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1981

Canada



Government
of Canada

Gouvernement
du Canada

Regional
Economic
Expansion

Expansion
Économique
Régionale

dree
developments
agreements

Subsidiary Agreements Signed between
April 1, 1981 and August 20, 1981

Industry, Trade
and Commerce
Industry
et Commerce
FEB 3 1982
Ettelberg

	<u>Signed</u>	<u>Terminating</u>	<u>Total</u>	<u>Federal Share</u>	<u>Provincial Share</u>
<u>NEWFOUNDLAND</u>					
Community Development for Coastal Labrador	29/05/81	31/03/87	\$38 996 000	\$33 800 000	\$ 5 196 000
Pulp and Paper Mill Modernization	01/06/81	31/03/85	33 000 000	30 000 000	3 000 000
<u>NOVA SCOTIA</u>					
Pulp and Paper Modernization	23/05/81	31/03/84	21 250 000	17 000 000	4 250 000
Modernization of Facilities at the Sydney Steel Corporation	02/06/81	31/03/84	96 250 000	77 000 000	19 250 000
Ocean Industry Development	24/07/81	24/07/86	35 000 000	22 950 000	12 050 000
<u>QUEBEC</u>					
Transport Development (Amend. 4)*	20/06/81	31/03/82	6 000 000	3 600 000	2 400 000
Société Inter-Port de Québec	03/07/81	31/03/84	9 250 000	5 550 000	3 700 000
<u>ALBERTA</u>					
Nutritive Processing Assistance II	19/08/81	31/03/84	28 000 000	14 000 000	14 000 000

* Formerly known as Key Highway Networks

Canada, Dept. of Regional Economic Expansion



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

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1982

PREFACE

This is the sixth in a series of publications to provide the substance of federal-provincial General Development Agreements and subsidiary agreements signed since 1974. This publication includes summaries of each General Development Agreement and each subsidiary agreement active as of April 1, 1981. Expired subsidiary agreements are listed in Annex 1 of this report. Summaries of expired agreements can be found in earlier versions of this publication, dated December 1975, December 1976, December 1977, May 1979, and April 1, 1980.

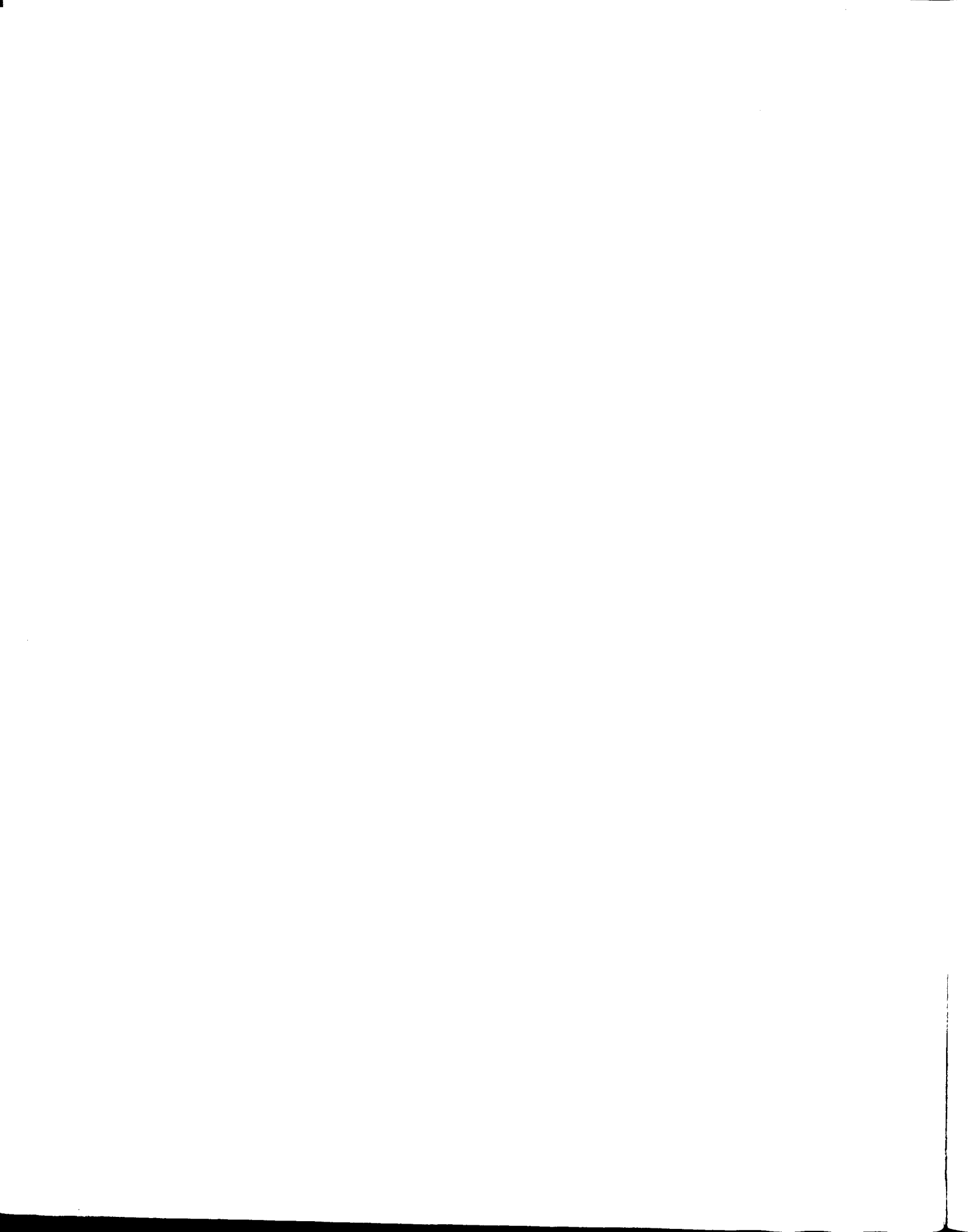


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INTRODUCTION

Development opportunity initiatives, through cost-shared federal-provincial agreements, form the major part of efforts by the federal Department of Regional Economic Expansion (DREE) to combat economic and social disparities across Canada.

In the 1979-80 fiscal year, programs under these agreements accounted for 61% of DREE's \$590 million budget. Activities under the department's other major national activity, the regional development incentives program, accounted for 18%; other specifically targeted programs 13%; and administration 8%.

DREE's program of federal-provincial development opportunity initiatives began in 1974 when 10-year General Development Agreements (GDAs) were signed with all provinces except Prince Edward Island, where a 15-year Comprehensive Development Plan had been signed in 1969. (See Annex 2 for a summary of the PEI plan.) Five-year GDAs were later signed with the territories: with Yukon in 1977, and with the Northwest Territories in 1979.

The General Development Agreements outline the broad objectives and opportunities for development in each province and territory. As enabling documents, the GDAs form the basis for joint action on specific development programs through individually negotiated subsidiary agreements.

As of April 1, 1981, 117 subsidiary agreements, with a total financial commitment of some \$5.4 billion, had been signed with the provinces and territories. The federal government's share of these multi-year agreements was \$3 billion.

Each subsidiary agreement has a financial limitation and a fixed cost-sharing arrangement. The maximum federal government share, as set by Cabinet, is as follows: Newfoundland, 90%; Nova Scotia and New Brunswick, 80%; Quebec, Manitoba, Saskatchewan, Yukon and the Northwest Territories, 60%; and Ontario, Alberta and British Columbia, 50%.

Each subsidiary agreement also includes provisions for the evaluation of its operations to ensure consistency with the objectives and strategies of the GDA.

DREE also participates, usually as co-chairman, on the management committee for each subsidiary agreement. In addition, DREE involves other federal government departments, wherever possible, in planning, funding and management in order to take full advantage of all available funding and to benefit from all available expertise.

Departmental activities under the General Development Agreements are reviewed regularly with the provincial and territorial governments, and with the other federal departments involved to evaluate progress and to consider the implementation of new development initiatives based on ongoing analysis of each province's socio-economic circumstances.

Another DREE program -- the Special ARDA (Agricultural and Rural Development Act) agreements -- complements the development agreements described in this book, especially the various northlands agreements. Special ARDA encourages disadvantaged peoples, particularly those of Indian and Inuit ancestry, to start commercial ventures which will employ native people. This program is also aimed at improving incomes derived from primary producing activities.

Further information on DREE's federal-provincial agreements, and on other departmental programs, may be obtained from any DREE office or from the Public Information Services Branch, DREE, 6th floor, 200 Promenade du Portage, Hull, Quebec.

Mailing address:

Public Information Services Branch
Department of Regional Economic Expansion
Ottawa, Ontario
K1A 0M4

NEWFOUNDLAND



GENERAL DEVELOPMENT AGREEMENT

The Canada-Newfoundland General Development Agreement (GDA) was signed on February 1, 1974.

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

These objectives are being pursued through federal-provincial cooperation in economic and socio-economic areas to:

- (a) improve utilization of natural resources;
- (b) develop opportunities arising from 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 identify development opportunities and encourage their realization. In addition to other development opportunities that may be agreed upon during the term 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 sectors for planning and implementation. 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 the basic infrastructure required for development. The GDA seeks to remedy this situation.

Summaries of currently active subsidiary agreements follow.

SUBSIDIARY AGREEMENT

TITLE Forestry

DURATION June 11, 1979 to March 31, 1983.

OBJECTIVE To enable Canada and the province to take advantage of opportunities for expanding and diversifying Newfoundland's forest industries through the undertaking of labour-intensive forestry activities which will improve resource management. Such activities will serve as an economic stimulus and create employment in addition to creating a skilled and versatile forestry labour force.

BACKGROUND The original agreement, in which funds were contained in Schedule "A", expired March 31, 1980. This summary refers only to Schedule "B", the Forestry Economic Stimulation Program.

Following the mid-1978 review of government programs, the Minister of Finance and the President of the Treasury Board announced a \$300-million fund for economic development, of which \$50 million was allocated for development of the resource sectors under the General Development Agreements administered by DREE. A proposal from the Province of Newfoundland for a program of labour-intensive silvicultural activities to reduce unemployment, to encourage the development and potential of a skilled and versatile forestry labour force, and to reduce the long-term effect of the spruce budworm, was accepted for funding.

ELEMENTS The key elements of this agreement include:

- (a) removal of spruce-budworm-damaged timber;
- (b) site rehabilitation and reforestation;
- (c) stand-improvement projects; and
- (d) roadside clearing and lakeshore cleanup for environmental purposes.

FINANCIAL PROVISIONS The following is a list of projects identified under Schedule "B" to this agreement:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Site Rehabilitation	\$ 7 948 000	\$ 794 800	\$ 7 153 200
Stand Improvement	2 233 111	223 311	2 009 800
Cable Logging (Training)	374 444	37 444	337 000

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Company Projects	900 000*	90 000	810 000
Evaluation	<u>100 000</u>	<u>10 000</u>	<u>90 000</u>
TOTAL	\$11 555 555	\$1 155 555	\$10 400 000

*Excluding companies' shares.

ADMINIS-
TRATION 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.

SUBSIDIARY AGREEMENT

TITLE	Gros Morne Park Area Development
DURATION	May 28, 1974 to March 31, 1982 (retroactive to June 1, 1973) as amended December 22, 1975, August 20, 1976, April 22, 1977, May 31, 1978, July 13, 1979, November 27, 1980 and March 19, 1981.
OBJECTIVE	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	<p>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 1 942.5-km² 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.</p> <p>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.</p> <p>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 on 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.</p> <p>This subsidiary agreement was developed in consultation with the Canada Employment and Immigration Commission, and Indian Affairs and Northern Development. It was signed by the Minister of DREE and the Newfoundland Minister of Forestry and Agriculture.</p>
ELEMENTS	<p>The major elements of this subsidiary agreement include:</p> <ul style="list-style-type: none"> (a) planning studies and development programs focusing 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; and (c) road and bridge construction and upgrading between and through the enclave communities.

