the Kenora area which will increase employment opportunities.

BACKGROUND Social and economic development in Northern Ontario is impaired by the long distances separating the communities in the region from each other and from outside markets and sources of supply. Also, the range of economic activities in the north is comparatively narrow, consisting mainly of the exploitation and export of mineral and forest resources.

The purchasing power in many of Northern Ontario's urban centres is often insufficient to attract supporting industries; also, these communities suffer from a serious lack of public services. While the region possesses a high potential for tourism, better and faster access from the more populous areas of the continent will be required if this potential is to be realized.

The overall consequences of the foregoing conditions are a low rate of population growth, a below-average rate of labour force participation and a high rate of unemployment in localized areas.

To accelerate economic growth in the region, it will be necessary to reinforce the intended role of Thunder Bay as the regional servicing, processing and distribution centre. Also, to sustain a number of existing

and planned forest and mineral development projects, selective road improvements and municipal infrastructure projects will require assistance.

In many areas of Northwestern Ontario, the harvesting of wild rice is becoming an important economic activity. Investigation will be undertaken to determine the possibility of applying scientific methods to the wild rice industry to increase and stabilize incomes.

Finally, with complementary improvements to road and air transport facilities, and development of tourist park facilities, increased tourism is expected to induce greater local commercial activity, an expanded service sector, and long-term employment for native people.

This sub-agreement was developed in consultation with several federal departments, more particularly with the Ministry of Transport and the Central Mortgage and Housing Corporation, as well as with various provincial ministries. It was signed by the Minister of Regional Economic Expansion, the Minister of Manpower and Immigration and the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs.

ELEMENTS

The specific projects provided for under this agreement are the :

- (a) construction of new and the extension of existing sewage lines in Thunder Bay to strengthen the city's intended development role by opening up new industrial and residential areas;
- (b) provision of infrastructure assistance for a new townsite associated with the development of iron ore deposits in the vicinity of Lake St. Joseph;
- (c) expansion of the sewage treatment plant in the community of Ignace to service new housing facilities necessary to accommodate a large number of the workers employed at the mining developments located in the vicinity of Sturgeon Lake;

- (d) construction of access roads to enable the more effective utilization of the forest and other natural resources in selected areas of Northwestern Ontario, and to enhance area tourist potential;
- (e) reconstruction of a major portion of Highway 599 to accommodate the weight of ore-carrying trucks in connection with the mining developments near Pickle Lake, and to assist in the realization of other industrial activities;
- (f) assessment through research, having regard to economic, social and environmental consideration, of the feasibility of establishing a complex to accommodate a number of heavy industries contemplating location in the Thunder Bay area;
- (g) identification, through research, of the potential for expanding wild rice harvesting operations in Northwestern Ontario;
- (h) extension of airport and reconstruction of road facilities to improve the access to the recreational potential of the Kenora area; and
- (i) development and construction of tourist and recreation facilities in the Pistol Lake area to mitigate environmental damage, to provide employment opportunities, and to increase the number of tourists.

MAXIMUM
EXPENDITURES

The following is a list of projects to be carried out under this agreement:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Community Infras- tructure Program			
(a) Thunder Bay Sewage System Improvements	\$23 218 000	\$11 609 000	\$11 609 000
(b) New Townsite Lake St. Joseph	3 000 000	1 500 000	1 500 000
(c) Ignace Sewage Treatment Plant Expansion	342 000	171 000	171 000
Road Construction Program			
(a) Resource Access Roads	4 235 000	2 117 500	2 117 500
(b) Highway 599	6 000 000	3 000 000	3 000 000
Study Program			
(a) Infrastructure Study	150 000	75 000	75 000
(b) Wild Rice Harves- ting	50 000	25 000	25 000
Kenora Area Infras- tructure	4 174 000	2 087 000	2 087 000
SUB-TOTAL	\$41 169 000	\$20 584 500	\$20 584 500
Contingency Allowance	6 175 000	3 087 500	3 087 500
TOTAL	\$47 344 000	\$23 672 000	\$23 672 000

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Commit-
tee composed of an equal number of senior officials
designated by the federal and provincial Ministers.

The Department of Public Works will participate in
the supervision of this agreement through their repre-
sentative on the Management Committee.

ONTARIO

SUBSIDIARY AGREEMENT

SUBJECT Dryden Development Infrastructure

DURATION OF AGREEMENT March 24, 1975 to March 31, 1977

OBJECTIVES To effect improvements in community services required to enable the town of Dryden to support new population growth brought about by current industrial development and perform more effectively its role as a focal point and service centre for economic development in the Patricia Region of Northwestern Ontario.

The Central Patricia development area (West of Thunder Bay District, North of the Rainy River District, to the 51st parallel and to the Lake of the Woods District) is an important region for two major resource industries, i.e. forest products and mining, which are presently undergoing substantial expansion. In the next few years, total investment in this area may exceed \$1.3 billion, resulting in as many as 4 000 new jobs.

With the significant new resource developments now underway, greater commercial and expanded service sector activities are anticipated in Dryden resulting in near term population increase projects to be approximately 3 000. The existing housing supply in Dryden is inadequate to meet present and future needs. High construction and servicing costs of serviced land have limited the supply of new housing and present a serious constraint to economic growth.

Large-scale capital projects must now be undertaken by the municipality in order to correct existing problems and provide the infrastructure and services required to accommodate a significantly increased population. Due to magnitudes of the projects needed and the relatively short time frames available for their completion, they are, to a large extent, beyond Dryden's financial capability.

The assistance provided by Canada and the Province will improve the fiscal flexibility of the municipality, enabling it to undertake other measures needed to meet the growing infrastructure requirements over the next few years.

This sub-agreement was developed in consultation with several federal departments, more particularly with the Central Mortgage and Housing Corporation, as well as with various provincial ministries. It was signed by the Minister of Regional Economic Expansion and the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs.

ELEMENTS

The subsidiary agreement provides for:

- (a) construction of a new water intake and treatment plant in Dryden which will enable the servicing of a population of up to 11 000 inhabitants, as opposed to its 1971 population of 6 939;
- (b) construction of a sanitary sewer collector which will enable the immediate servicing of two new municipally-owned subdivisions needed for residential and commercial development, and further facilitate the planned servicing of an additional 300 acres.

MAXIMUM EXPENDITURES	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Water System Improvements	\$2 630 368	\$1 315 184	\$1 315 184
Sewage System Improvements	153 106	76 553	76 553
SUB-TOTAL	\$2 783 474	\$1 391 737	\$1 391 737
Contingency Allowance	417 521	208 760	208 761
TOTAL	\$3 200 995	\$1 600 497	\$1 600 498

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the Federal and Provincial Ministers.

The Department of Public Works will participate in the supervision of this Agreement through their representative on the Management Committee.

ONTARIO
SUBSIDIARY AGREEMENT

SUBJECT Interim Northlands

DURATION OF July 7, 1975 to August 31, 1977
AGREEMENT

OBJECTIVES 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.

Subject to above considerations, Canada and the Province have the intention of entering into a long-term Ontario Northlands sub-agreement to provide the area with a comprehensive and coordinated development strategy and to achieve the following objectives:

- (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.
- (d) to improve the environment of the region so as to better the quality of life available to the local population.

BACKGROUND

The Ontario Northlands as defined by this Agreement is not a "region" in the traditional sense, but is rather a geo-socioeconomic area which extends beyond the primate and strategic centres designated pursuant to the Ontario Government'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.

The area selected for assistance under this Subsidiary 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 and in the past could depend on a natural environment for its livelihood, either by living off the land or by selling fish and furs.

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.

The interim agreement will enable the two governments to attack particular problems being faced by residents of Northern Ontario. These and other problems were identified in the Canada-Ontario General Development Agreement. The interim agreement is designed to complement the province's Design for Development Program for Northwestern Ontario.

This sub-agreement was developed in consultation with several federal departments, more particularly with the Departments of Manpower and Immigration and Indian and Northern Affairs, as well as with various provincial ministries. It was signed by the Minister of Regional Economic Expansion and the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs.

ELEMENTS

The specific projects provided for under this agreement are:

Life Skills - These courses will provide participants with the essential life skills and preparatory socio-economic information needed to allow them to cope with and benefit from existing manpower training programs.

Teaching the Homemaker - Services aimed at improving the skills of area residents in such fields as nutrition, hygiene, and family budgeting.

Recreation Area - 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.

Identification of Manpower Adjustment Needs - A study to identify regional manpower surpluses and shortages, determine manpower skill availability, examine migration patterns and assess manpower skill requirements. The project is jointly funded by Ontario and the Federal Department of Manpower and Immigration.

Evaluation - An evaluation of projects carried out under this interim sub-agreement.

MAXIMUM EXPENDITURES	ESTIMATED TOTAL COST	PROVINCIAL SHARE	FEDERAL SHARE (DREE)
Life Skills	\$ 62 500	\$ 31 250	\$ 31 250
Teaching Homemaker Skills	21 000	10 500	10 500
Recreation Area	34 000	17 000	17 000
Identification of Manpower Adjustment Study	260 000	130 000	130 000*
Evaluation	50 000	25 000	25 000
	<hr/>	<hr/>	<hr/>
TOTAL	\$ 427 500	\$ 213 750	\$ 213 750

*This study will be jointly funded by Manpower and Immigration and Ontario.

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the federal and provincial Ministers.

The Department of Manpower and Immigration and Indian and Northern Affairs will participate in the supervision of this agreement through their representatives on the Management Committee.

ONTARIO

SUBSIDIARY AGREEMENT

SUBJECT Northeastern Ontario

DURATION OF AGREEMENT March 25, 1976 to December 31, 1979, as amended July 28, 1976

OBJECTIVES To provide for the joint participation of Canada and the Province in projects directed towards reinforcing the policies and priorities of the Province for regional development insofar as they pertain to Northeastern Ontario; and to provide the means through which needed financial assistance can be made available for approved projects aimed at alleviating identified constraints to the economic and social development of key population centres in Northeastern Ontario.

BACKGROUND Northeastern Ontario has experienced an annual population growth rate which is approximately one-half the rate for Ontario as a whole.