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

FINANCIAL PROVISIONS

The following is a list of projects identified under this agreement:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Planning Studies and Development Programs	\$ 289 800	\$ 28 980	\$ 260 820
Community Infrastructure	16 438 088	1 643 809	14 794 279
Road Construction	5 977 312	597 731	5 379 581
Technical Supervision & Related Expenses	130 000	13 000	117 000
Evaluation/Impact Studies	<u>100 000</u>	<u>10 000</u>	<u>90 000</u>
TOTAL	\$22 935 200	\$2 293 520	\$20 641 680

ADMINIS-
TRATION 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 representatives from DREE and Environment Canada (Parks).

SUBSIDIARY AGREEMENT

TITLE Planning

DURATION April 1, 1976 to March 31, 1982 (signed June 22, 1976) as amended April 19, 1979.

OBJECTIVE To provide a capability for the undertaking of studies and 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 Detailed analyses 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.

The agreement was signed by the Minister of DREE and the Newfoundland Minister for Intergovernmental Affairs.

ELEMENTS The agreement provides for:

(a) acquiring external staff and services; and

(b) covering the costs of provincial staff.

FINANCIAL PROVISIONS	ESTIMATED <u>TOTAL COST</u>	PROVINCIAL <u>SHARE</u>	FEDERAL <u>SHARE (DREE)</u>
External Staff and Services			
1977-80		10%	90%
1980-82		50%	50%
	\$4 800 000	\$1 760 000	\$3 040 000
Provincial Staff			
1977-78		10%	90%
1978-79		25%	75%
1979-80		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

**ADMINIS-
TRATION 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.

SUBSIDIARY AGREEMENT

TITLE **Labrador Interim**

DURATION December 3, 1976 to March 31, 1982 as amended February 22, 1978, May 12, 1978, October 19, 1978, July 25, 1979, and March 20, 1981.

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 development 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, 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.

During 1977, it was agreed that efforts should be made to improve the lifestyle of residents of coastal communities. In cooperation with Health and Welfare Canada, projects are being undertaken to improve health and sanitation. Arrangements are also being made to determine the long-term needs of Labrador with input from federal and provincial departments and the residents.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
1. Wabush Industrial Park	\$ 5 350 000	\$ 535 000	\$ 4 815 000
2. North West River Bridge	4 300 000	430 000	3 870 000
3. Happy Valley-Goose Bay Economic Development Corporation	385 000	38 500	346 500
4. Student Dormitory at Happy Valley Vocational School	1 452 000	145 200	1 306 800
5. Auxiliary Sewage Collector System and Outfall Facility	500 000	50 000	450 000
6. Street Improvement in the Town of Happy Valley	500 000	50 000	450 000

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
7. Town of Happy Valley Neighbourhood Improvement Program	750 000	300 000	450 000
8. Program Evaluation	200 000	20 000	180 000
9. Capital Projects			
9.1 Community Infrastructure	3 500 000	350 000	3 150 000
9.2 Medical Facilities	1 200 000	120 000	1 080 000
Contingency (30%)	1 410 000	141 000	1 269 000
10. Investigative	2 350 000	235 000	2 115 000
11. Public Information	100 000	10 000	90 000
12. Project Management	<u>100 000</u>	<u>10 000</u>	<u>90 000</u>
TOTAL	\$22 097 000	\$2 434 700	\$19 662 300

NOTE: The federal share represents 90% of the direct costs connected with all projects except 7. The federal 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.

DREE is responsible for the federal share of all projects except 9.2, which is the responsibility of Health and Welfare Canada.

ADMINIS-
TRATION AND
MANAGEMENT

A management committee composed of officials designated by the federal and provincial ministers is responsible for the administration of the agreement and evaluation of the program.

SUBSIDIARY AGREEMENT

TITLE	Mineral Development		
DURATION	December 17, 1976 to December 31, 1981 as amended April 28, 1977.		
OBJECTIVE	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	<p>The mineral industry in Newfoundland represents some 22% 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 7 000 persons, or 4% of the labour force, are employed in the mineral industry. It is reasonable to assume that a minimum of 1 000 to 1 500 jobs could be created within 10 years after program initiation.</p> <p>Short- to medium-term benefits in extraction and processing opportunities and policy development have derived from the previous mineral exploration and evaluation agreement signed between Canada and Newfoundland in 1971. This agreement, which was funded jointly by DREE and Energy, Mines and Resources, expired on March 31, 1976. An extension of some of the work carried out under the agreement is included in the present proposal. However, without more basic geoscientific data, effective long-term development potential cannot be fully realized. The program therefore includes a significant component of geoscientific surveying and mapping.</p>		
FINANCIAL PROVISIONS	ESTIMATED <u>TOTAL COST</u>	PROVINCIAL <u>SHARE</u>	FEDERAL <u>SHARE</u>
	Regional Mineral Potential Evaluation	\$ 8 587 000	\$ 858 700
	Mineral Development Strategies	2 582 000	258 200
	Mineral Resource Management	1 089 000	108 900
	Program Evaluation	<u>200 000</u>	<u>20 000</u>
	TOTAL	\$12 458 000	\$11 212 200
	The federal share will be divided equally between DREE and Energy, Mines and Resources.		
ADMINIS-TRATION 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 federal membership includes representation from both sponsoring departments.		

SUBSIDIARY AGREEMENT

TITLE	Tourism Development
DURATION	February 22, 1978 to March 31, 1983 (retroactive to January 1, 1978) as amended June 6, 1980.
OBJECTIVES	<p>To promote the expansion and further development of the tourism industry.</p> <p>To increase the net benefits from tourism to the provincial economy, such as: extending the length of the tourist season, increasing tourist-related employment and increasing tourist spending.</p>
BACKGROUND	<p>Tourism has grown significantly in Newfoundland since the completion of the Trans-Canada Highway in 1965. However, the increase in the number of vacationers in general has occurred despite the inadequacies of tourist facilities and services. There is potential for further development in Newfoundland in order to meet the existing demand and to stimulate additional demand.</p> <p>In Newfoundland, the industry is relatively undeveloped. There are, however, identified opportunities to improve the contribution of tourism to the provincial economy. It is estimated that by 1981 the program will result annually in 26 000 additional visitors, an increase in annual tourist expenditures of \$5.45 million, and 410 more person-years of employment in the sector. These are the incremental benefits directly attributable to the tourism development program.</p>
ELEMENTS	<p>The program will concentrate on the following areas:</p> <p>(a) <u>Marketing</u></p> <p>The province will formulate a comprehensive marketing program to complement the thrust of the strategy which is basically concerned with promoting increased visits by non-resident tourists.</p> <p>(b) <u>Attractions</u></p> <p>The planned projects include development of scenic vistas and points of historic interest which will attract tourists.</p> <p>(c) <u>Packaged Tourism</u></p> <p>This organizational activity will encourage highly specialized interest groups to undertake activity-related tours, visits, and expeditions to the province.</p> <p>(d) <u>Tourist Service Program</u></p> <p>This program is intended to improve all basic services such as food, information services, and technical services.</p>

(e) Accommodation

The development of facilities by the private sector will be encouraged through financial incentives assistance.

(f) Planning and Evaluation

At present, there are a number of gaps in the information and research area of tourism and this program should correct these deficiencies.

FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Marketing	\$ 310 000	\$ 31 000	\$ 279 000
Attractions	3 523 800	352 380	3 171 420
Packaged Tourism Development	635 700	63 570	572 130
Tourist Services	1 358 800	135 880	1 222 920
Accommodation	6 652 300	665 230	5 987 070
Planning, Coordination and Evaluation	<u>784 000</u>	<u>78 400</u>	<u>705 600</u>
TOTAL	\$13 264 600	\$1 326 460	\$11 938 140

ADMINIS-
TRATION AND
MANAGEMENT

Each of the ministers shall designate one or more senior officials to be responsible for the administration of this agreement. The federal government will be represented by DREE and CGOT on the management committee.

SUBSIDIARY AGREEMENT

TITLE	Agriculture Development
DURATION	July 14, 1978 to March 31, 1983 as amended May 28, 1979, May 15, 1980 and August 6, 1981.
OBJECTIVE	To support the growth of a viable agriculture industry in Newfoundland through increased production, improvements in management and technical capabilities of farmers, improved marketing systems, effective land development and modern agricultural support services.
BACKGROUND	<p>The agriculture industry in Newfoundland is relatively underdeveloped, with structural and institutional problems affecting land, marketing, financing, and support services. However, agricultural development programming in Newfoundland has the potential to support and encourage a developing industry, diversify the economic base, directly create employment, and improve incomes in rural areas where employment opportunities are least available.</p> <p>The rationale for this agreement is based on the establishment and/or encouragement of financially viable farming operations capable of supplying local markets with fresh, quality produce which is price competitive with imported produce and which is compatible with Newfoundland growing conditions.</p> <p>Only about 25% of Newfoundland consumer demand for agricultural commodities is satisfied by local production. Furthermore, because of the transportation and distribution problems involved in importing agricultural commodities, fresh, quality farm produce can be supplied only by local farmers.</p> <p>The objectives of the agreement will be achieved through an integrated strategy which will concentrate on farming development in designated agriculture development regions. Agriculture development plans will be prepared for the regions identifying regional and commodity priorities in light of physical capabilities and economic potential for the producer. In addition, technical, farm management consulting, and financial assistance will be made available to individual farmers based on need. Measures will be taken to stabilize the supply of produce to local markets and studies will be conducted to determine the infrastructure requirements of the industry. Special measures will be taken to support the expansion of the commercial blueberry industry. This strategy is compatible and consistent with the National Food Strategy being formulated by Agriculture Canada.</p> <p>The agreement was signed by the federal ministers of DREE and Agriculture Canada and the provincial ministers of Forestry and Agriculture and Intergovernmental Affairs.</p>
ELEMENTS	<p>Provision is made in the agreement for:</p> <p>(a) <u>Farm Development</u> -- counselling of farmers in management skills and in the development of farm plans and the provision of incentive grants to stimulate the implementation of agreed plans;</p>

- (b) Development Opportunities -- identification and implementation of agriculture development opportunities such as: swine development, agricultural uses of peat soils, wood-fiber feed, and on-farm feed processing;
- (c) Blueberry Industry Development -- an initiative to promote expanded private investment and increased efficiency in the use of resources employed in a more commercially oriented blueberry industry;
- (d) Marketing -- to develop marketing systems, facilities, organizations, and services to promote more orderly and efficient storage, grading, processing, distribution, and sale of farm products.
- (e) Land-Use Planning -- assessment of land capabilities and assistance in the formulation of plans and strategies for land assembly and use;
- (f) Land Development -- provision of off-farm services required for the development of designated high-capability farming areas and the organization and promotion of a special initiative to alleviate a critical forage problem;
- (g) Agricultural Facilities -- provision of office, laboratory, and clinical facilities to enable better coordination of federal-provincial programs; the provision of farm management counselling, soil and crop analysis, veterinary and other services under departmental and cost-shared agreements; and
- (h) Planning, Coordination and Evaluation -- provision of planning, economic analysis, monitoring, evaluation, and public information services for the programs.

FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
Farm Development	\$ 4 517 600	\$ 451 760	\$ 4 065 840
Development Opportunities	1 327 600	132 760	1 194 840
Blueberry Industry Development	2 772 400	277 240	2 495 160
Marketing	1 676 700	167 670	1 509 030
Land-Use Planning	2 050 300	205 030	1 845 270
Land Development	1 280 900	128 090	1 152 810
Agricultural Facilities	2 000 000	200 000	1 800 000
Planning, Coordination and Evaluation	<u>715 800</u>	<u>71 580</u>	<u>644 220</u>
TOTAL	\$16 341 300	\$1 634 130	\$14 707 170

ADMINIS-
TRATION AND
MANAGEMENT

Agriculture Canada will contribute the \$1.8-million federal share of the Agricultural Facilities program.

A management committee composed of officials appointed by the ministers is responsible for the administration of this subsidiary agreement. The federal government is represented by DREE and Agriculture Canada.

SUBSIDIARY AGREEMENT

TITLE	Rural Development
DURATION	July 14, 1978 to March 31, 1983 (retroactive to April 1, 1978).
OBJECTIVE	The objective of this agreement is to strengthen and revitalize the rural sector of the province.
BACKGROUND	<p>A large percentage of the Newfoundland population lives in the rural areas of the province, consequently the rural environment is an important consideration in economic development. The rural area of the province is generally composed of small, sparsely populated communities which possess resources and opportunities for development that are distinct in nature and scope from those in the larger, more urban areas.</p> <p>In recent years, the approach taken toward development of these rural areas has been to promote the establishment of small resource-based enterprises or businesses employing small numbers of people.</p> <p>The process has been spearheaded by a network of regional development associations that have been established in many parts of the province. Funded by the federal and provincial governments, the number of these associations has mushroomed from one in 1963 to 45 in 1980. They are providing the leadership and planning capabilities necessary to create a stronger rural sector. In this respect, the organizations are filling a void that exists in many areas where strong municipal governments and other regional bodies designed to promote economic and social development have not evolved.</p> <p>The development associations are helping people take advantage of the rural resources to provide job opportunities requiring traditional skills.</p> <p>This improves the quality of the rural lifestyle in home surroundings as a viable alternative to migration to urban industrial centres.</p> <p>Considerable progress in rural development was achieved through ARDA III which was jointly funded by DREE and the province. That program also included funding for the various regional development associations.</p>
ELEMENTS	<p>The major elements of this subsidiary agreement are:</p> <p>(a) <u>Community Development</u> -- the provision of administrative grants and matching incentive grants to regional development associations; annual grants to the Newfoundland and Labrador Rural Development Council; leadership and development training for rural people; development project funding; and regional planning activities;</p> <p>(b) <u>Rural Incentives</u> -- the provision of incentive grants and research and development grants to small businesses; and improvements in the management capabilities of rural entrepreneurs;</p>

- (c) Crafts-Industry Development -- the provision of an information and marketing program for crafts, and the acquisition of external crafts marketing and design services in order to expand the handicrafts industry; and
- (d) Program Evaluation and Information -- the provision of program evaluation and public information services for the programs in this agreement.

FINANCIAL PROVISIONS

The following is a list of projects identified under this agreement:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Community Development	\$ 9 350 000	\$ 935 000	\$ 8 415 000
Rural Incentives	4 140 000	414 000	3 726 000
Crafts-Industry Development	960 000	96 000	864 000
Program Evaluation and Information	<u>130 000</u>	<u>13 000</u>	<u>117 000</u>
TOTAL	\$14 580 000	\$1 458 000	\$13 122 000

ADMINIS- TRATION AND MANAGEMENT

A management committee composed of senior officials designated by the federal and provincial ministers is responsible for the administration of the agreement.

SUBSIDIARY AGREEMENT

TITLE	Industrial Development
DURATION	June 11, 1979 to March 31, 1984.
OBJECTIVES	The objectives of this agreement are to support the development of employment opportunities primarily in the secondary and tertiary sectors of the economy; to encourage the development, expansion and increased efficiency of indigenous enterprises; to accelerate the industrial development process in the province; to offset community infrastructure costs associated with the development of industrial and commercial enterprises; and to create an environment to encourage service industries to complement and strengthen linkages with the primary and secondary sectors.
BACKGROUND	<p>A Corner Brook harbour development study carried out in 1976 was cost-shared by the Newfoundland government, DREE and Transport Canada. The study indicated a high growth potential for the Corner Brook region and made several recommendations concerning the future physical development of the harbour.</p> <p>A more current review of economic opportunities and development constraints indicates that it will be some years before existing harbour front land and facilities are inadequate to serve the normal needs at the city. However, there is an immediate requirement for more industrial land. An existing industrial park, built under an earlier DREE Special Areas agreement, is now completely utilized. The Corner Brook Economic Development Corporation has a waiting list of firms wishing to expand or locate in the city of Corner Brook. The current estimate of demand for new industrial land is approximately 16 ha. The accommodation of this demand is important for both the continued growth of the city as a regional service and distribution centre and the needed diversification of the economic base.</p> <p>The reopening of the mill at Stephenville as a newsprint mill by Abitibi-Price Inc. and the general economic development of the Stephenville-Bay St. George-Port au Port region will require efficient access to the province's trans-island highway system.</p> <p>A subsidiary agreement was developed by DREE in consultation with the province and the federal departments of Industry, Trade and Commerce, Transport and the Canada Employment and Immigration Commission as a response to the development opportunities and constraints in the western region of the province. It is expected that new industrially oriented projects and associated programs will be advanced during the term of the agreement for consideration by Treasury Board.</p>
ELEMENTS	<p>The major elements of the agreement are:</p> <p>(a) <u>Country Road Industrial Park</u></p> <p>Construction and servicing of a 30-ha industrial park in the Country Road area of the city of Corner Brook with adequate non-serviced space provided by a future expansion of 30 ha adjacent to the area to be developed under this agreement.</p>

(b) Country Road Industrial Park Access Road

The construction of 10 km of road to provide a direct transportation link from the new park to the Trans-Canada Highway and the urban street system.

(c) Stephenville Industrial Access Road

The construction of 23 km of road to provide efficient access from the Trans-Canada Highway to the industrial area and highways west of the town of Stephenville.

(d) Program Evaluation

Provision for program evaluation and public information activities.

FINANCIAL PROVISIONS

The following is a list of projects which have been identified under the agreement:

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
<u>Major Development Projects</u>			
Country Road Industrial Park, Corner Brook	\$ 4 000 000	\$ 400 000	\$ 3 600 000
Country Road Industrial Park Access	9 000 000	900 000	8 100 000
Stephenville Industrial Access Road	<u>10 000 000</u>	<u>1 000 000</u>	<u>9 000 000</u>
SUB-TOTAL CAPITAL COSTS	\$23 000 000	\$2 300 000	\$20 700 000
Contingency (15%)	<u>3 450 000</u>	<u>345 000</u>	<u>3 105 000</u>
SUB-TOTAL PROGRAM 1	\$26 450 000	\$2 645 000	\$23 805 000
<u>Program Evaluation</u>	<u>200 000</u>	<u>20 000</u>	<u>180 000</u>
GRAND TOTAL	\$26 650 000	\$2 665 000	\$23 985 000

ADMINIS-
TRATION 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 Industry, Trade and Commerce are represented on the committee.

SUBSIDIARY AGREEMENT

TITLE	Forestry 1981-85
DURATION	January 9, 1981 to March 31, 1985.
OBJECTIVES	<p>To maintain and, where possible, increase the contribution of the forestry sector to the provincial and national economy.</p> <p>To lessen the future negative impact of the projected reduction in the allowable annual cut of established industries in the main economic supply zone.</p> <p>To promote increased use of forest resources within and outside the main economic supply zone.</p>
BACKGROUND	<p>The capabilities of the Newfoundland Department of Forest Resources and Lands were substantially enhanced by the original forestry agreement signed April 26, 1974.</p> <p>The forest products industries in Newfoundland are major contributors to the Newfoundland economy. In 1979, the pulp and paper industry alone provided about 6 000 person-years of employment. In terms of employment, salaries and wages, and value-added, the forestry sector leads all manufacturing industries in the provincial economy. The forest industry sector of Newfoundland has provided a traditional employment base in the province. The continued and enhanced contribution from the sector can best be realized through the implementation of improved forest management programs and related measures to increase the medium- and long-term wood supply economically accessible to existing industry, and to improve the opportunities, where practicable, for additional processors to utilize the provincial forest resources. This effort is viewed by DREE and the provincial government as an appropriate joint activity to be pursued through a subsidiary agreement.</p>
ELEMENTS	<p>The key elements of this agreement include:</p> <p>(a) <u>Silviculture</u></p> <p style="padding-left: 40px;">Reforestation and forest improvement treatments to correct age-class distortions and to rejuvenate currently unproductive forest areas.</p> <p>(b) <u>Access Roads</u></p> <p style="padding-left: 40px;">The addition of 785 km of roads to the provincial forest access road network in order to improve access for purposes of harvesting, management and protection of forests.</p> <p>(c) <u>Forest Protection</u></p> <p style="padding-left: 40px;">Upgrading of forest fire detection and suppression systems in order to minimize losses of timber and damage to environment and property. This will include a VHF radio system for Labrador, education, biological control trails and insect and disease surveys.</p>

(d) Forest Resource Inventory & Planning

Completion of the forest inventory which includes forest management inventory and intensive forest surveys.

(e) Forest Industries Development

Experimental projects and development studies, forest products and industry development studies and forest economics, statistics and evaluation.

FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Silviculture	\$21 900 000	\$2 190 000	\$19 710 000
Forest Access Roads	17 930 000	1 793 000	16 137 000
Forest Protection	3 620 000	362 000	3 258 000
Forest Resource Inventory & Planning	4 157 000	415 700	3 741 300
Forest Industries Development	<u>4 486 000</u>	<u>448 600</u>	<u>4 037 400</u>
TOTAL	\$52 093 000	\$5 209 300	\$46 883 700

ADMINIS-
TRATION AND
MANAGEMENT

A management committee composed of senior officials designated by the federal and provincial ministers is responsible for the administration of the agreement.

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.

The objectives of this agreement are to encourage the expansion of viable, long-term employment opportunities; to promote optimum quality of life within Nova Scotia and increased earned incomes for its people; and to 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 offshore oil and gas;
- (i) the development of ocean science technology and ocean-related industries, including shipbuilding and ship repair; and

(j) the development of energy resources and energy distribution systems to assist in providing adequate energy supplies to Nova Scotia consumers and industries.

Summaries of currently active subsidiary agreements follow.

SUBSIDIARY AGREEMENT

TITLE	Metropolitan Halifax-Dartmouth Area Development
DURATION	March 31, 1975 to March 31, 1982 as amended September 11, 1975, April 28, 1976, June 28, 1976, March 17, 1977, April 21, 1977, March 16, 1978, August 1, 1978, September 21, 1978, February 14, 1979, January 18, 1980, March 20, 1980, October 15, 1980, March 20, 1981 and March 25, 1981.
OBJECTIVE	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	<p>The Halifax-Dartmouth metro area is the most prosperous part of the Atlantic, with per capita and family incomes about 10% 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.</p> <p>Five broad benefits are anticipated to arise from the implementation of this subsidiary agreement:</p> <ul style="list-style-type: none"> (a) It will provide employment for future additions to the work force, particularly additions through 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 minimum 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 agreement illustrates the federal policy of interdepartmental cooperation on development matters. On the federal side, the departments of Public Works, Transport, Environment, Urban Affairs, the Canada Employment and Immigration Commission and the National Harbours Board have worked closely with DREE on the agreement and will be closely involved in its implementation.