The economy of Northeastern Ontario has developed on the strength of its natural resources. Mining, forestry, tourism and related manufacturing constitute the mainstay of the regional economy and together employ more than one-third of its labour force. The regional resource sectors are dependent primarily on external demand and are thus subject to the vagaries of world markets. The processing of primary products into manufactured goods is not well established and secondary and tertiary industry is poorly developed.

Many communities depend upon a single industry for their economic base, leaving them vulnerable to adverse changes in that industry.

The urban structure in Northeastern Ontario provides a framework through which the socio-economic benefits of on-going and proposed government programs may be realized. Under the development strategy articulated here, the present urban system must be strengthened by

concentrating new economic activity in selected centres to maximize the benefits of growth. This focusing of growth will provide certain advantages such as maximum utilization of investment in infrastructure, support for both people and industry, and provision of a larger more multi-skilled labour force for industry.

SUDBURY AREA

The Regional Municipality of Sudbury, with a population of approximately 165 000, is the largest urban centre in Northern Ontario. Its strategic location at the crossroads of east-west and north-south transportation routes, its many government offices, and health and educational institutions, have transformed this municipality into the main trading centre of north-eastern Ontario. As such, Sudbury services a population of more than 500 000.

Historically, the size of the labour force in the Sudbury region has been directly related to the growth of the local mining industry and to service industries directly related to mining. However, the dominance of these industries, with their high wage scales, has acted as a constraint on the number of income and employment opportunities available in the Sudbury area.

A lack of serviced industrial land, along with infrastructure costs, has been a continuing problem during the past decade and has now developed into a major constraint on future industrial development in the Sudbury region.

Sudbury appears to possess many of the attributes helpful in attracting associated industrial development: the excellent transport facilities, the labour force and the availability of primary metal products for processing. However, in order to induce processing, manufacturing and other related service industries to locate in the area, reasonably-priced industrial land must be made available.

PARRY SOUND AREA

The town of Parry Sound has a population of close to 6 000. It is the major community in the District of Parry Sound, an area of some 1 400 square miles encompassing a total of approximately 30 000 people. The economic growth of this area has not kept pace with that of Northeastern Ontario as a whole.

Historically, Parry Sound has been an important trans-shipment point, but today the harbour facility is only used to ship iron ore pellets from the Sudbury area to

the U.S.A. Tourism has been expanding slowly over the years providing a partial replacement of income lost due to economic change. Manufacturing activity has also been slow to develop.

Since the designation of the District of Parry Sound under the Regional Development Incentives Act in April 1974, there has been a marked increase in the attention shown to the area by manufacturers. However, the necessary serviced industrial land has not been available in the District.

TIMMINS AREA

Traditionally the Timmins area has been heavily dependent on mining and, to a much lesser extent, on forestry. Although gold mining remains an integral part of the local economy, base metal mining is steadily increasing its portion of the labour force. The Texasgulf copper-zinc mine, brought into production in 1966 as a number of gold mines were terminating operations, has enabled employment and population levels to be stabilized.

In recent years Timmins has witnessed an expansion in its economic base beyond mining into more diversified fields. Due to its central location the city has become the focal point and service centre for a large area in Northeastern Ontario, offering numerous warehousing and repair facilities associated with the mining and forestry sectors. Resource-based manufacturing is also becoming of increasing importance.

The City of Timmins, the principal urban centre in the District of Cochrane, was formed in 1973 by the amalgamation of a number of smaller communities. Subsequently the city has been faced with the fact that many of the water and sewer mains were undersized and both sewage plants located within the city boundaries were overloaded. While it has been striving to upgrade its sewer and water systems, Timmins is currently facing an immediate need to accelerate its capital works program.

Texasgulf Inc. has announced plans to proceed with a \$400 million expansion project including a new smelter and refinery. This expansion is expected to increase the permanent work force by 1 500, resulting in a population increase for Timmins of 4 500. In order to provide essential services and housing for this population, several large-scale infrastructure projects are urgently required.

ELEMENTS

The specific projects provided for under this Agreement are:

(a) Sudbury Area

Construction of water, sewage, storm drainage ditches and road facilities in the Highway 17 West (Walden) industrial park. The industrial park will provide sites for those industries currently prepared to locate in the Sudbury area. In addition, it will provide sufficient additional serviced land to accommodate the anticipated development of light industry over the next five years.

(b) Parry Sound Area

(i) Construction of the water and sewage facilities required for the Woods Road Industrial Park in Carling Township. The proposed development is aimed at increased net employment opportunities in the area, increasing the community's involvement in sponsoring economic activity, assisting the community to realize its development potential and broaden its tax base through the establishment of new processing, manufacturing and service industries, and improving the quality of life for area residents.

(ii) Assessment of the industrial planning, development, marketing and park management efforts in the Parry Sound area. This study is intended as a means of ensuring the continued orderly and planned development of the community's economic base.

(c) Timmins Area

(i) Construction of additional sewer and water facilities in the Timmins-Mountjoy area and the Tisdale-Whitney area to meet the current requirements for additional essential infrastructure.

The province will arrange through the Central Mortgage and Housing Corporation for grants under the National Housing Act to assist in funding eligible sewage and water projects.

(ii) Assessment of industrial park requirements and sites, and the industrial planning, development, marketing and park management

efforts in Timmins. This study is intended as a means of identifying an optimum site for the location of an industrial park of an appropriate type, and helping to facilitate the orderly expansion of the community's economic base.

Assessment of the need for a bypass road system to improve vehicle flow in the central business district, and to carry traffic within the study area in a manner consistent with the Texasgulf expansion and a new industrial park site.

MAXIMUM
EXPENDITURES

The following is a list of projects to be carried out under this Agreement:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
<u>Sudbury Area</u>			
Highway 17 West (Walden) Industrial Park			
(a) Water Distribution System	\$1 260 000	\$ 630 000	\$ 630 000
(b) Sanitary Sewers	637 000	318 500	318 500
(c) Access Road Construction	1 148 000	574 000	574 000
SUB TOTAL	<u>\$3 045 000</u>	<u>\$1 522 500</u>	<u>\$1 522 500</u>
<u>Parry Sound Area</u>			
(1) Carling Township Industrial Park			
(a) Water Source System	\$ 471 000	\$ 235 500	\$ 235 500
(b) Water Distribution System	504 000	252 000	252 000
(c) Sanitary Sewers	970 000	485 000	485 000*

*Includes CMHC assistance estimated at \$130 000

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
(2) Assessment of the Planning	13 000	6 500	6 500
SUB-TOTAL	<u>\$ 1 958 000</u>	<u>\$ 979 000</u>	<u>\$ 979 000</u>
<u>Timmins Area</u>			
(1) Infrastructure			
(a) Water Mains	\$ 2 210 000	\$1 105 000	\$1 105 000
(b) Sanitary Sewers	7 536 000	3 768 000	3 768 000
(2) Studies	145 000	72 500	72 500
SUB TOTAL	<u>\$ 9 891 000</u>	<u>\$4 945 500</u>	<u>\$4 945 500</u>
Total without C.A.	\$14 894 000	7 447 000	7 447 000
Contingency Allowance	2 234 650	1 117 325	1 117 325
TOTAL	<u>\$17 128 650</u>	<u>\$8 564 325</u>	<u>\$8 564 325</u>

ADMINISTRATION AND MANAGEMENT The overall management of this Agreement will be the responsibility of the Management Committee consisting of an equal number of representatives of each government, designated by the respective federal and provincial Ministers.

ONTARIO

SUBSIDIARY AGREEMENT

SUBJECT Single-Industry Resource Communities
 PHASE I: Kimberly-Clark Impact Area

DURATION OF October 22, 1976 to March 31, 1980
AGREEMENT

OBJECTIVES To diversify and stabilize the economies of single-
 industry resource communities in northern Ontario
 consistent with the objectives of the GDA and the
 goals and recommendations of the Province, and to
 initiate programs aimed at easing the social and
 economic problems characteristic of single-industry
 communities. Specifically, it will seek to broaden
 the economic base of communities vulnerable to fluctua-
 tions in the resource sectors; to create alternative
 employment opportunities; to improve the living en-
 vironment in order to attract and retain skilled
 labour; to strengthen the urban structure; and to
 encourage and sustain longer-term resource develop-
 ments.

Phase I, the initial phase of this Canada-Ontario joint strategy, will implement measures designed to support the growth opportunities of Nakina, Longlac and Geraldton; implement measures to increase the number and range of jobs and income opportunities and the selective improvements of the communities' infrastructure. Evaluations show that the tax base of the communities is insufficient to cope with major development prospects associated with the planned expansion of the woodlands operations of the Kimberly-Clark Company. The tripling of the Kimberly-Clark Terrace Bay mill capacity from 400 to 1 200 tons per day will mean an increase of 400 to 600 jobs in their woodlands operations.

Phase I will provide \$13.7 million (\$6.85 million federal) to the three communities to accommodate the new growth opportunities and to foster the development of other known resources in the area.

BACKGROUND

The impact area envelopes a region of some 28 000 square miles in northwestern Ontario. Within the confines of this area, the Kimberly-Clark Company obtained cutting rights from the Province for an additional 4 860 square miles bringing their total timber limits to 12 186 square miles. The implications of this resource-based expansion mean increased job opportunities for Natives of the area; increased population in major communities; improvements in the community structures to hold present inhabitants, encourage and retain skilled workers in the northwest, and improve the modes of transportation for better access to the communities.

At present most large forest areas are committed to the pulp and paper industry; few remain open. Henceforth, the potential for new development of integrated forest complexes which would represent significant growth in the national productive capacity is constrained. Of the few remaining areas that will sustain long-term forest industrial development several are located in northwestern Ontario.

Population expansion in the three growth communities is expected to increase from 5 400 to 7 800 by 1979. Nakina will increase by 1 300, Longlac by 35 per cent beyond its present 1 700, and Geraldton's current population should increase by 500 people.

Nakina will serve as the dormitory community to house woodland workers, Longlac is being developed as the recreational centre and Geraldton will become the hub of transportation and retail services.