This subsidiary agreement was signed by the federal ministers of DREE, Public Works and Urban Affairs, and by the Nova Scotia Minister of Development.

ELEMENTS

The Halifax-Dartmouth agreement calls for programs in three broad development 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 25 km 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 agreement notes the fact that facilities at the highly successful Halifax container terminal would operate at capacity in 1975. 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 industries.

Studies will be carried out into the feasibility of ship-repair facilities for the area, the costs and benefits of industrial park expansions and a gateway study.

Approximately 81 ha adjoining the Burnside Industrial Park will be serviced with water, sewers and roads to meet future demands for industrial land, and a Bedford by-pass will be constructed to ease traffic in the northeast part of the metropolitan area.

FINANCIAL
PROVISIONS

The following are 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	\$ 91 309 786	\$23 439 686	\$67 870 100
The Gateway: The Port	1 500 000	300 000	1 200 000
Industrial Development	<u>16 490 000</u>	<u>5 563 100</u>	<u>10 926 900</u>
TOTAL	\$109 299 786	\$29 302 786	\$79 997 000

ADMINIS-
TRATION AND
MANAGEMENT

Administration of the agreement will be in the hands of a joint management committee comprising members from DREE and the provincial Department of Development. An intergovernmental waterfront committee composed of members from DREE, Public Works, relevant provincial departments and municipal representatives is responsible for managing the Halifax-Dartmouth waterfront development project.

SUBSIDIARY AGREEMENT

TITLE	Strait of Canso Area Development
DURATION	March 31, 1975 to March 31, 1982 as amended August 15, 1975, June 18, 1976, December 21, 1976, July 22, 1977, February 1, 1978, March 21, 1978, June 14, 1978, February 8, 1979, May 10, 1979, June 14, 1979, March 12, 1980, March 31, 1980, October 1, 1980 and March 31, 1981.
OBJECTIVE	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	<p>The Strait of Canso has one of the finest deepwater 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 of up to 36.6 m within a few hundred metres of the shore. Canso is slightly over 320 km from Halifax and is fully accessible by road, rail and water.</p> <p>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 shipments, at strategic points with deepwater harbours. The strait has the further advantage of being convenient to important Atlantic shipping routes and of being relatively close to urban centres which offer support services and from which a labour force can be drawn.</p> <p>The opportunity, therefore, lies in capitalizing on these assets by attracting a number of major industries to the strait.</p> <p>This agreement was developed in consultation with other federal government departments, such as Industry, Trade and Commerce, and the Canada Employment and Immigration Commission, and with provincial authorities. It was signed by the Minister of DREE and the Nova Scotia Minister of Development.</p>
ELEMENTS	<p>(a) <u>The Strait of Canso Industrial Development Authority</u></p> <p>This authority will be responsible for the development of a plan for the deepwater port, the promotion and development of industrial activity, conducting negotiations with public and private interests to this end, and provision of administrative organization.</p> <p>(b) <u>Integrated Regional Planning</u></p> <p>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.</p>

(c) Community and Industrial Infrastructure

Under this program, feasibility analyses and 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.

(d) Evaluation

This program will provide for an evaluation of the contribution made by the programs in this agreement to the general economic and socio-economic development of Nova Scotia.

(e) Industrial Development

This program will provide assistance to support identified industrial opportunities having specific requirements which cannot be assisted adequately under existing federal or provincial programs. The provision of such assistance is contingent upon an acknowledged private sector commitment to proceed with a project.

FINANCIAL
PROVISIONS

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 Industrial Development Authority	\$ 2 406 000	\$ 481 200	\$ 1 924 800
Integrated Regional Planning	1 105 500	221 100	884 400
Community and Industrial Infrastructure	23 446 000	6 231 800	17 214 200
Evaluation	100 000	20 000	80 000
Industrial Development	<u>3 000 000</u>	<u>600 000</u>	<u>2 400 000</u>
TOTAL	\$30 057 500	\$7 554 100	\$22 503 400

ADMINIS-
TRATION 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.

SUBSIDIARY AGREEMENT

TITLE	Agriculture Development
DURATION	June 22, 1976 to March 31, 1982 as amended July 22, 1976, February 9, 1977, March 31, 1978, June 2, 1978, July 16, 1979, January 15, 1980, September 26, 1980, March 6, 1981 and 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	<p>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 a marginal living for the rural population.</p> <p>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 depend upon their ability to adapt to a continually changing technological and commercial environment.</p> <p>According to the 1971 census, the total amount of land in farms was 559 700 ha with 156 214 of those hectares improved. This can be broken down into 105 222 ha in grass (61 919 ha in hay and 43 303 ha in pasture) and 50 992 ha in high-energy, protein and horticultural crops.</p> <p>Fifty-seven per cent of the census farms have cash sales of less than \$2 500 and have an average improved acreage of only 13 ha. At the other end of the scale, only 20% of the farms have sales in excess of \$10 000. These have an average of 61 improved hectares.</p> <p>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.</p> <p>In terms of production, the existing agriculture industry can best be described by sectors, each with its unique characteristics.</p> <p>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 159 million kg of milk are produced annually in the province.</p> <p>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.</p>

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 its 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 historically have supplied both local and export demands.

Fruits -- About 109.1 million litres of apples, 2.27 million litres of strawberries, 4.5 million kilograms 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 approximately 3 845 ha in the province. The most important vegetable crop is potatoes, with approximately 1 400 ha producing, mainly for the processing market. In addition to potatoes and fresh vegetables, beans and peas for processing are grown on about 1 400 ha.

Other Agricultural Products -- The greenhouse industry sells about \$4.5 million worth of flowers, bedding plants, and vegetables annually from the 185 800 m² of area covered by glass and plastic in the province.

Tobacco production -- Tobacco valued at \$1.2 million annually is produced on 506 ha.

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 and kind" produced and consumed on the farm valued at \$6.2 million.

In addition to these commodities produced for sale, many products produced 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 agriculture 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 (for example machinery sales and service, petroleum products distribution, construction, feed milling, insurance, banking), 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 meal 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 unexploited 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:

- (a) hogs -- high-energy and protein crops -- beef
- (b) poultry -- forage -- beef
- (c) orchard -- forage -- beef
- (d) 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 the strategy involves the producer. To increase production at the rate projected 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 the strategy involves training and technology utilization. Farming is a business and is continually confronted with technological and economic changes. The farmer must be knowledgeable about 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.

FINANCIAL
PROVISIONS

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

	<u>ESTIMATED TOTAL 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 Development	<u>1 000 000</u>	<u>200 000</u>	<u>800 000</u>
TOTAL	\$48 217 000	\$18 237 000	\$29 980 000

ADMINIS-
TRATION AND
MANAGEMENT

The appropriate federal and provincial ministers shall designate one or more senior officials in equal numbers to be responsible for the administration of this agreement. These officials shall constitute the management committee. The federal representation includes DREE and Agriculture.

SUBSIDIARY AGREEMENT

TITLE	Industrial Development
DURATION	June 22, 1976 to March 31, 1982 (as amended September 28, 1976), February 10, 1977, May 2, 1978, May 17, 1978, June 9, 1978, September 14, 1978, November 1, 1978, November 20, 1978, March 30, 1979, August 20, 1979, September 17, 1979, November 9, 1979, March 31, 1980, December 19, 1980 and March 20, 1981.
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-size communities.
BACKGROUND	<p>During the 1960s 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.</p> <p>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 in and imported from central Canada. This "import substitution" activity and the growth in export-oriented firms have provided the province with its strongest gains in secondary manufacturing activity since the Second World War.</p> <p>An analysis of industry trends shows 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 furniture, fabricated and structural metal, electronic communications equipment, truck body and trailer manufactures, miscellaneous machinery and equipment, electrical wire, and industrial chemicals.</p> <p>The gains realized by these industries more than offset the losses experienced by some of the more traditional activities, including fish processing and sawmilling.</p> <p>Thus for the first time in many years, secondary manufacturing has played a leadership role in the upward trend of the Nova Scotian economy.</p> <p>Most of these manufacturing gains have been concentrated in the central counties of the province, and in particular in 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 past five years.</p>

The medium-size 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-size centres.

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

The agreement was developed in close cooperation with the Nova Scotia Department of Development. It was signed by the Minister of DREE and the provincial Minister of Development.

ELEMENTS

There are six major elements to the strategy involved in this subsidiary 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 of their viability and providing for special promotional efforts. Studies of special infrastructure requirements and the development of an industrial information system in the provincial Department of Development will also be covered.

(b) Support for Local Enterprise

The purpose of this element is to provide assistance in the areas of management in general and marketing in particular, to help Nova Scotian 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, and to ensure the availability of serviced industrial land in industrial parks in the 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 activities related to industrial parks and provision 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 established industrial parks.

(e) Manpower Development

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

(f) SYSCO Capital Repair

The purpose of this element is to provide support to SYSCO during the period under which a comprehensive review of the operation and its future direction is taking place.

FINANCIAL
PROVISIONS

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

	<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 Infrastructure	12 676 000	2 535 200	10 140 800
Industrial Infrastructure	603 000	120 600	482 400
Public Information and Evaluation	160 000	32 000	128 000
SYSCO Capital Repair	<u>7 500 000</u>	<u>1 500 000</u>	<u>6 000 000</u>
TOTAL	\$23 789 000	\$4 757 800	\$19 031 200

ADMINIS-
TRATION AND
MANAGEMENT

Supervision will be carried out by a management committee composed of one or more senior officials to be appointed in equal numbers by the respective federal and provincial ministers.

SUBSIDIARY AGREEMENT

TITLE	Planning
DURATION	June 22, 1976 to March 31, 1982 as amended December 6, 1979.
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	<p>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.</p> <p>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: Physical and Resource Planning, Research and Studies to Investigate Development Opportunities, and General Development Planning.</p> <p>Under the planning subsidiary agreement, DREE and the province are working closely together 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 were funded under this agreement.</p>
ELEMENTS	<p>The three major elements of this subsidiary agreement are:</p> <p>(a) <u>Physical and Resource Planning</u></p> <p>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 facilities. (For example, oil platform construction requires protected, deepwater, steep-gradient harbours.) The program will complement and utilize information from the resource survey programs in other subsidiary agreements and on-going 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.</p> <p>(b) <u>Research and Studies to Investigate Development Opportunities</u></p> <p>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</p>

opportunities into job- and income-creating activities. Strategically, it deals primarily with attracting private sector investment 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.

(c) 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.

FINANCIAL PROVISIONS

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	<u>500 000</u>	<u>250 000</u>	<u>250 000</u>
TOTAL	\$5 000 000	\$2 500 000	\$2 500 000

ADMINIS- TRATION AND MANAGEMENT

This agreement is managed by a 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.

SUBSIDIARY AGREEMENT

TITLE	Forestry
DURATION	June 28, 1977 to March 31, 1982 (retroactive to April 1, 1977) as amended July 14, 1977, July 24, 1978, February 1, 1980, May 15, 1980 and September 12, 1980.
OBJECTIVES	To maintain the existing aggregate employment based mainly on the softwood species and to increase employment opportunities and incomes in timber harvesting and processing, based mainly on the hardwood species.
BACKGROUND	<p>Land ownership patterns in Nova Scotia, highlighted by small parcels owned by many private owners, sharply contrast with Canadian patterns, where 91% of all productive forest is Crown land. This Nova Scotia characteristic presents special problems for consideration in developing integrated resource management programs. Recent inventory information on the province's 260 million m³ of marketable growing stock indicates that 22% of the stock is on provincial Crown land and 78% is on private land. Average capability of forest land for timber production, based on good forest management and other assumptions, could eventually allow harvesting and processing of two to three times more timber.</p> <p>In 1967, small ownerships produced 59% of the total harvest; in 1975, they produced only 39%. The declines in pulpwood production were more pronounced: from 64% to 38%. Although the output from large ownerships and Crown land has made up for this decline, large private owners cannot long sustain their present production level. In addition, many small ownerships are now producing a fraction of the yield of the forest products that they could produce.</p> <p>Other trends and problems, beyond physical accessibility and related fragmented ownership patterns, indicate softwood species overcutting by 10% to 20% while hardwood cuts may be at only one third of their potential. Insect infestation in decadent, over-mature/mature timber has reached serious proportions in Cape Breton Island and other areas.</p> <p>To achieve the objectives, programs have been identified to maintain employment in existing softwood-using industries and to permit expansion of employment in harvesting and manufacturing based mainly on hardwoods. Future supply of suitable timber is ensured through more effective management of private and public lands.</p>
ELEMENTS	<p>There are five major programs in this agreement:</p> <p>(a) <u>Forest Management</u></p> <p>The immediate goal of this program is to increase productivity on all classes of forest-land holdings, improve physical access, and reduce diseconomies attributable to fragmentation and scale. To achieve these goals, separate projects for forest management on private lands and Crown lands, group management and access to spruce-budworm-infested forests have been developed.</p>

(b) Forest-Industry Development

(i) This element is designed to fully explore potential markets, identify possible manufactured products and locate areas for hardwood-based industry development.

(ii) This element will encourage future profitability of the sawmilling segment by encouraging larger and more efficient plants and equipment, by increasing the recovery of usable material and by improving safety and working standards.

(c) Support Services

Successful implementation of the forest management and forest industry development programs requires a number of support services. These consist of refinements to the resource data base, organization of forest management crews, and the establishment of consulting foresters.

(d) Education, Public Information and Evaluation

Lack of knowledge and understanding of forest management, harvesting and timber utilization is a contributing factor to the generally low productivity of private forest lands, and are required to overcome these barriers and to ensure that proper and adequate information is communicated to land owners and industry. A manual of good forest practice will be published under the planning agreement to assist this communication process. On-going evaluation is also necessary in this total process.

(e) Wood Salvage/Storage and Ancillary Forest Management

The immediate goal of this program is to salvage and place in storage budworm-infested wood on Cape Breton Island in an effort to realize maximum economic benefit from the threatened resource and to help alleviate short-term wood shortages. Concurrently, reforestation and other intensive management activities will be undertaken, aimed at rebuilding the damaged forests. (The amounts shown below for this program have already been paid. Future work will be carried out under the Forest Management program.)

FINANCIAL
PROVISIONS

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</u>
Forest Management	\$52 610 000	\$19 274 000	\$33 336 000
Forest Industry Development	900 000	300 000	600 000
Support Services	599 000	244 000	355 000

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
Education, Public Information and Evaluation	635 000	127 000	508 000
Wood Salvage/Storage and Ancillary Forest Management	<u>3 032 000</u>	<u>1 689 000</u>	<u>1 343 000*</u>
TOTAL	\$57 776 000	\$21 634 000	\$35 142 000

* CEIC has paid the federal share of this program. The other programs will be paid by DREE.

ADMINIS-
TRATION AND
MANAGEMENT

This agreement is managed by a committee composed of two representatives from the federal government and two from the province, as designated by the respective ministers. A coordinating committee composed of two federal representatives and two 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. The Canadian Forestry Service and the Canada Employment and Immigration Commission are represented.

SUBSIDIARY AGREEMENT

TITLE	Tourism Development
DURATION	June 28, 1977 to March 31, 1982 (retroactive to April 1, 1977) as amended June 29, 1978, October 31, 1978, May 16, 1979, June 27, 1979, October 16, 1979, February 15, 1980, February 20, 1980, September 5, 1980 and February 18, 1981.
OBJECTIVE	The objective of this agreement is to create employment opportunities and increase incomes by further developing the tourism industry in Nova Scotia.
BACKGROUND	<p>The task of encouraging and creating new employment opportunities in the less developed areas of Canada is substantial. One sector which does have potential employment opportunities for non-urban areas, however, is the travel industry.</p> <p>The Royal Commission on Canada's Economic Prospects made the following observations about the relationship of the travel industry to economic development: "The tourist business is of special importance as a possible avenue of economic development for so-called problem areas. Many parts of Canada that are the least promising agriculturally, industrially, or in terms of, say, mineral resource possibilities, are the most promising for recreational development."</p> <p>Several changing socio-economic factors imply that the travel industry will continue to be a growth industry. Increasing population, increasing disposable income, rapid urbanization, increased leisure time as a result of the reduction of the work day, work week, and work life; more advanced education; and increased ownership of complementary goods such as automobiles all imply that the demand for travel will continue to increase. Although the proportion of the total population taking vacation trips has increased, there is still a large untapped market. In 1975 only 63% of all Canadian adults took a vacation trip, while in the Atlantic provinces only 57% of all adults took a vacation trip.¹</p> <p>The travel industry is made up of two basic elements: "extra muros" travel which is a product of the travel of people from outside the region (Nova Scotia) and "intra muros" travel which results from travel within the region by residents of the region. Extra muros travel results in an injection of money into the economy of a region, while intra muros travel has an import substitution effect. The travel industry, particularly as an export industry, can contribute significantly to raising the level of output, income and employment in Nova Scotia.</p> <p>The total direct value of expenditures on travel in Nova Scotia in 1975 was approximately \$300 million. Of this amount, approximately \$48 million was spent on accommodation; \$85 million on food and beverages; \$108 million on transportation; \$9 million on entertainment and recreation; and \$49 million on other goods and services. Total travel expenditures in Nova Scotia in 1975 directly created \$27.6 million in provincial tax revenue; \$5.6 million in municipal tax revenue;</p>

¹ Canadian Government Office of Tourism, "Vacation Trends by Canadians".

and \$26.5 million in federal tax revenue. These expenditures created approximately 12 000 direct full-time job equivalents and approximately 13 000 indirect and induced full-time job equivalents in Nova Scotia. Travel-industry-related employment accounted for approximately 9% of total employment in Nova Scotia in 1975.

Value-added in the travel industry (wages and salaries, supplementary labour income and return on investment, interest and rent) in 1975 was \$100 million. Compared to the goods-producing industries, the travel industry ranks behind the manufacturing and construction industries but it is ahead of the resource industries of agriculture, fishing, forestry and mining.

Recognizing the importance of the travel industry to Nova Scotia, the provincial Department of Tourism adopted a policy and strategy in 1975 for developing the tourism industry of Nova Scotia. This agreement is intended to facilitate implementation of certain elements of this policy, largely those related to generating income and employment opportunities. Other elements of the provincial policy and strategy will be undertaken by the Department of Tourism on its own or in cooperation with other provincial departments.

ELEMENTS

(a) Increase the Length of the Tourist Season

Traditionally, the tourist season in Nova Scotia has been viewed by visitors and residents alike as embracing only the months of July and August. Past efforts to promote a longer season have met with only modest success. Psychologically, people are conditioned to think of summer as ending on Labour Day when in fact the Maritimes enjoy relatively warm weather well into the autumn. To increase the length of the tourist season requires, among other things, the keeping of seasonal accommodation and tourist attractions open for a longer period; the provision of new attractions, events and entertainment at suitable locations; provision of indoor activities to meet off-season weather conditions; and the coordination of advertising, marketing and other efforts designed to create bus tour, group business and individual packages for the extended season.

(b) Extend the Stay of Travellers Who Come to Nova Scotia

Tourists often do not stay in Nova Scotia as long as could be wished, even though the average length of stay has increased slightly since 1971. The development of regional destination areas and improvements in the travelway system should have the effect not only of dispersing visitors more evenly throughout the province but also of persuading them to stay longer. The provision of better quality accommodation and food services and of increased activities throughout an extended season should also help extend the stay of travellers and disperse them more evenly.

(c) Increase the Amount of Money Spent per Traveller per Day

The percentage of the tourist dollar spent on purchases and entertainment in Nova Scotia is less than one would expect on the basis of experience elsewhere. Whatever the cause, one result is that the multiplier effect of

tourism is lower than it could be. Research of visitor preferences suggests that next to sightseeing, shopping is the most popular activity, and that low spending is the result primarily of lack of spending opportunities.

Clearly there is a need to improve the number and distribution of entertainment and recreational facilities and of suitable retail outlets for handicrafts and other items of interest to visitors.

(d) Distribute Travel Expenditures Geographically According to Opportunities for Profitable Investment and the Need of Areas for Income and Employment Opportunities

Geographical distribution of tourists throughout the province has tended to be very uneven, with some areas experiencing an overflow in peak season and others receiving too few to be of real economic benefit. Some areas have not developed their attractions sufficiently to generate investment in accommodation and facilities and, therefore, benefit very little from visitors passing through. The rural areas, unfortunately, have suffered the most in this respect.

A more even diffusion of visitors throughout the province will facilitate more equitable distribution of the economic benefits associated with the travel industry. Specifically, this agreement will attempt to stimulate increased tourist expenditures at designated areas within rural Nova Scotia.

(e) Increase the Total Number of Visitors

Obviously, an increase in the total number of visitors to Nova Scotia is an important element of a tourism strategy. This is, however, but one element which must be carefully planned. An increase in the number of visitors during peak periods or in areas which have already reached the saturation point can create problems. The aim, therefore, is to increase the number of visitors in those areas which can accommodate more tourists, and at the time of the year when occupancy rates are low. Consequently, this part of the strategy is closely related to the geographical distribution of tourists and to increasing the length of the tourist season.

FINANCIAL
PROVISIONS

Two programs have been included in this agreement. The first program encompasses various province-wide projects aimed at promoting the tourist industry within Nova Scotia, improving the efficiency of the industry, expanding the industry where possible and desirable, and extending the tourist season. The second program relates directly to the development of designated destination areas through projects designed to construct or expand major attractions, provide suitable attractions for day trips, and coordinate planning, promotion and implementation efforts within the destination areas.

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Tourism Development			
-- General	\$ 5 220 000	\$1 044 000	\$ 4 176 000
Tourism Development			
-- Destination Areas	<u>8 530 000</u>	<u>1 706 000</u>	<u>6 824 000</u>
TOTAL	\$13 750 000	\$2 750 000	\$11 000 000

ADMINIS-
TRATION AND
MANAGEMENT

The appropriate federal and provincial ministers shall designate an equal number of senior officials to be responsible for the administration of this agreement. These officials shall constitute the management committee.