Apart from pulp and paper, this sub-region has known iron-ore reserves in the Nakina/Geraldton area capable of providing 235 million tons of iron-ore pellets. Combined with the Lake St. Joseph ore, there is a potential of some 660 million tons of pellets. Development will be long-range, possibly within the next two decades, and to a large extent scheduled to meet world market demands. The approximate expenditures for the future development of the ore reserves are in the range of \$2 billion and the job creation potential is estimated at 3 000.

ELEMENTS OF
PHASE I

1. Community Infrastructure Program

- (a) The community infrastructure program will assist Nakina with the completion of wells, pumps and housing (excluding drilling), construction of a reservoir, pumping and chlorination equipment of approximately 350 000 gal. capacity, the construction of 1 200 linear feet of 12-inch watermain, construction of 375 000 gpd sewage treatment facility and 4 600 linear feet of gravity trunk line sewers.
- (b) Longlac assistance will include construction of an approximately 1.5 mgd water-treatment plant with an elevated storage tank of 500 000 gallon capacity, 4 600 feet of 12-inch watermain, and a 375 000 gpd sewage treatment plant.
- (c) Geraldton water system improvements will include a 1.5 mgd water-treatment plant and 4 500 linear feet of 12-inch trunk watermain from the existing storage tank to a new 500 000-gallon storage tank.

2. Transportation Development Program

- (a) The Geraldton airport component will include grading and paving of a 5 000-foot runway, runway lighting and installation, access roads, construction of a passenger, operating and maintenance building, MNR fire base, inclusive of operating buildings, tank farm and water base for MNR.
- (b) Airport access including reconstruction to granular base of existing roadway (approximately 4.7 miles) with prime and double surface treatment.

ELEMENTS OF
PHASE I

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
1. Community Infrastructure Program			
(a) Nakina Water System Improvements	\$1 293 000	\$ 646 500	\$ 646 500

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
(b) Nakina Sewage System Improve- ments	\$1 730 000	\$ 865 000	\$ 865 000
(c) Longlac Water System Improve- ments	2 553 000	1 276 500	1 276 500
(d) Longlac Sewage System Im- provements	1 500 000	750 000	750 000
(e) Geraldton Water System Improvements	2 914 000	1 457 000	1 457 000
	<hr/>	<hr/>	<hr/>
	\$9 990 000	\$4 995 000	\$4 995 000
2. Transportation Development Program			
(a) Geraldton Airport 5000 ft. runway lighting, airport roads, terminal bldg.	2 827 000	1 413 500	1 413 500
(b) Airport Access Improve- ments approx. 4.7 miles of roadway to the airport	883 000	441 500	441 500
	<hr/>	<hr/>	<hr/>
	\$3 710 000	\$1 855 000	\$1 855 000

TOTAL (without contingency allowance)	\$13 700 000	\$6 850 000	\$6 850 000
Contingency Allowance	2 054 000	1 027 000	1 027 000
TOTAL	<u>\$15 754 000</u>	<u>\$7 877 000</u>	<u>\$7 877 000</u>

NOTE

Other federal government departments expected to participate in the federal share of funding are:

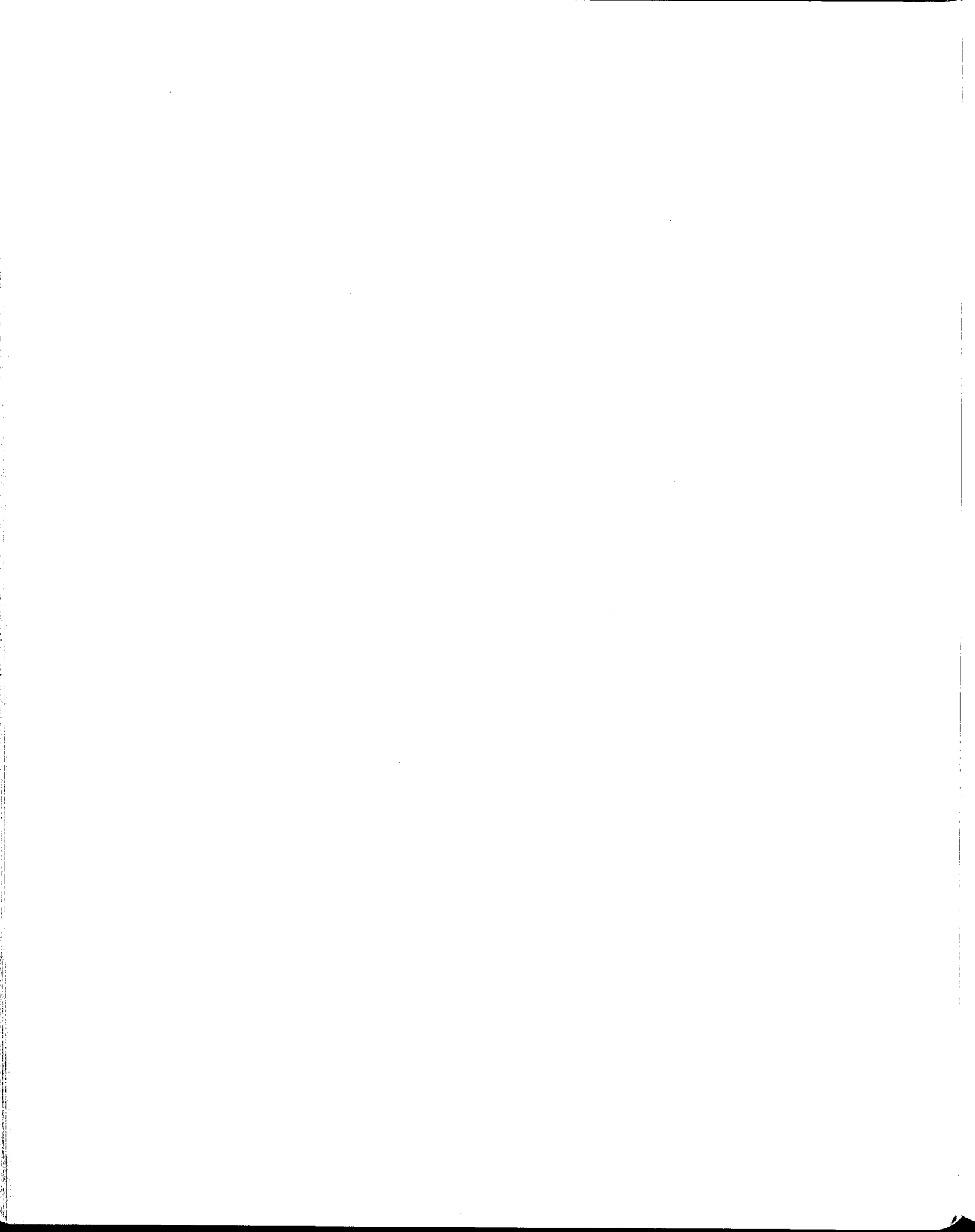
- (a) CMHC, towards water and sewer infrastructure works.
- (b) MOT, towards airport construction.

The above total federal share of the Agreement costs includes 10 per cent for administration, survey, engineering and architectural costs.

ADMINISTRATION
AND MANAGEMENT

A Management Committee will have the responsibility of monitoring and managing the Agreement. The Committee will consist of an equal number of members from each government, designated by the respective federal and provincial Ministers.

MANITOBA



MANITOBA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement with Manitoba was signed June 5, 1974 by the Minister of Regional Economic Expansion and the Minister of Mines, Resources and Environmental Management (Chairman of the Cabinet Sub-Committee on Economic and Resource Development of Manitoba).

Manitoba has a reasonably diversified economy based on a small but diverse manufacturing and processing sector, a strong agricultural sector and an expanding mineral extraction and processing industry in the North. Over the past two decades, population trends have been accentuated by strong rates of urbanization as well as out-migration. The agricultural sector has been characterized by fluctuating incomes, rapid capitalization and expansion of farming units and declining direct employment. Industrial activity in Manitoba consists of small but diversified manufacturing and processing sectors and a relatively large service sector. There are a few major industrial complexes in the province and industrial employment is generated from small and medium sized enterprises. In summary, there exists significant and unacceptable income disparities between various income groups; and the North has sharp contrasts to the South in terms of population levels and distribution, standards of living, sources of income, and job opportunities.

The objectives of this Agreement are:

- (a) to increase incomes and employment opportunities throughout Manitoba to increase opportunities for people to live in the area of their choice with improved standards of living; and
- (b) to encourage socio-economic development in the northern portion of Manitoba to provide the people of the area with real options and opportunities to contribute and participate in economic development, to continue their own way of life with enhanced pride and purpose and to participate in the orderly utilization of natural resources.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization; and
- (b) analysis and review of the economic and social circumstances of Manitoba and Manitoba's relationship to the regional and national economy, as these may be relevant to achieving the objectives.

The main sectors identified in the GDA as warranting special attention are Manitoba Northlands socio-economic development, agro-Manitoba development and commercial and industrial development.

To December 31, 1976, the following subsidiary agreements have been signed with Manitoba:

- Interim Northlands (expired)
- Planning
- Mineral Exploration and Development
- Northlands

Summaries of currently active sub-agreements follow. These summaries include all amendments made as of December 31, 1976.

MANITOBA

SUBSIDIARY AGREEMENT

SUBJECT Planning

DURATION OF AGREEMENT February 11, 1975 to March 31, 1977. A retroactivity clause allows costs incurred prior to February 11, 1975 but after June 5, 1974 (date of signing GDA) to be accepted provided such costs are approved by the Management Committee.

OBJECTIVES To undertake studies for the identification and analysis of economic and socio-economic development opportunities in Manitoba and such planning as is required to develop strategies, programs and subsidiary agreements pursuant to those opportunities.

BACKGROUND Detailed analysis and studies of Manitoba's economic and socio-economic situation, as well as specific studies of sectors in which Manitoba has a significant advantage, are required to meet the increased tempo for action pacts contained in the GDA. Federal financial contributions are required to assist Manitoba in obtaining external professional resources in order to enable both governments to plan and implement, more effectively, the process of such action pacts.