SUBSIDIARY AGREEMENT

TITLE	Energy Conservation
DURATION	July 4, 1978 to March 31, 1983.
OBJECTIVES	To minimize employment and income losses resulting from increases in energy prices; to create employment and income opportunities in a new provincial industry; to develop, with broad public involvement, plans and programs for the Nova Scotia energy system and its components. To enhance employment opportunities in Nova Scotia through a series of measures which will keep energy outlays to employers and consumers significantly lower than they would otherwise have been; and to be a stimulus to the development of a new provincial industry, namely the production, installation and servicing of energy-conserving and renewable-energy technologies.
BACKGROUND	<p>The 1974 OPEC oil embargo shocked the Nova Scotian economy, as it did the rest of the industrial world. It is generally agreed that high energy prices are here to stay, and that the necessary policy framework is one of managing the adjustment process to the new equilibrium.</p> <p>Oil, all of it from foreign sources, accounts for 79% of Nova Scotia's total energy supply, the remainder being hydro and coal. No other province has as high an oil dependency. The price paid for oil since the 1974 OPEC embargo has quadrupled, and more increases are foreseen as the Oil Import Compensation Program winds down. Though shared by other Canadians, these prices work to the comparative disadvantage of Nova Scotian industries and consumers because:</p> <ul style="list-style-type: none"> (a) the already weak economic base in Nova Scotia has less ability to adjust to changing circumstances; (b) delivered Nova Scotian finished goods tend to have a higher energy content than those of other provinces due to the great distances to Canadian and international markets -- distances which are overcome only by burning foreign oil; (c) the lower income base of Nova Scotians means that a greater fraction of disposable income is expended upon energy commodities (10.6% in Nova Scotia versus 7.3% nationally in 1976), thus lowering even more the aggregate demand available for the sustenance of employment opportunities in the province; and (d) 68% of the electricity produced was, in 1975, dependent upon oil, meaning that industrial electricity users are particularly exposed to changes in world oil prices; in addition, Nova Scotia possesses little potential in the way of low-cost hydro generation which could offset the high cost of a new capacity of any type. <p>Some control over energy costs may be achieved with conversion from oil to coal, uranium, or even wood. Vigorous efforts to curb energy waste and to substitute more efficient machines and processes may be even more useful. These opportunities should be evaluated and pursued where economically justified. Experimentation with renewable-energy resources and other non-conventional energy-supply technologies</p>

may give Nova Scotia a head start on the coming era of declining oil supplies, both through the installation of relatively inflation-proof equipment and through the building of an industrial base to supply local and out-of-province markets.

The agreement was developed in close cooperation with the Nova Scotia departments of Mines and of Development, and the federal Department of Energy, Mines and Resources. It was signed by the ministers of DREE, and Energy, Mines and Resources and the provincial ministers of Mines and of Development.

ELEMENTS

The main elements of the strategy encompassed in this agreement are:

- (a) Improving the efficiency of energy use in all sectors of the economy by:
 - (i) encouraging the substitution of more efficient machinery, equipment or processes for less efficient kinds;
 - (ii) encouraging co-generation and new soft technology; and
 - (iii) developing an industry mix which reflects the energy situation, where appropriate.
- (b) Minimizing the long-run social cost of providing energy, after accounting for security of supply, by:
 - (i) using peak-load pricing and other financial policies by the Nova Scotia Power Corporation and other energy-providing institutions so that customers are informed of the true cost of energy supply;
 - (ii) cooperative supply planning with neighbouring provinces through the Maritime Energy Corporation and other appropriate government agencies;
 - (iii) engaging in practical experiments and demonstrations of energy-conserving and renewable-energy technologies; and
 - (iv) providing support to a research, development, testing and technical information facility.
- (c) Developing, with broad public involvement, plans and programs for the Nova Scotia energy system and its components.

PROGRAMS

This subsidiary agreement consists of two programs: one to develop an energy system plan, and one to ensure that the province's energy resources are properly utilized.

- (a) The Energy System Planning Program will evaluate and recommend the combination of energy sources and alternatives which will best meet Nova Scotia's short- and long-term needs. The province, by understanding the relationships in its energy needs in the short- and long-term, will be able to respond to, and to input into national policy. The problem will be considered in both specific and universal terms, and public participation will be solicited in the development of a provincial energy plan.

(b) The Energy Opportunities Program is intended to moderate the rate at which the cost of energy to the industrial and domestic consumer is increasing. This program is also intended to encourage the development, evaluation and demonstration of alternate energy devices, and to capitalize on employment opportunities which are anticipated to result from the adoption and widespread uses of these alternate energy devices. This program breaks out into seven projects:

- Load Management
- Industrial Retrofitting
- Co-generation and New Soft Technology
- Pilot Projects
- Energy Test Centre
- Public Information
- Evaluation

- (i) A Load Management project will assess the costs and benefits to electricity producers and users of reformed rate structures which more closely approximate the cost of providing power at different times. Both price-based and direct means of peak reduction will be developed, tried on an experimental basis, and introduced system-wide where warranted. The project will be carried out by the Nova Scotia Power Corporation. The project is designed to allow other Canadian utilities to learn from the corporation's experience.
- (ii) The Industrial Retrofitting Project will provide financial incentives to Nova Scotian companies who make changes in production methods and/or plant designs, which will lead to a significant reduction in energy consumption. Companies qualifying for funding under this project will be required to avail themselves of the services which are provided through the ENER\$AVE program.
- (iii) The Co-generation and New Soft Technology project will examine sites at which it may be feasible to produce and use both heat and electricity from a single plant for commercial purposes. In some locations (e.g., Point Tupper), it is felt that such co-generation could be achieved by using wood and/or coal in place of imported oil. This project will provide funds to determine the socio-economic benefits of a site-specific co-generation scheme. Also, applications of new soft technology in energy will be examined.
- (iv) A number of pilot projects will be undertaken or funded to explore the feasibility of harnessing renewable alternative sources of energy. Such resources include the sun, wood, district heat, hydro and others. When practical, demonstration projects will be mounted to acquaint the public with these alternatives.

(v) An Energy Test Centre (ENERTIC) will be established to test, develop and demonstrate new energy-saving devices and equipment. Its findings will be available to government, industry and the general public. ENERTIC will cooperate with the National Research Council, the Department of Energy, Mines and Resources, the Nova Scotia Research Foundation, and all similar agencies, universities and colleges throughout Atlantic Canada.

(vi) The Public Information project will enlist public participation in discussions about energy-related topics, and will provide information on developments and innovations related to energy use.

(vii) The Evaluation project will entail a formal objective evaluation of the agreement at the end of the second year, and a second evaluation at the end of the fifth year, when the agreement has run its course.

FINANCIAL
PROVISIONS

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

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
PROGRAM I			
<u>Energy System Planning</u>	\$ 3 000 000	\$1 500 000	\$ 1 500 000
PROGRAM II			
<u>Energy Opportunities</u>			
Load Management	3 000 000	600 000	2 400 000
Industrial Retrofitting	10 875 000	2 175 000	8 700 000
Co-generation and New Soft Technology	600 000	120 000	480 000
Pilot Projects	5 300 000	1 060 000	4 240 000
Testing Service	1 500 000	300 000	1 200 000
Public Information	500 000	100 000	400 000
Evaluation	<u>100 000</u>	<u>20 000</u>	<u>80 000</u>
TOTAL	\$24 875 000	\$5 875 000	\$19 000 000

ADMINIS-
TRATION AND
MANAGEMENT

Supervision will be carried out by a management committee composed of three senior officials appointed by each of the federal and provincial ministers.

SUBSIDIARY AGREEMENT

TITLE	Halifax Panamax Dry Dock
DURATION	April 1, 1980 to March 31, 1985 (signed January 22, 1980).
OBJECTIVES	To provide to the port of Halifax key marine infrastructure which will enable the port to capitalize upon major new international ship repair opportunities identified as incremental to the east coast of Canada; to both maintain and support the development of new employment opportunities in Nova Scotia in the shipbuilding and ship-repair sector of the provincial economy; and to heighten the ability of the port of Halifax to attract new spin-off marine services, ocean technology manufacturing and specialized service industries.
BACKGROUND	<p>Hawker-Siddeley, former owner of the Halifax Shipyards, sold its Nova Scotia shipyards to Halifax Industries Limited (HIL), a consortium comprised of Rijn-Schelde-Verolme of the Netherlands, Hall Corporation Shipping Limited of Montreal and CN Marine.</p> <p>Federal and provincial studies identified an opportunity to expand the capacity for repairing large international-class vessels in the port of Halifax. This led to a recommendation, in January 1980, to proceed with the submission of a proposed subsidiary agreement.</p> <p>The Department of Industry, Trade and Commerce has been involved in the development of the project contained in the agreement, and consultations have been held with the Department of Finance and the Ministry of State for Economic Development.</p> <p>The Panamax dry dock is a vital link for the economic success of the total Halifax shipyards operation and the creation of approximately 360 new jobs.</p>
ELEMENTS	<p>The main element of the strategy in this agreement is to establish an internationally competitive ship-repair capability at the port of Halifax.</p> <p>This will be achieved by the cost-sharing of four projects:</p> <ul style="list-style-type: none"> (a) the construction of a Panamax dry dock to be owned by the Province of Nova Scotia and leased to Halifax Industries Limited. The dock rental fee charged by the province shall be based on internationally competitive user rates for facilities of similar size and reasonable level of dry dock utilization. Construction of the Panamax dry dock is to be awarded on a competitive basis with consideration extended to a foreign-built dry dock only if sufficient offsetting economic benefits to Canada are realized. Dock revenues paid by HIL to the province will be applied to a "sinking fund" to be directed towards any subsequent expansions and an eventual replacement of the dry dock facility; (b) dock mooring and servicing facilities to provide access from shore to the dry dock in the recommended engineering position, mooring of the dock, related

infrastructure and general and detailed engineering services to complete an operational floating dry dock. The province proposes to retain ownership of the moorings and other infrastructure as well as right of access to ensure effective and efficient utilization of the overall facility;

- (c) auxilliary equipment to provide necessary equipment for ship repairing and metal fabrication and handling; and
- (d) an evaluation of the agreement to be jointly carried out under this project.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Panamax Dry Dock	\$43 500 000	\$8 700 000	\$34 800 000

ADMINIS-
TRATION AND
MANAGEMENT

Management of the agreement will be through a management committee made up of equal numbers of senior federal and provincial officials appointed by the ministers. The management committee will be assisted by subcommittees consisting of federal and provincial representatives.

SUBSIDIARY AGREEMENT

TITLE Assistance to Michelin Tires (Canada) Ltd.

DURATION June 7, 1980 to December 31, 1987.

OBJECTIVE To support the development of new employment opportunities by assisting the company to expand its operations in Nova Scotia, thereby providing employment for an additional 1 850 persons. To do so, the company will invest approximately \$400 million in new plant and equipment at three locations. Upon completion of the program, Nova Scotia will have a modern world-scale, internationally competitive radial tire manufacturing facility.

BACKGROUND Since the start-up in 1971 of the two radial tire facilities in Bridgewater and Granton, Nova Scotia, the Michelin group has rapidly expanded its production capabilities in North America. The Nova Scotia facilities were expanded in 1972 and again in 1976, involving an investment of \$64 million in fixed assets.

As a result of its experience in the European Economic Community (EEC) trading environment, the Michelin group has organized its North American operations on a rationalized basis, establishing world-scale production units specializing in a limited number of product lines and sizes. The company imports or exports tires as required to service the balance of its market requirements. For example, in 1979, Michelin Tires (Canada) Ltd. exported 56% of its production. Its sales in the Canadian market were supplied 51% by Canadian production and 49% by imports from other Michelin group facilities. As tariffs on tires are gradually reduced under the MTN agreements, the Michelin group's strategy of rationalizing production should improve the Company's competitive position in North American markets.

ELEMENTS There are three elements to the strategy involved in this agreement:

(a) establishment of a new radial tire manufacturing facility at Waterville to manufacture tires for passenger cars, trucks, and off-highway vehicles;

(b) expansion of the steel cord manufacturing operation at Bridgewater to supply the new tire manufacturing facility at Waterville; and

(c) expansion of the rubber mixing processing operation at the Granton facility to supply the new tire manufacturing facility at Waterville.