 The Agreement was signed by the Minister of Regional Economic Expansion and the Manitoba Minister of Mines, Resources and Environmental Management.

ELEMENTS The main element of the Agreement is to make available federal and provincial funds to enable the acquisition of external staff and services required to undertake socio-economic studies.

 The studies are being undertaken in the context of stated government social policies, and will also lead to identification of areas where there can be improved coordination of existing federal and provincial programs. Areas relating to the agricultural supply sector, agricultural products processing and transportation will receive some priority.

Three such projects, to be completed by March 31, 1976, have been authorized. The three studies relate to:

- (a) dairy development and processing;
- (b) transportation equipment; and
- (c) forestry.

DREE will seek the cooperation of other government departments while the province's resource sub-committee of cabinet will work with other provincial departments.

**MAXIMUM
EXPENDITURES**

The province and the federal government will share costs on a 50-50 basis.

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
1974-1975 fiscal year	\$ 600 000	\$ 300 000	\$ 300 000
1975-1976 fiscal year	1 000 000	500 000	500 000
1976-1977 fiscal year	1 000 000	500 000	500 000
TOTAL	<u>\$2 600 000</u>	<u>\$1 300 000</u>	<u>\$1 300 000</u>

**ADMINISTRATION
AND MANAGEMENT**

Supervision will be carried out by a Management Committee composed of one senior official from each government, designated by the respective federal and provincial Ministers.

MANITOBA

SUBSIDIARY AGREEMENT

SUBJECT Mineral Exploration and Development

DURATION OF AGREEMENT Not to exceed the four-year period from April 1, 1975 to March 31, 1979. Agreement signed March 31, 1976.

BACKGROUND In terms of the Manitoba economy, the mineral industry is vitally important from a number of viewpoints. In 1973, mineral output was estimated to have directly accounted for approximately 7 per cent of Manitoba's gross provincial product - second only to agriculture in the primary resource sector. Sub-regional, the industry's importance to northern Manitoba is even more critical. With the exception of some minor resource activity in forestry, fishing and trapping, mineral production is the largest and most important viable resource-based economic activity in the area. Much of the existing service and commercial activity of northern Manitoba is directly dependent on the continuance of a high level of mineral production.

The increasingly vital role that minerals will play in Canadian and Manitoban economies accentuates the importance of effective management of Manitoba's mineral resources. The Agreement was developed to contribute to this objective of effective management as well as to assist in maintaining an acceptable level of exploration activity in Manitoba.

The Agreement's program was finalized after extensive consultation with the province and the Department of Energy, Mines and Resources. The Agreement was signed by the federal Ministers of Regional Economic Expansion, Energy, Mines and Resources and by the provincial Minister of Mines, Resources and Environmental Management.

ELEMENTS

The program undertaken under the Agreement is comprised of the following projects:

- (a) base metal exploration, designed to evaluate potential base metal targets through geological, geophysical and geochemical investigations and, where warranted, diamond drilling in various parts of the Precambrian Shield and Paleozoic formations of Manitoba;
- (b) uranium reconnaissance exploration, including both airborne gamma-ray spectrometry and regional geochemistry, designed to locate areas of potential uranium mineralization and locate regional and base metal anomalies north of the 58th parallel of latitude in northern Manitoba;
- (c) regional survey and evaluation, designed to provide geological support to the Uranium Reconnaissance Exploration project in an area north of the 58th and to provide a means of evaluating and refining the results of the reconnaissance project through follow-up geophysical and geochemical surveys;
- (d) industrial minerals evaluation to accelerate the assessment of the industrial minerals potential of Manitoba and to provide for their effective long-term utilization in the context of urban development;
- (e) pegmatite mineral exploration to assess the most promising genetically-related granitoid terrains in Manitoba in order to stimulate the possibility of new sources of supply of an assortment of uncommon but important metals which occur in pegmatite mineral assemblages; and
- (f) mineral development analysis to analyse the results from the mineral exploration and development projects for possible future activities meeting the objectives of the GDA.

MAXIMUM
EXPENDITURES

The following is a list of proposed costs associated with the projects:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Base Metal Exploration	\$4 000 000	\$2 000 000	\$1 000 000
Uranium Recon- naissance Explora- tion	1 600 000	800 000	-
Regional Survey and Evaluation	600 000	300 000	150 000
Industrial Minerals Evaluation	1 500 000	750 000	375 000
Pegmatite Mineral Exploration	400 000	200 000	100 000
Mineral Development Analysis	400 000	200 000	100 000
	<hr/>	<hr/>	<hr/>
TOTAL	\$8 500 000	\$4 250 000	\$1 725 000

The total federal share is cost-shared equally by EMR and DREE with EMR providing 100 per cent of the federal share toward uranium reconnaissance exploration.

ADMINISTRATION AND MANAGEMENT The Agreement is carried out under the general direction and supervision of a Management Committee comprised of a representative of DREE, a representative of EMR (who acts as federal co-chairman), and two representatives of the province (one of whom acts as provincial co-chairman).

MANITOBA

SUBSIDIARY AGREEMENT

SUBJECT	Northlands
DURATION OF AGREEMENT	September 15, 1976 to March 31, 1981 (costs incurred on approved projects after April 1, 1976 are eligible)
OBJECTIVES	<ul style="list-style-type: none">(a) to enable the people of the area to contribute to and participate in the development of northern Manitoba;(b) to enable those people of the area who wish to do so, to continue their own way of life with enhanced pride and purpose; and(c) to encourage the orderly utilization of the natural resources of northern Manitoba in harmony with resource conservation and for the benefit of the inhabitants, the province and the region.
BACKGROUND	<p>The two-year interim agreement allowed for a series of planning and initial development projects within the context of the fifteen-year western northlands initiative. Projects were undertaken to encourage increased participation of Native people in community and regional employment and increase the individual's available employment options. Another series of projects undertook an inventory of resources available to northern communities and community economic development planning and pilot action. A transportation and communications sector under the interim agreement provided for a major transportation study, approximately 100 miles of northern road construction and upgrading of community airstrips.</p> <p>This longer-term Northlands Agreement is designed to continue the emphasis on remote communities and their development. A sector/program mix similar to that of the interim agreement has been employed.</p>

The strategy for this Agreement involved detailed discussions with the Province of Manitoba, the Department of Indian Affairs and Northern Development, Manpower and Immigration, Transport Canada and other federal departments. The resulting Agreement provides for a co-ordination and implementation system that accommodates the complex nature of the socio-economic development program.

This Agreement was signed by the federal Ministers of Transport Canada, Manpower and Immigration, Indian Affairs and Northern Development, and Regional Economic Expansion. The Agreement was signed by the provincial Minister of Northern Affairs.

ELEMENTS

The three sectors of the Agreement relate to:

- (a) resources and community economic development, designed to provide the resources necessary for the assessment, planning, development and support of resource-based and other opportunities for a community economic development approach, emphasizing local participation, which is designed to provide long-term employment and increased well-being in communities on the basis of converging basic human needs with productive activity arising from the resources of the region;
- (b) human development and community services, designed to assist families and communities to provide a social and physical environment conducive to the improvement of the quality of life and the participation of people in community affairs and development opportunities; and
- (c) transportation and communications, designed to move towards providing reliable and reasonable access to all northern remote communities for the transportation of people, goods and services and further to ensure the provision of communications infrastructure to increase the participation of people in community, provincial and national affairs.

MAXIMUM EXPENDITURES

The following is an outline of the costs related to the sectors of this Agreement:

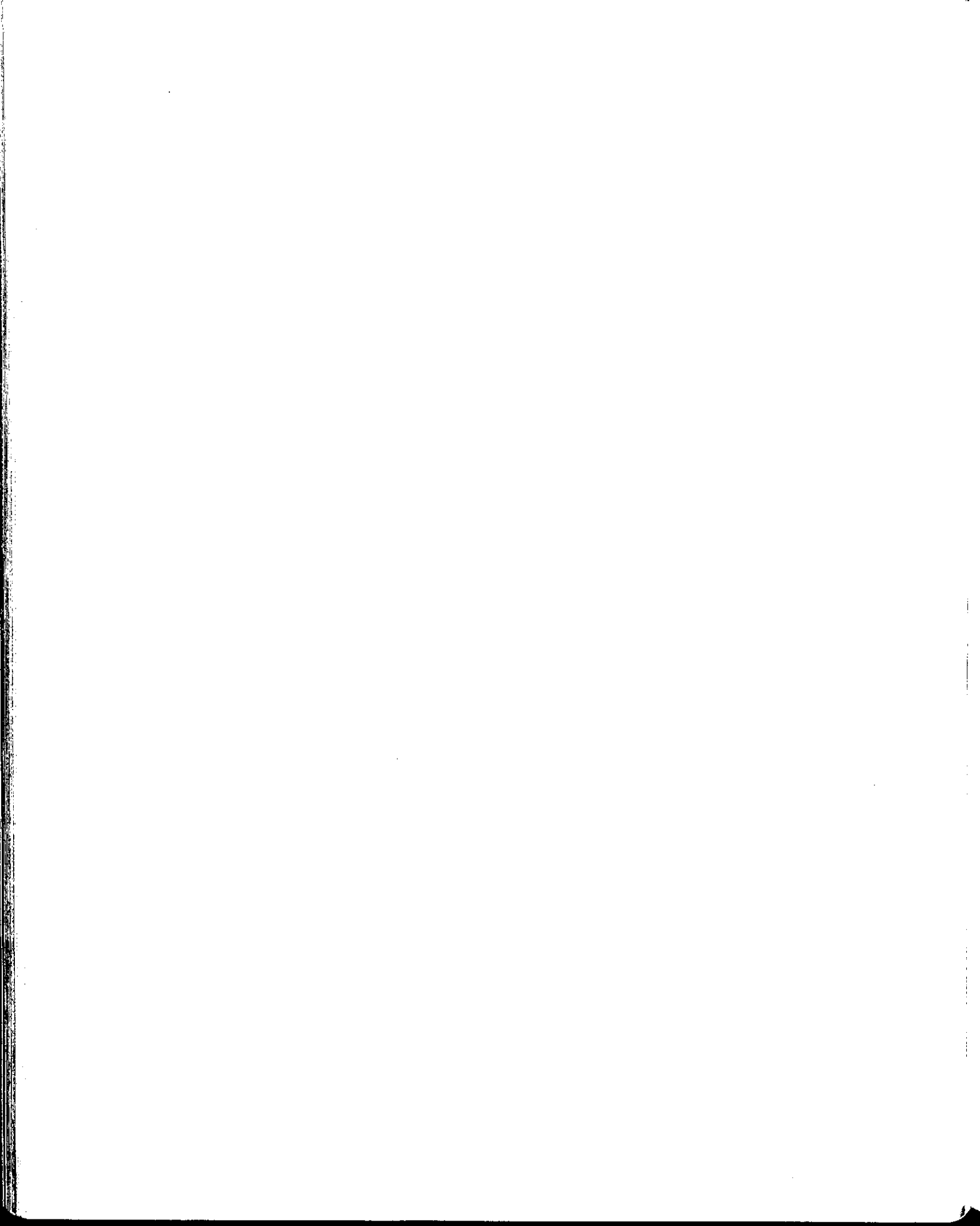
	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Resources and Community Economic Development	\$ 5 000 000	\$ 2 000 000	\$ 3 000 000
Human Development and Community Services	93 082 000	24 473 000	48 100 000
Transportation and Communication	35 667 000	14 267 000	13 900 000
Co-ordination and Pilot Action Research	5 000 000	2 000 000	3 000 000
TOTAL	<u>\$138 749 000</u>	<u>\$42 740 000</u>	<u>\$68 000 000</u>