FINANCIAL PROVISIONS

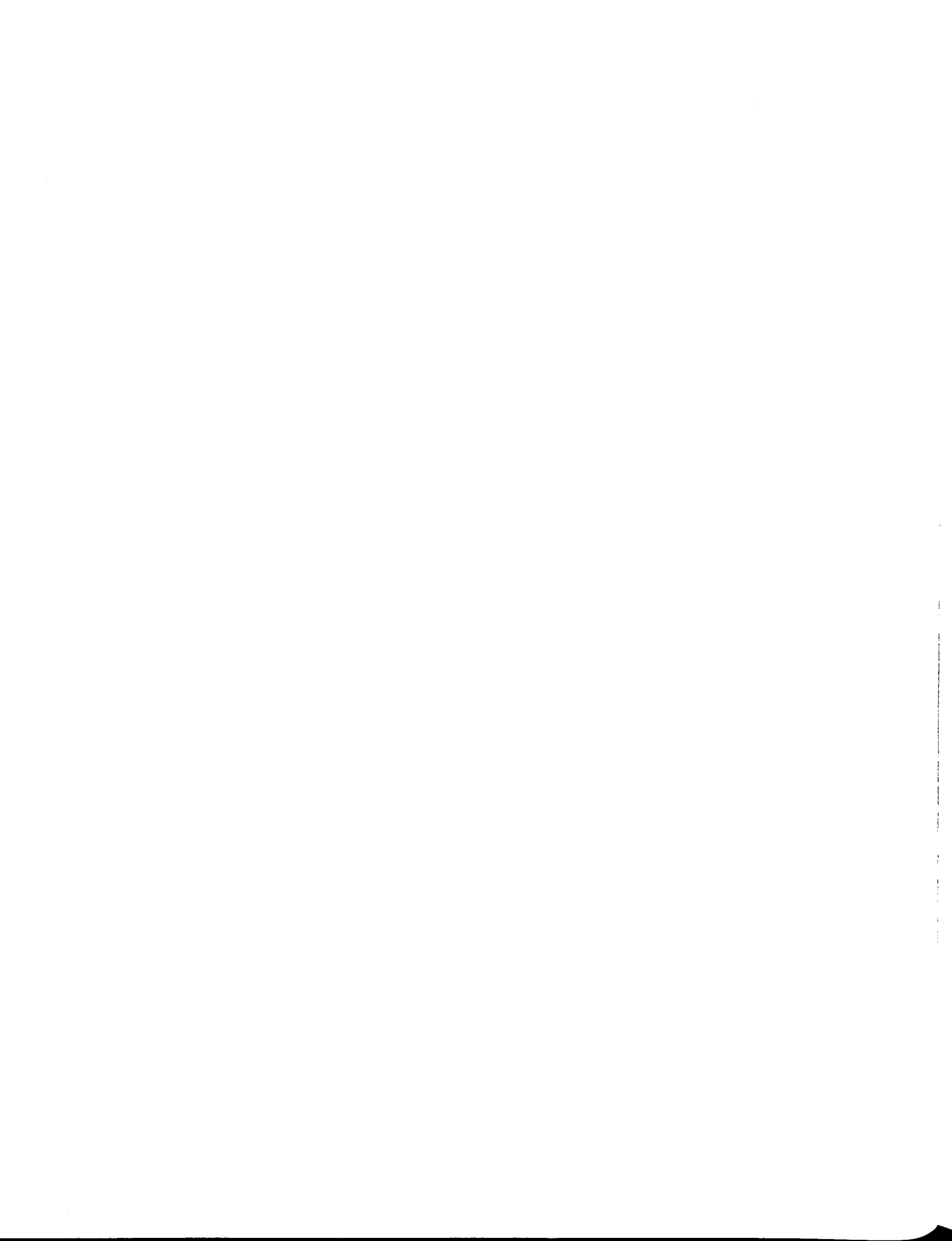
	ESTIMATED TOTAL COST	PROVINCIAL SHARE	FEDERAL SHARE (DREE)
Establish New Waterville Facility	\$42 500 000	\$10 625 000	\$31 875 000
Expansion of Bridgewater Facility	6 500 000	1 625 000	4 875 000
Expansion of Granton Facility	<u>7 000 000</u>	<u>1 750 000</u>	<u>5 250 000</u>
TOTAL	\$56 000 000	\$14 000 000	\$42 000 000

ADMINIS-
TRATION AND
MANAGEMENT

Supervision will be carried out by a management committee composed of senior officials appointed by each of the federal and provincial ministers.



NEW BRUNSWICK



GENERAL DEVELOPMENT AGREEMENT

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

The primary objective of this agreement is to reduce the gap in earned income per capita between that province and Canada as a whole. A further objective is to raise per capita incomes while minimizing net migration from the province. To meet these objectives, the 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 has 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; and
- (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.

Summaries of currently active subsidiary agreements follow.

SUBSIDIARY AGREEMENT

TITLE	Forestry
DURATION	February 17, 1975 to March 31, 1982 (retroactive to October 15, 1974) as amended February 27, 1976, March 31, 1977, July 21, 1978, March 9, 1979, March 29, 1979, March 31, 1979 and March 27, 1980.
OBJECTIVE	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	<p>The programs and projects to be carried out under this forestry 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.</p> <p>The agreement provides for major development efforts to be undertaken on a pilot basis in the Bathurst region to test, under operational conditions, new policies for wood allocation and new techniques in forest management and harvesting.</p> <p>Over one-half of the funds provided under the agreement are devoted to intensified forest management. This includes the development of better forest-management information; the expansion of forest-nursery capabilities; increased tree planting and stand improvement; the development of an integrated network of forest roads; the testing of forest protection concepts; and the development of other uses of the forest resource, including recreation. In addition, measures are to be taken to encourage increased productivity and output from private woodlots.</p> <p>Other programs are focused on 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.</p> <p>To support these initiatives, the agreement provides for the development of programs to upgrade the woods labour force, the supply of professional and technical services and the design of an institutional facility to accommodate forest resource-oriented education, research and administrative activities.</p> <p>In July of 1978, a major amendment to this agreement was agreed to by both governments. Under this amendment, further initiatives are being undertaken with the objective of creating jobs with a favourable and lasting effect on the economy in areas of high unemployment within the province. The approach to these initiatives is to be consistent with that established for existing job-creation programs of the Canada Employment and Immigration Commission and is to be undertaken through a new four-year program.</p>

ELEMENTS

There are six program elements under this agreement:

- (a) Forest Management -- which covers such subjects as woodlands inventory, silviculture, Crown-land consolidation, resource protection, multiple-use development, arterial-road system, and private-woodlot management.
- (b) Resource Utilization -- which deals with forest harvesting, industrial development, and transportation.
- (c) Manpower Development -- which includes studies of problems of recruiting, supply, demand, working conditions, 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 implement the pilot project and establish the Forestry Industrial Park near Bathurst.
- (f) Resource Development and Accelerated Employment -- which covers stand improvement, development of private woodlots, site preparation and plantation tending, Crown-land management support and forest multiple-use development.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
Forest Management	\$48 287 350	\$ 9 657 470	\$38 629 880
Resource Utilization	4 560 900	912 180	3 648 720
Manpower Development	2 663 400	532 680	2 130 720
Administration	1 627 250	325 450	1 301 800
Pilot Project	4 489 600	897 920	3 591 680
Resource Development and Accelerated Employment	<u>12 600 000</u>	<u>3 000 000</u>	<u>9 600 000*</u>
TOTAL	\$74 228 500	\$15 325 700	\$58 902 800

* CEIC has paid \$950 292 under this program. The balance of the federal share will be paid by DREE.

ADMINIS- TRATION 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. The Canadian Forestry Service and the Canada Employment and Immigration Commission are represented.

SUBSIDIARY AGREEMENT

TITLE	Saint John and Moncton Arterial Highways
DURATION	February 17, 1975 to March 31, 1983 as amended December 16, 1975, December 13, 1977, March 22, 1978, November 28, 1978, March 22, 1979, July 23, 1979, August 22, 1980, March 13, 1981, and March 17, 1981.
OBJECTIVE	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	<p>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.</p> <p>Construction was initiated under the Canada-New Brunswick Special Areas agreement through which DREE contributed \$5.5 million toward the cost of constructing Wheeler Boulevard, a further \$2 million in loans for land acquisition, and \$21.3 million toward construction costs and a further \$6.7 million in loans for land acquisition for the Saint John Throughway. The entire throughway was opened in December 1976.</p> <p>These urban arterial highways will make a significant contribution towards economic and socio-economic development in these larger metropolitan areas of the province.</p> <p>This agreement was signed by the Minister of DREE, the Premier of New Brunswick and the New Brunswick Minister of Highways.</p>
ELEMENTS	<p>(a) <u>Saint John Throughway</u></p> <p>To complete the design and construction of certain portions of a limited-access throughway in the city of Saint John from the eastern end of the Harbour Bridge to MacKay Highway. Although not fully complete, this section of the throughway was opened to traffic on December 22, 1978.</p> <p>(b) <u>Wheeler Boulevard and Shediac Highway</u></p> <p>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 communities.</p>

FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Saint John Throughway	\$26 700 000	\$ 8 010 000	\$18 690 000
Wheeler Boulevard and Shediac Highway	<u>24 500 000</u>	<u>7 350 000</u>	<u>17 150 000</u>
TOTAL	\$51 200 000	\$15 360 000	\$35 840 000

ADMINIS-
TRATION AND
MANAGEMENT

Supervision will be carried out by a management committee consisting of an equal number of representatives of each government, designated by the respective federal and provincial ministers.

SUBSIDIARY AGREEMENT

TITLE	Planning						
DURATION	December 16, 1975 to March 31, 1982 (retroactive to April 1, 1975) as amended March 27, 1980 and March 31, 1980.						
OBJECTIVES	The objectives of this agreement are to provide funds to acquire external staff and services to undertake studies and to carry out the 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	<p>In recognition of the need to reinforce and supplement the provincial government's planning capability in order to better identify and analyse socio-economic development opportunities in New Brunswick, development of a planning subsidiary agreement under the GDA was undertaken.</p> <p>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 coordination requirements which are beyond the scope of other subsidiary agreements.</p>						
ELEMENTS	<p>It will provide funds to acquire external professional services in order to carry out the following tasks:</p> <ul style="list-style-type: none"> (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) coordination of the activities under each subsidiary agreement to permit reaction to changing circumstances and adjustment of program priorities where necessary. 						
FINANCIAL PROVISIONS	<table border="0" style="width: 100%; margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left; padding-right: 20px;">ESTIMATED TOTAL COST</th> <th style="text-align: left; padding-right: 20px;">PROVINCIAL SHARE</th> <th style="text-align: left;">FEDERAL SHARE (DREE)</th> </tr> </thead> <tbody> <tr> <td style="text-align: right; padding-right: 20px;">\$4 875 000</td> <td style="text-align: right; padding-right: 20px;">\$2 437 500</td> <td style="text-align: right;">\$2 437 500</td> </tr> </tbody> </table>	ESTIMATED TOTAL COST	PROVINCIAL SHARE	FEDERAL SHARE (DREE)	\$4 875 000	\$2 437 500	\$2 437 500
ESTIMATED TOTAL COST	PROVINCIAL SHARE	FEDERAL SHARE (DREE)					
\$4 875 000	\$2 437 500	\$2 437 500					
ADMINIS- TRATION AND MANAGEMENT	The overall management of this agreement will be the responsibility of a committee consisting of an equal number of representatives of each government, designated by the respective federal and provincial ministers.						