Other federal departments contributing to the Agreement are Manpower and Immigration (\$5.516 million), Transport Canada (\$7.5 million) and Indian Affairs and Northern Development (\$14.993 million) bringing the total federal contribution to \$96.009 million.

**ADMINISTRATION
AND MANAGEMENT**

The Agreement is carried out under the general direction and supervision of Joint Managers: the Deputy Minister, Manitoba Department of Northern Affairs and the Director General of the Manitoba DREE office, or their designates. In addition, the Joint Managers can establish co-ordination Committees as required for the effective and efficient co-ordination of the programs.

SASKATCHEWAN



SASKATCHEWAN

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement with Saskatchewan was signed February 11, 1974 by the Minister of Regional Economic Expansion and the Minister of Industry and Commerce of Saskatchewan.

The economy of Saskatchewan has been characterized by relatively large swings in economic activity brought about because of the heavy reliance upon the primary producing sectors in the province. This has led to a number of undesirable outcomes and is the major reason behind the development program to be undertaken by the federal and provincial governments.

The increased capitalization of farms and the resulting decline in new agricultural job formation has undermined the employment base of the province. Few major secondary manufacturing developments have occurred. The effect has been a net outflow of population from the province over the last few years, an upward shift in the age distribution of the province's labour force, a significant rural-urban shift in population, and the demise of many small communities.

In addition to the need for far-reaching, general economic measures, there are special requirements for measures to alleviate the social, cultural and economic problems in the northern part of the province where development has not been able to provide the number or type of jobs required, nor a satisfactory level of earned income.

The objectives of this Agreement are:

- (a) to increase the aggregate economic growth of the provincial economy in order to increase employment opportunities, encourage balanced growth between rural and urban centres and help ensure a continuing, vibrant, dynamic society;
- (b) to preserve and enhance the value of the province's natural resources and optimize the value added from processing and manufacturing of these resources;
- (c) to diversify the province's economic base to reduce its dependency on primary production and thereby help stabilize the provincial economy;

- (d) to increase the number, range and type of employment opportunities within the province in order to utilize more effectively the human resources of Saskatchewan; and
- (e) to increase the opportunity for people in northern Saskatchewan to participate more fully in the social, cultural and economic life of the province.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization; and
- (b) analysis and review of the economic and social circumstances of Saskatchewan and Saskatchewan's relationship to the regional and national economy, as these may be relevant to achieving the objectives.

The main sectors identified in the GDA as warranting special attention are: steel and metal-related industries, forestry, agriculture, tourism, northlands, rural and urban development.

To December 31, 1976, the following sub-agreements have been signed with Saskatchewan.

- Mineral Exploration and Development in Northern Saskatchewan
- Iron, Steel and Other Related Metal Industries
- Interim Northlands
- Planning
- Qu'Appelle Valley

Summaries of currently active sub-agreements follow. These summaries include all amendments made as of December 31, 1976.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

- SUBJECT** Mineral Exploration and Development in Northern Saskatchewan
- DURATION OF AGREEMENT** June 21, 1974 to March 31, 1978
- OBJECTIVES** To accelerate Saskatchewan's economic development, create new job opportunities and increase investment opportunities by encouraging increased utilization of the province's mineral resources.
- BACKGROUND** In Northern Saskatchewan, the mineral industry is the most important economic activity. Other major commodity outputs relate to fishing, trapping and forestry but unemployment and underemployment are growing problems in Northern Saskatchewan. Mining activity has been concentrated in three areas within this region: Flin Flon - Hanson Lake, La Ronge and Lake Athabasca. The important minerals have been uranium, copper, gold, silver and zinc. New mines, however, will be needed to raise levels of output and employment and basic information relating to the extent of mineralization of the area is necessary.
- The sub-agreement resulted from the detailed analysis carried out by the Departments of Regional Economic Expansion and Energy, Mines and Resources with the close cooperation of Industry, Trade and Commerce.
- The sub-agreement was signed by the Minister of Justice for the Minister of Regional Economic Expansion, the Minister of Energy, Mines and Resources, the Saskatchewan Minister of Mineral Resources and the Minister of Industry and Commerce.
- ELEMENTS** The program to be undertaken in this agreement comprises the following elements:

- (a) Regional Mineral Resource Planning - a continuous in-depth assessment and forecasting of factors in the minerals sector to identify problems and/or development opportunities for the benefit of the people and economy of the province;
- (b) La Ronge - Wollaston Base Metal Exploration - an assessment of known mineral occurrences along the La Ronge - Reindeer and Wollaston trends in Northern Saskatchewan;
- (c) Iron Ore Exploration - a search for a viable iron ore deposit in the Precambrian Shield of Saskatchewan, with a view to strengthening the steel industry in Saskatchewan;
- (d) Uranium Exploration - an assessment of the uranium potential of Northern Saskatchewan by carrying out airborne surveys followed by ground surveys and diamond drilling, if warranted;
- (e) Industrial Minerals Exploration - an assessment of industrial minerals potential (coal, kaolin, silica sand, etc.) of the sediments at the southern edge of the Precambrian Shield in Saskatchewan. The potential of sediments for lead, zinc, manganese, uranium, tar sands and heavy oil will also be evaluated; and
- (f) Reconnaissance Geoscience Surveys - an alternative to conventional geological mapping designed to rapidly assess mineral potentials. To date, the Provincial Geological Survey has mapped, in some detail, about 19 000 square miles of the shield area out of a total area of about 95 000 square miles. Priority will be given to the area south of 58°N where an additional 20 000 square miles will be surveyed over the next four years.

**MAXIMUM
EXPENDITURES**

The following is a list of projects the province will arrange to carry out under this agreement:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL* SHARE</u>
Regional Mineral Resource Planning	\$ 350 000	\$ 175 000	\$ 175 000
La Ronge - Wollaston Base Metal Explora- tion	300 000	150 000	150 000
Iron Ore Exploration	500 000	250 000	250 000
Uranium Explora- tion	500 000	250 000	250 000
Industrial Minerals Exploration	500 000	250 000	250 000
Reconnaissance Geoscience Surveys	2 200 000	1 100 000	1 100 000
TOTAL	<u>\$4 350 000</u>	<u>\$2 175 000</u>	<u>\$2 175 000</u>

*Federal assistance will be shared equally by the Department of Regional Economic Expansion and Energy, Mines and Resources.

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee made up of a representative from the Department of Energy, Mines and Resources as Co-chairman, a representative of the Department of Regional Economic Expansion and two representatives of the province, one of whom shall act as Co-chairman.

SASKATCHEWAN
SUBSIDIARY AGREEMENT

SUBJECT Iron, Steel and Other Related Metal Industries

DURATION OF AGREEMENT July 4, 1974 to March 31, 1979

OBJECTIVES To enhance the viability of the existing iron and steel industry and to expand and diversify iron and steel production in Saskatchewan which in turn will provide a substantial increase in the number and range of employment opportunities in iron, steel and other related metal industries.

BACKGROUND Based on projected trends and likely economic development possibilities, Saskatchewan would continue to fall further behind the growth that could be forecast in the other three western provinces. One possibility of overcoming this lack of growth is steel. Indications are that for the next decade or so, steel demand will exceed foreseeable steel supply internationally, nationally, and regionally. Statistics indicate that in the seventies and eighties there would be a large market throughout the West for a variety of steel-based products. An examination of this future demand for steel in the west and the present production base, indicates that it is practical to increase steel capacity in the west to meet expanding market demands.

The strategy for this sub-agreement is the result of a detailed analysis which was carried out in close cooperation, and the active participation, of the Departments of Industry, Trade and Commerce; Energy, Mines and Resources, Manpower and Immigration; Finance; Treasury Board; Environment; the Privy Council Office, and various departments within the Provincial Government.

The sub-agreement was signed by the Minister of Regional Economic Expansion, the Minister of Energy, Mines and Resources and the Minister of Industry, Trade and Commerce and the Saskatchewan Minister of Industry and Commerce.

ELEMENTS

The five major elements of the sub-agreement relate to:

- (a) Iron Ore Exploration - to augment the geo-physical and geological information on Saskatchewan iron ore deposits, it is proposed to undertake exploration in East Central Saskatchewan to determine if an economic iron ore body exists;
- (b) Related Studies and Administration Costs - this element of the program will identify and undertake studies related to primary and secondary iron and steel production facilities and related metal industries and cover the costs of the Steel Implementation Committee;
- (c) Direct Ore Reduction Plant and Development and Expansion of Steel Facilities - this element relates to the promotion and establishment of a direct ore reduction plant which will produce metallized ore to be used as an addition to scrap charge for electric steel-making furnaces. It also relates to steel-making facilities required to expand the steel industry in Saskatchewan;
- (d) Foundries and Related Metal Industries - this element relates to those projects and products which will be identified from studies for development opportunities in foundries and related metal industries; and
- (e) Infrastructure - an infrastructure program is proposed to provide assistance for the establishment of additional steel facilities as well as related urban infrastructure.

MAXIMUM
EXPENDITURES

The following is a list of projects the province will arrange to carry out under this agreement:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Iron Ore Exploraton	\$ 1 100 000	\$ 440 000	\$ 660 000
Related Studies and Administration Costs	1 500 000	600 000	900 000
Direct Ore Reduction Plant and Development and Expansion of Steel Facilities	150 000 000	4 480 000	25 255 000
Foundries and Related Metal Industries	25 000 000	-	7 465 000
Infrastructure	5 200 000	4 480 000	720 000
TOTAL	<u>\$182 800 000</u>	<u>\$10 000 000</u>	<u>\$35 000 000</u>

The remaining \$137 800 000 is to be supplied from the private sector. A maximum of \$25 million in loan guarantees is available from the federal government with \$50 million in loan guarantees available from the provincial government.

**ADMINISTRATON
AND MANAGEMENT**

The overall management and coordination of this agreement will be the responsibility of a Steel Development Group consisting of four senior federal officials and four senior provincial officials and the Assistant Deputy Minister, Western Region, DREE as an ex-officio member. Management of day to day activities shall be vested in a Steel Implementation Committee consisting of one representative of the federal Department of Regional Economic Expansion and one representative of the provincial Department of Industry and Commerce.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

SUBJECT Interim Northlands

DURATION OF AGREEMENT August 18, 1975 to March 31, 1977
(retroactive to April 1, 1974)

OBJECTIVES To provide options and opportunities for the people of the area to participate in social and economic development; to encourage the development of the natural resources of the area in harmony with resource conservation; and for those residents who wish to do so, an opportunity to continue their own way of life with enhanced pride and purpose.

BACKGROUND Northern Saskatchewan is an area of sharp contrast to the southern part of the province in terms of population levels and distribution, standards of living, sources of income and income levels, and public participation in the social and economic life of the province. Beyond the agricultural fringe, the basic industries of the area are forestry and mining and the benefits of these industries are concentrated in a few urbanized centres. Throughout the rest of the area the people, who are almost entirely of Native ancestry, live in small remote communities. Their traditional occupations of fishing, hunting and trapping provide limited and unreliable incomes; and cultural differences, limited education and geographic isolation have been constraints on their participation in new economic development opportunities in the north.

Over the years, this northern area has fallen behind the rest of the province in the provision of services and social amenities and serious disparities exist in levels of housing, health care, employment opportunities, and in education and cultural opportunities available to northern residents as compared to people in the rest of Saskatchewan.

Within the southern forest and agricultural fringe portion of the area, a stronger and more diversified economic base and organized local governments have enabled communities to provide and support basic services and facilities. But even here, a large proportion of the residents do not have full access to the level of opportunities existing elsewhere in the province.

Since they are closely linked to each other in both economic and social terms, northern development must be viewed with regard to both the remote northern area and the agricultural forest fringe. A broad range of programs are required to improve living conditions, provide work experience and skill training opportunities, improve transportation and communication facilities and services, and assist the establishment of commercial ventures. Resource conservation and improvement programs are required to protect the resources of the area and enhance their utilization.

The strategy for this sub-agreement was developed in conjunction with the Departments of Indian Affairs and Northern Development, Manpower and Immigration, Communications, Transport and Central Mortgage and Housing Corporation, and the Saskatchewan Government.

The agreement was signed by the Minister of Regional Economic Expansion, the Minister of Transport, the Saskatchewan Ministers of Northern Saskatchewan and Industry and Commerce.

ELEMENTS

The major elements of the sub-agreement relate to:

- (a) Human Development and Community Services - to assist individuals and communities to improve their social and physical environment in a manner conducive to improved quality of life and participation of people in community affairs and development opportunities;
- (b) Resources and Community Economic Development - to assist in the assessment, planning, and development of resource-based and other opportunities for economic development in a manner which emphasizes and encourages value-added benefits in the area;

(c) Transportation and Communications - to assist in providing year-round access to communities for the transportation of people, goods and services, and to assist in the planning and development and construction of pilot communications facilities to increase the participation of people in community, provincial and national affairs; and

(d) Implementation - to assist in and encourage the development of federal and provincial capabilities to coordinate, manage and implement this agreement and a long-term development program for the Saskatchewan Northlands.

MAXIMUM EXPENDITURES	ESTIMATED TOTAL COST	PROVINCIAL SHARE	FEDERAL SHARE
Human Development and Community Services	\$20 700 000	\$ 6 280 000	\$14 420 000
Resources and Community Economic Development	2 700 000	1 080 000	1 620 000
Transportation and Communications	30 000 000	12 000 000	18 000 000*
Implementation	1 600 000	640 000	960 000
TOTAL	\$55 000 000	\$20 000 000	\$35 000 000

*It is intended that the federal share of the elements will be jointly financed by Department of Regional Economic Expansion and Ministry of Transport. The Ministry of Transport will provide up to \$7 500 000 of the federal share for costs related to highways and community access roads.

ADMINISTRATION AND MANAGEMENT The general coordination of this agreement will be carried out by a management group consisting of two representatives of Canada named by the principal federal Minister, and two representatives of Saskatchewan, named by the principal provincial Minister with one representative being the DREE Director General in Saskatchewan (Federal Co-Chairman) and another, the Deputy Minister of the Department of Northern Saskatchewan (Provincial Co-Chairman).

SASKATCHEWAN

SUBSIDIARY AGREEMENT

SUBJECT Planning

DURATION OF August 18, 1975 to March 31, 1978, as amended
AGREEMENT November 19, 1976 (retroactive to April 1, 1974)

OBJECTIVES To undertake studies for the identification and analysis
of economic and socio-economic development opportunities
in Saskatchewan and such planning as is required to
develop strategies, programs and subsidiary agreements
pursuant to those opportunities.

BACKGROUND Detailed analysis and studies of Saskatchewan's economic
and socio-economic situation, as well as specific
studies of sectors in which Saskatchewan has a significant
advantage, are required to meet the increased
tempo for action pacts contained in the GDA. Federal
financial contributions are required to assist Saskatchewan
in obtaining external professional resources in
order to enable both governments to plan and implement,
more effectively, the process of such action pacts.

 The agreement was signed by the Minister of Regional
Economic Expansion and the Saskatchewan Minister of
Industry and Commerce.

ELEMENTS The main element of the agreement is to make available
federal and provincial funds to enable the acquisition
of external staff and services required to undertake
socio-economic studies.

 The studies are being undertaken in the context of
stated government social policies, and will also lead
to identification of areas where there can be improved
coordination of existing federal and provincial programs.

 DREE will seek the cooperation of other government
departments while the province's committee of Industry
and Commerce will work with other provincial departments.

MAXIMUM
EXPENDITURES

The province and the federal government will share costs on a 50-50 basis.

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
1974/1975 Fiscal Year	\$ 600 000	\$ 300 000	\$ 300 000
1975/1976 Fiscal Year	1 000 000	500 000	500 000
1976/1977 Fiscal Year	1 000 000	500 000	500 000
	<hr/>	<hr/>	<hr/>
TOTAL	\$2 600 000	\$1 300 000	\$1 300 000

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Committee composed of one senior official from each government, designated by the respective federal and provincial Ministers.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

SUBJECT Qu'Appelle Valley

DURATION OF October 6, 1975 to March 31, 1984
AGREEMENT (retroactive to April 1, 1974)

OBJECTIVES To ensure the long-term productivity of the Qu'Appelle Valley's recreation and tourism resource base; to increase the benefits from utilization of this resource base; and to improve the management of the land and water resources of the Qu'Appelle Valley to meet existing and future uses of these resources.

BACKGROUND The Qu'Appelle Valley is a major attraction for Saskatchewan residents and potentially for Trans-Canada traffic. The water quality in the lakes must be improved and recreation developments planned in order to establish a major tourist industry. The lack of well established and upgraded cultural and historic sites along the routes and at major destinations deters through-traffic from staying for a longer period of time in the province.

 Recreational and tourist development of the valley has been piecemeal and uncoordinated. The result is: an imbalance between attractions, facilities and services; great seasonality of use, alternatively overloading and underutilizing accommodation; and deterioration of the resource.

 A perennial hindrance to development in the Valley, and a continuing problem in other parts of the Basin, is the spring flooding which follows winters of exceptional snowfall (such as the 1973-74 winter). This flooding damages homes, cottages and facilities in Moose Jaw, Regina, Lumsden and on down the Valley, and causes significant financial and other hardships to farmers in the Valley.

A further problem is the quality of water in the Qu'Appelle River and Lakes. The effluent from the sewage facilities for Regina and Moose Jaw discharges through tributaries into the Qu'Appelle River, which increases the nutrient content of the water.

Under the Qu'Appelle Basin Study Agreement of August, 1970, the Qu'Appelle Basin Study Board, comprised of representatives of the Governments of Canada, Saskatchewan and Manitoba, prepared a Framework Plan designed to guide the management of the water and related land resources of the Basin. To give effect to the Framework Plan, the Board made recommendations with respect to water quality, water supply, land and water use and adjustment of the flood hazard.

With this Agreement, Canada and Saskatchewan have developed an integrated package of programs to be implemented over a ten-year period to solve the urgent environmental problems, establish effective management practices and develop the recreation and tourism potential of the Qu'Appelle Valley.

ELEMENTS

The program to be undertaken in this Agreement comprises the following sectors:

- (1) Environmental Improvement and Management Sectors - to improve the quality of the environment of the Qu'Appelle Valley, particularly its water resources, and to establish effective environmental management to preserve the natural resources through programs related to: management of land and water resources; municipal waste treatment; and flood-prone land purchase;
- (2) Tourism and Recreation Development Sector - to pursue activities to ensure that basic services are in place, resources (attractions) are developed and preserved, and that private sector investment occurs through programs related to planning; historic/recreational corridors; tourism facilities; commercial development financial assistance; alternate land use; and community development assistance; and
- (3) Implementation Sector - to ensure the coordinated implementation of activities under this Agreement, a Qu'Appelle Valley Implementation Agency will be established under a Director of Implementation.

MAXIMUM
EXPENDITURES

The following is a list of the costs associated with the above sectors:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
Environmental Improvement and Management	\$30 600 000	\$10 890 000	\$11 310 000*
Tourism and Recreation Development	11 500 000**	3 850 000	5 650 000
Implementation	2 000 000	1 000 000	1 000 000
TOTAL	<u>\$44 100 000</u>	<u>\$15 740 000</u>	<u>\$17 960 000</u>

* \$8.4 million cost of one program is eligible for loan financing.

** includes \$2 million loan financing by SEDCO.

ADMINISTRATION
AND MANAGEMENT

The Agreement will be managed by a federal-provincial Qu'Appelle Valley Management Board comprising representatives from the federal departments of Regional Economic Expansion; Environment Canada; Industry, Trade and Commerce; Indian Affairs and Northern Development; and the provincial departments of Environment; Tourism and Renewable Resources; the Executive Council plus one other to be named by the provincial co-chairman. The Director General, Saskatchewan, of the federal Department of Regional Economic Expansion or his designate shall be the federal co-chairman and the Deputy Minister of the Saskatchewan Department of the Environment or his designate shall be the provincial co-chairman. The Agreement also provides for the establishment of a Public Advisory Council which will provide advice to the Management Board in matters of public concern.

ALBERTA



ALBERTA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement with Alberta was signed March 6, 1974, by the Minister of Regional Economic Expansion and the Minister of Federal and Intergovernmental Affairs of Alberta.

The Alberta economy, while relatively strong in terms of general economic indicators, is characterized by a number of factors which have tended to concentrate development, both sectorally and geographically within the province. Communities exist, however, which are unable to provide the productive employment opportunities or levels of social amenities necessary to permit all citizens to participate in and benefit from the development of the province. Many of these communities, although possessing the human and natural resource potential necessary for a viable community, are faced with the prospect of stagnation or decline unless means are devised to improve opportunities for productive employment and make available a social environment conducive to maintaining economic stability.

The objectives of this Agreement are:

- (a) to improve opportunities for productive employment and access to those opportunities in areas or economic sectors of Alberta which, relative to other areas or sectors in Alberta, require special measures to realize development potential;
- (b) to promote balanced development among areas of Alberta and to encourage the equitable distribution of the benefits of such development; and
- (c) to reinforce the priorities of the province in respect of initiatives for its socio-economic development.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization; and

- (b) analysis and review of the economic and social circumstances of Alberta and Alberta's relationship to the regional and national economy, as these may be relevant to achieving the objectives.

The main sectors identified in the GDA as warranting special attention are: economic development including resource-based industries where special measures are required to encourage their full utilization; encouragement of community development in the non-major urban service centres and rural communities; socio-economic development including the provision of capital facilities such as housing, sewage and water systems, roads and other infrastructure required to take optimum advantage of economic development opportunities.

To December 31, 1976, the following sub-agreements have been signed with Alberta:

- Interim North
- Nutritive Processing Assistance
- 1974-75 Northern Transportation (Expired)
- 1975-76 Northern Transportation (Expired)

Summaries of currently active sub-agreements follow. These summaries include all amendments made as of December 31, 1976.

ALBERTA

SUBSIDIARY AGREEMENT

SUBJECT Interim North

DURATION OF AGREEMENT March 11, 1975 to March 31, 1977, as amended January 21, 1976 (retroactive to April 1, 1974)

OBJECTIVES To improve incomes and employment opportunities, living standards and community facilities in northern Alberta and thus enable the people of the area to participate more actively in northern development.

BACKGROUND The northern section of Alberta is part of a larger area referred to as the western northlands which is not a region in the traditional sense but is rather a region characterized by a community of human, social and economic factors that are unique.

A number of initiatives related to the western northlands were developed for the Western Economic Opportunities Conference by DREE in co-operation with such other federal agencies as EMR, MOT and DIAND. These initiatives proposed a joint and highly integrated federal and provincial effort to put in place programs to increase development in the western northlands and to encourage more involvement of northern residents in improved economic and social development of their region. It was intended that these initiatives would be undertaken through a series of subsidiary agreements with each of the provinces concerned.

Initially it was intended that the Interim Subsidiary Agreement on Alberta North, signed March 11, 1975, would be superseded by a longer-term agreement by March 31, 1976. However, in order to provide additional time required to complete negotiations towards development of the long-term agreement, and in order to allow for continuation of programs, the Interim Subsidiary Agreement was amended on January 21, 1976 extending its duration to March 31, 1977.

ELEMENTS

Programs may be undertaken pursuant to the terms of this agreement from within the following three main sectors:

1. Life Improvement and Community Services - Programs in this sector are intended to provide the social, cultural and physical environment required to assist individuals, families, and communities to take advantage of the development opportunities available to them;
2. Community Economic Development - The major objectives of this sector are to stimulate a range of economic development opportunities for community groups and individuals in northern Alberta; and
3. Planning and Management - This section provides for the research, planning and program development required to implement the Interim Agreement and to plan for a longer-term subsidiary agreement.

MAXIMUM EXPENDITURES

The following schedule indicates the program cost estimates as set out in Schedule "B" of the Agreement as amended.

SECTORS

		<u>TOTAL</u>	<u>PROVINCIAL SHARE</u>	<u>*FEDERAL SHARE</u>
SECTOR 1. LIFE IMPROVEMENT AND COMMUNITY SERVICES				
Program	1.1 Life Improvement	\$ 2 995 774	\$1 497 887	\$1 497 887
Program	1.2 Community Extension	2 093 540	1 046 770	1 046 770
Program	1.3 Community Services	5 058 750	2 529 375	2 529 375
TOTAL		\$10 148 064	\$5 074 032	\$5 074 032
SECTOR 2. COMMUNITY ECONOMIC DEVELOPMENT				
Program	2.1 Economic Development	\$ 3 807 664	\$1 903 832	\$1 903 832
TOTAL		\$ 3 807 664	\$1 903 832	\$1 903 832

		<u>TOTAL</u>	<u>PROVINCIAL SHARE</u>	<u>*FEDERAL SHARE</u>
SECTOR 3. PLANNING AND MANAGEMENT				
Program	3.1 Planning and Management	\$ 468 000	\$ 234 000	\$ 234 000
	TOTAL	<u>\$ 468 000</u>	<u>\$ 234 000</u>	<u>\$ 234 000</u>
	TOTAL COSTS	\$14 423 728	\$7 211 864	\$7 211 864

*Federal share includes:

- (a) Direct costs
- (b) 10% allowance (where applicable)

ADMINISTRATION AND MANAGEMENT Supervision of the Agreement is carried out by a Joint Committee consisting of a representative of each of the the two levels of government concerned.

ALBERTA

SUBSIDIARY AGREEMENT

SUBJECT Nutritive Processing Assistance

DURATION OF March 11, 1975 to March 31, 1980, as amended
AGREEMENT April 5, 1976 (retroactive to July 1, 1974)

OBJECTIVES The objectives of the Agreement are to:

- (a) strengthen the economic viability of the small rural community; and
- (b) further process in Alberta those nutritive products which have, or may achieve, a competitive position in national or export markets and thereby to increase the quality of life options of rural residents; to increase the net income available to rural families; and to slow the movement of population from the rural community to the major metropolitan centres.

BACKGROUND The Alberta economy, while relatively strong in terms of general economic indicators, is characterized by a tendency to concentrate development both sectorally and geographically within the province. The province desires to produce balanced economic development, both in terms of higher rural/urban balance of job opportunities, and of diversification of the primary resource sectors.

Economic and socio-economic standards in the major urban centres are generally high. There exists, however, many small rural communities which are unable to provide the productive employment opportunities or levels of social amenities necessary to permit their citizens to participate in and benefit from the development of Alberta. Many of these communities, although possessing the human and natural resource potential necessary for a viable community, are faced with the prospect of stagnation or decline unless means are devised to improve opportunities for productive employment and provide a better social environment.

Basically the province wishes to geographically diversify industrial growth outside the major urban centres. In addition, it wishes this geographical dispersion to incorporate a diversification of the economic base in order to avoid possible future adverse consequences which may result from a heavy reliance on the oil and gas industry.

Achievement of the above objectives could lead to a greater range of social and economic opportunities for a large number of rural Albertans. Social options in the form of varied career opportunities in the new processing industries and growth of the related service industry could be a direct result. Indirectly, the quantity and quality of social amenities should increase as a by-product of community growth and increased incomes. In addition to the increases in personal and family incomes, other economic benefits could be increased employment and a greater provincial share of value-added being generated from primary products which now leave the province.

The dispersion of processing plants may result in increased transportation, distribution, and infrastructure costs. Such costs will be incurred because new processing plants locating away from the large metropolitan centres will demand improvements in these services in order to function efficiently.

The constraints in accomplishing these objectives are both internal and external. Internal constraints are mainly those faced by locating new processing capacity in small centres. They include higher borrowing rates, credit limitations and the costs of reduced economies of scale. In addition, there are economic and institutional factors which individually may appear insignificant, but when combined, can present constraints to development in rural areas. A few of the more common factors which could fall into this category are provision of utilities, insurance, fire protection and other specialized services.

The constraints previously discussed are basically economic in nature. There are other constraints which should be identified to complete the analysis. For example, many times the managers of small processing plants lack the entrepreneurial skills necessary to take advantage of new opportunities, and they may find the financial burden of purchasing such skills prohibitive. In addition, the array of skills necessary to operate a new processing plant may be lacking in the local area.

This agreement on nutritive processing is intended to assist in accomplishing the provincial rural development objectives.

The strategy of this sub-agreement is the result of a detailed analysis which was carried out in close cooperation with, and the active participation of the Departments of Industry, Trade and Commerce; Agriculture; Finance; and Treasury Board; and the Alberta Government.

The Agreement was signed by the Minister of Regional Economic Expansion and the Alberta Minister of Federal and Inter-governmental Affairs.

ELEMENTS

The elements of this program relate to:

- (a) a Development Assistance Program which shall take the form of a financial incentive to nutritive processing facilities; and
- (b) a Public Information and Technical Service Program which will provide financial support for those information and technical consulting activities that are required to facilitate implementation of the Agreement as well as a program of public information which will inform the public of this Agreement's provisions, and ensure proper recognition of the contribution of both parties to this Agreement.

MAXIMUM EXPENDITURES

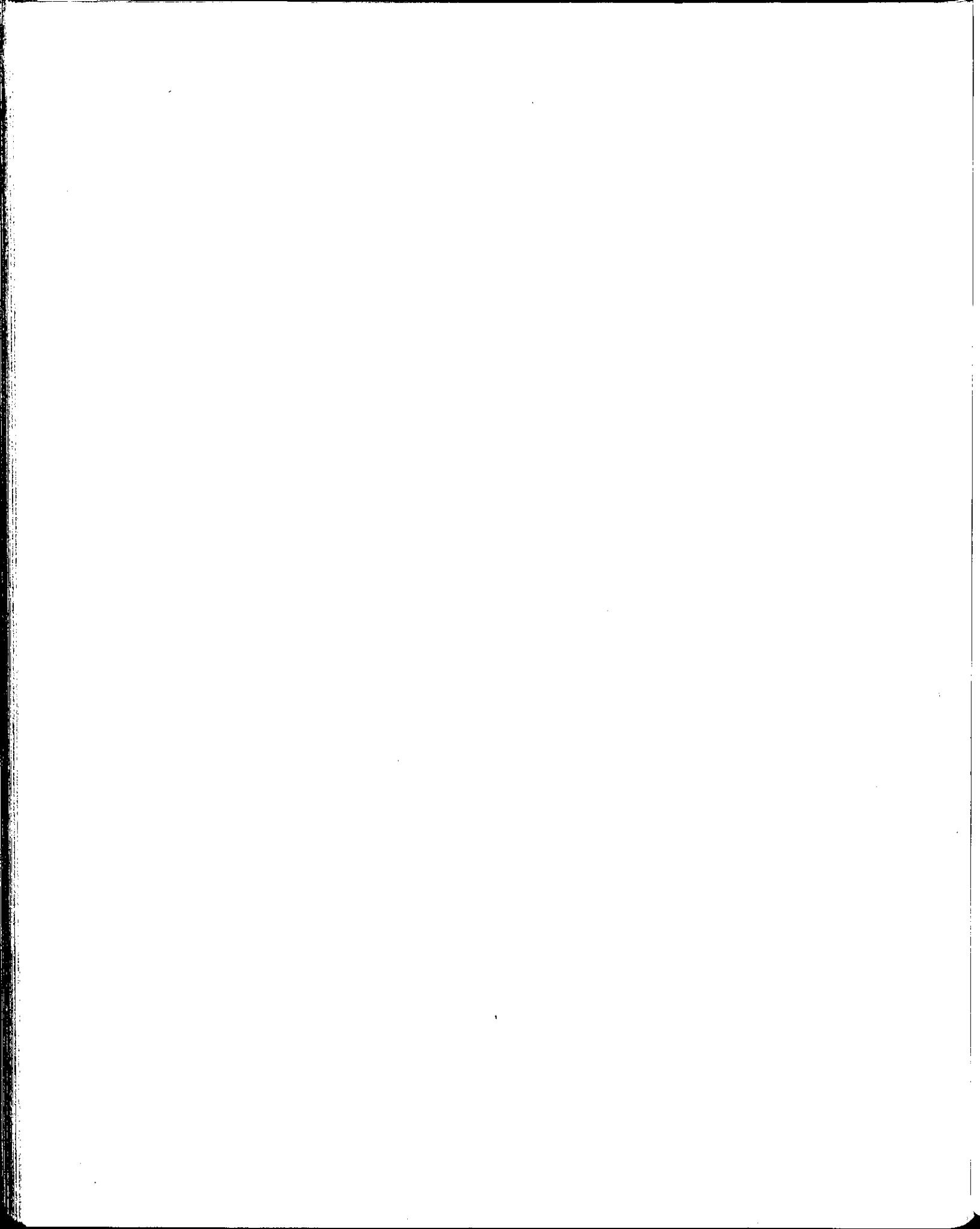
The following is a description of the cost estimates provided for in the Agreement:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Development Assistance Program	\$15 798 000	\$7 899 000	\$7 899 000
Public Information and Technical Service	400 000	200 000	200 000
Sheep Industry Development Program	802 000	401 000	401 000
TOTAL	<u>\$17 000 000</u>	<u>\$8 500 000</u>	<u>\$8 500 000</u>

ADMINISTRATION AND MANAGEMENT

Supervision will be carried out by a Joint Committee consisting of one representative of each government as designated by the Federal-Provincial General Development Committee.

BRITISH COLUMBIA



BRITISH COLUMBIA
GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement with British Columbia was signed March 28, 1974 by the Minister of Regional Economic Expansion for Canada and the Minister of Economic Development for British Columbia.

The economy of British Columbia is one in which the resource and resource processing industries have been the primary generators of growth. This growth has been supported by parallel activity in the construction, transportation and communications sectors. This in turn has led to substantial tertiary development.

British Columbia's economy has undergone erratic swings in the level and type of employment and in the amount and duration of new investment activity. In each area of the province there have been marked accelerations at various times in the past decades. This has produced, particularly in the non-metropolitan areas, intense activity as new developments have been introduced and resultant lags after development has peaked. In areas experiencing such development pressures, social development has tended not to keep pace.

Many of the known resources of the province are committed and are exported in partially processed form. There are still uncommitted resources in the northern half of the province which, with the provision of access and supportive infrastructure, may be developed. In the south the threshold of physical limitations is in many areas being reached.

The Lower Mainland has been the recipient of the major population pressures with detrimental environmental effects in that area and a considerably greater share of economic growth compared to certain other areas of the province. Prospects for continued general strength of the province's economy, together with established linkages to the Lower Mainland, indicate that the total level of economic growth will be substantial in the coming decade, and that, in absence of government initiatives a large portion of this growth would tend to concentrate in this area.

The objectives of this Agreement are:

- (a) to improve opportunities for productive employment and access to those opportunities in areas or economic sectors of British Columbia which, relative to other areas or sectors of the province, require special measures to realize development potential; and

- (b) to promote balanced development among areas of British Columbia and to encourage the equitable distribution of the benefits of such development.

The strategy to attain these objectives includes directed sectorial and spatial diversification with encouragement, by federal and provincial actions, of specific key industries capable of providing essential catalysts to development in selected area or sector opportunities of the province. Such encouragement is to be coordinated with and supported by investments in human resource development and social and economic overhead capital investments.

The main sectors identified in the GDA as warranting special attention are: application of coordinated action to significant development opportunities that will activate under-utilized or uncommitted resources, initially in the northwest, the Kootenays and the northeast. Development opportunities will be pursued that increase and progressively maximize higher value-added processing and manufacturing of the resource base. This will be aided by major transportation services that will assist in increasing viability and access, including those in relation to the Pacific market areas. In addition, major opportunities exist in the development of the recreation sector of the province, especially in conjunction with economic development and environmental improvement.

To December 31, 1976, the following sub-agreements have been signed with British Columbia.

- Fort Nelson
- 1974-75 Northern Highways (expired)
- 1975-76 Northern Highways (expired)

A summary of the active sub-agreement (Fort Nelson) follows.

BRITISH COLUMBIA
SUBSIDIARY AGREEMENT

SUBJECT Fort Nelson

DURATION OF AGREEMENT September 23, 1975 to March 31, 1978
(retroactive to September 23, 1974)

OBJECTIVE To provide assistance which will help alleviate the serious economic and social problems now being experienced by the community of Fort Nelson because of the inadequacies of the infrastructure available in that community.

BACKGROUND Fort Nelson is experiencing serious problems in the provision of adequate water and sewer services. These services were originally constructed in 1961 to service a very small primary resource based community. Rapid industrial expansion and increased population in recent years has put these systems in a situation of serious deficiency.

 These inadequacies threaten the continuation of community and industrial development as well as seriously impeding the potential future expansion in the forestry, transportation and recreation sectors in the next decade.

 With this Agreement, Canada and British Columbia have developed a program to upgrade and expand the water and sewer systems in the community to provide an adequate level of services to the present residents and for a larger population expected to be attracted to this area.

ELEMENTS The project descriptions of the infrastructure program to be undertaken in this Agreement are as follows:

 (1) Water System Improvements - this project will include the construction of a new intake system, booster station and transmission line to the new water reservoir, a filtration plant, clarifier, clear-water storage reservoir and transmission main, and the upgrading of the distribution system; and

(2) Sewage System Improvements - this project will include the construction of a new sewage lagoon and a sewage interceptor program.

MAXIMUM EXPENDITURES

The following is a list of the costs associated with the above projects:

	<u>ESTIMATED TOTAL COST</u>	<u>MUNICIPAL SHARE</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
Water System Improvements	\$4 400 000	\$ 600 000	\$1 900 000	\$1 900 000
Sewage System Improvements	2 600 000	400 000	1 100 000	1 100 000*
TOTAL	\$7 000 000	\$1 000 000	\$3 000 000	\$3 000 000

*This is an estimate of the eligible loan forgiveness and high cost assistance grant that may be approved under Part VIII of the National Housing Act through Central Mortgage and Housing Corporation. The referred-to sewer project is also eligible for a Part VIII loan under the National Housing Act in an estimated amount of \$1 436 000.

ADMINISTRATION AND MANAGEMENT

The Agreement will be managed by a joint federal-provincial Implementation Committee. The Committee shall consist of one representative from each of the British Columbia Department of Economic Development, the British Columbia Department of Municipal Affairs, the Canada Department of Regional Economic Expansion and the Canada Central Mortgage and Housing Corporation.