SUBSIDIARY AGREEMENT

TITLE	Minerals and Fuels Development
DURATION	June 24, 1976 to March 31, 1982 as amended March 27, 1980 and March 13, 1981.
OBJECTIVE	<p>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:</p> <p>(a) the promotion of private investment in both exploration and mine development;</p> <p>(b) the encouragement of further processing of indigenous minerals; and</p> <p>(c) measures aimed at contributing to national self-sufficiency in fuel supply.</p>
ELEMENTS	<p><u>Financing and Operation</u></p> <p>Canada is contributing 80% of the total eligible costs up to an amount of \$9 050 500 in federal funding which includes a 15% 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% of Canada's share of claims submitted based on estimates of costs actually incurred. There are two programs being implemented under this agreement:</p> <p>(a) <u>Opportunity Identification</u></p> <p>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.</p> <p>(b) <u>Opportunity Development</u></p> <p>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.</p>

FINANCIAL
PROVISIONS

	ESTIMATED TOTAL COST	PROVINCIAL SHARE	FEDERAL SHARE (DREE)
Opportunity Identification	\$ 6 310 625	\$1 262 125	\$5 048 500
Opportunity Development	<u>5 002 500</u>	<u>1 000 500</u>	<u>4 002 000</u>
TOTAL	\$11 313 125	\$2 262 625	\$9 050 500

ADMINIS-
TRATION AND
MANAGEMENT

Supervision will be carried out by a management committee consisting of an equal number of representatives of each government designated by the respective federal and provincial ministers.

SUBSIDIARY AGREEMENT

TITLE	Northeast New Brunswick
DURATION	June 23, 1977 to March 31, 1982 as amended January 30, 1978, February 11, 1978, February 18, 1980, March 7, 1980, April 11, 1980 and April 22, 1980.
OBJECTIVE	To improve the long-term well-being and standard of living of residents of northeast New Brunswick (defined as Restigouche and Gloucester counties and the Parish of Alnwick in Northumberland County) through the increased application of programs which improve the utilization of human and physical resources and accelerate development. The programs will be aimed at the creation of employment, earned income and economic activity.
BACKGROUND	<p>Past federal-provincial development efforts in the northeast of New Brunswick found their focus in the FRED agreement (1966-76). The principal objectives of this agreement, as revised in September 1972, were the creation of the greatest possible number of productive jobs and the improvement of the employability of area residents. Despite the efforts on the part of federal and provincial governments to accelerate the development of the region, the region's economy is still lagging behind that of the rest of the province.</p> <p>The proportion of the population of labour-force age actually employed has declined in recent years and currently is less than four-fifths the provincial average. Low levels of labour-force utilization are the primary reason for earned income per capita being only two-thirds the provincial average. Also, relative to the rest of the province, the region faces strict constraints including a relatively isolated location, an industrial structure heavily weighted toward the primary industries and low-level resource processing, relatively few economic linkages within the region, and a low-density rural population which lacks a strong urban centre.</p> <p>Nevertheless, significant opportunities to accelerate the development of northeast New Brunswick do exist. Development opportunities include activities which concentrate on the identification and realization of development in all sectors, including the primary industries, secondary manufacturing, the service sector, and the resource-processing industries.</p>
ELEMENTS	<p>There are six programs in this agreement:</p> <p>(a) the Industrial Development Program which consists of: providing industrial support services, supporting community business development projects, encouraging industrial development initiatives, promoting industrial and commercial service development, and a program of support for small business;</p> <p>(b) the Urban-Industrial Infrastructure Program which includes the provision of: industrial and municipal infrastructure including land acquisition, transportation-system development, regional and community planning;</p>

- (c) the Resource Development Program to facilitate the search for and promotion of resource industry development opportunities, to assure the development of resource centres and to undertake resource management;
- (d) the Human Resources Development Program to establish the Northeast Institute of Technology, to initiate special employment activities and to provide educational services;
- (e) the Special Housing Program with home-improvement assistance and Participation-Habitat; and
- (f) the Management and Implementation Program which coordinates the implementation, provides the planning, analysis and review of programs, and assures public information and consultation.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Industrial Development	\$24 000 000	\$ 6 000 000	\$18 000 000
Urban-Industrial Infrastructure	23 100 000	5 800 000	17 300 000
Resource Development	26 500 000	6 675 000	19 825 000
Human Resources Development	13 000 000	6 875 000	6 125 000
Special Housing	1 900 000	475 000	1 425 000
Management and Implementation	<u>7 000 000</u>	<u>2 500 000</u>	<u>4 500 000</u>
TOTAL	\$95 500 000	\$28 325 000	\$67 175 000

ADMINIS-
TRATION AND
MANAGEMENT

Supervision will be carried out by a management committee consisting of an equal number of representatives of each government, designated by the respective federal and provincial ministers. A regional implementation committee composed of one federal representative and one provincial representative will be responsible for current activities which include the supervision of each project of the agreement.

SUBSIDIARY AGREEMENT

TITLE	Development of Agricultural Resources
DURATION	April 1, 1978 to March 31, 1983 (signed March 22, 1978).
OBJECTIVE	To maximize the contribution of agriculture and related sectors to provincial output, earned income and employment.
BACKGROUND	<p>To meet this objective, measures will be undertaken for:</p> <p>(a) increasing the volume and efficiency of production;</p> <p>(b) expanding the range of processing activities; and</p> <p>(c) improving the marketing of commodities for which New Brunswick can develop a competitive advantage on domestic and export markets.</p> <p>These measures will be achieved through programs aimed at the development of human resources, improved farm technology, land improvement and the provision of both on-farm and off-farm infrastructure. This will be done in the context of separate strategies set up specifically for the following commodities:</p> <p>(1) potatoes;</p> <p>(2) fruit and vegetables; and</p> <p>(3) livestock and livestock feed.</p> <p>The terms of this subsidiary agreement were developed by a development committee comprised of representatives from DREE, Agriculture Canada, the New Brunswick Department of Agriculture and the New Brunswick Provincial Cabinet Secretariat. The committee based the terms on the evaluation of the experience gained from the first Canada-New Brunswick agricultural subsidiary agreement and New Brunswick's two-year Agricultural Resources Study. The agreement was signed by the federal ministers of DREE and Agriculture, the Premier of New Brunswick and the New Brunswick Minister of Agriculture and Rural Development.</p>
ELEMENTS	<p>There are six program elements designed to carry out the various commodity strategies:</p> <p>(a) <u>Human Resource Development</u></p> <p>(i) to provide for the development, presentation, and distribution of commodity production information; and to provide farm-management and production seminars to improve the skills of primary producers; and</p> <p>(ii) to improve the performance of producer organizations and public-sector services to producers.</p>

(b) Marketing and Industry Development

To assist in providing the resources to identify, develop and promote commodity markets and to obtain, analyze and distribute the commodity market intelligence necessary to establish activity priorities to meet the goals of the commodity strategies.

(c) Agricultural Facilities

To ensure that selected, basic off-farm capital investments which are required to meet production and marketing goals of the commodity strategies, are supplied by the private and public sectors. Assistance provided will be supplemental to all existing government programs.

(d) Agricultural Resource Development

To provide assistance and financial incentives to primary producers to plan and undertake on-farm investments designed to increase gross and net farm production, earned income and employment.

(e) Transfer of Technology

To develop and carry out, in cooperation with the private sector, pilot projects to test and demonstrate new crops and technologies for the production and marketing of agricultural projects in conformance with the commodity strategies, in order to increase production efficiency, improve returns, and encourage value-added activities.

(f) Implementation, Evaluation and Public Information

(i) to ensure that the minimum professional services are available to effectively implement the agreement;

(ii) to develop and carry out an agreed program of data collection and analysis for the effective management and evaluation of the agreement;
and

(iii) to ensure that there is a public awareness of the program.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Human Resource Development	\$ 4 000 000	\$ 800 000	\$ 3 200 000
Marketing and Industry Development	4 130 000	826 000	3 304 000
Agricultural Facilities	6 440 000	1 288 000	5 152 000
Agricultural Resource Development	14 600 000	2 920 000	11 680 000

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Transfer of Technology	2 250 000	450 000	1 800 000
Implementation, Evaluation and Public Information	<u>3 202 500</u>	<u>640 500</u>	<u>2 562 000</u>
TOTAL	\$34 622 500	\$6 924 500	\$27 698 000

ADMINIS-
TRATION AND
MANAGEMENT

A management committee, composed of two federal and two provincial representatives, will provide overall management of the agreement. DREE and Agriculture Canada will provide the federal representatives.

SUBSIDIARY AGREEMENT

TITLE	Developing Regions
DURATION	May 17, 1979 to March 31, 1983 as amended September 24, 1979, January 29, 1980, July 8, 1980 and February 27, 1981.
OBJECTIVE	To accelerate economic and socio-economic development, with special emphasis being given to urban centres with growth potential, through the application of federal-provincial programs which will improve the utilization of the respective regions' resources. The programs of this agreement will be aimed at the maintenance and creation of employment, income and economic activity.
BACKGROUND	<p>The failure of certain regions of the province to attain their potential for economic growth has emerged as a major obstacle to efforts to overcome regional disparities. Recognition of this fact has led to the development of the Northeast New Brunswick and Kent Region agreements. An analysis of relative economic performances of the province's regions, exclusive of the Northeast and Kent, reveals that the four regions constituting the area covered by the developing regions agreement have lagged behind the rest of the province.</p> <p>The performance of these regions remains below the provincial average and in particular below that of the urbanized areas of the province. Development opportunities have not been realized because of a lack of confidence on the part of private investors and lenders, inadequate municipal services, and a local tax base that is too small to generate revenues necessary to provide the services required for industrial expansion. The various projects included in the agreement will complement measures under already existing sectorial agreements.</p> <p>The four regions covered by this agreement are:</p> <ul style="list-style-type: none"> (a) Northwest -- comprised of Madawaska and Victoria counties. The predominant sectors of the region are forestry and agriculture with an expanding potential in tourism. (b) Miramichi -- comprised of Northumberland County, exclusive of the parishes of Alnwick, Rogersville and Hardwick. The most significant areas of activity and potential here are, as is noted in the Miramichi Task Force Report, in the primary and secondary forestry and in the transportation sectors. (c) Grand Lake Region -- comprised of Sunbury and Queens counties. Here, the Minto-Chipman area in particular has had a traditional association with coal mining. The area's recent history has seen a slow-down in the level of activity with the consequent adverse effects on area residents. However, faced with accelerating energy costs, New Brunswick coal now appears to offer increased potential as a domestic source of energy. This represents a possibility which will be pursued in the agreement. (d) Charlotte -- comprised of Charlotte County. Agreement projects will reflect the economic pre-eminence of the fishery and tourism sectors.

ELEMENTS

The main program elements of this agreement are:

- (a) Resource and Industrial Development -- This program, through project-specific initiatives, will strive to assist existing industries to realize identified opportunities and to remove constraints inhibiting the continued viability of existing operations. Projects funded under this program will correspond to specific development opportunities based on circumstances particular to a designated region which, due to program or funding limitations, may not be initiated under existing Canada-New Brunswick subsidiary agreements.
- (b) Municipal Development -- In many of the communities covered by this agreement, there is an identified need for municipal services, in particular water and sewage facilities. This program is directed to the removal of development constraints imposed by a lack of municipal infrastructure in specified communities.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Resource and Industrial Development	\$13 920 000	\$2 784 000	\$11 136 000
Municipal Development	<u>12 354 000</u>	<u>3 088 500</u>	<u>9 265 500</u>
TOTAL	\$26 274 000	\$5 872 500	\$20 401 500

ADMINIS-
TRATION 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.

SUBSIDIARY AGREEMENT

TITLE Pulp and Paper

DURATION August 27, 1980 to March 31, 1984.

OBJECTIVE To improve the viability and efficiency of the pulp and paper industry in New Brunswick.

BACKGROUND The New Brunswick pulp and paper industry is comprised of 11 mills, producing approximately 2.3 million tons of finished product per year. The industry dominates the manufacturing sector in New Brunswick, directly employing close to 6 000 people in the province.

The agreement is intended to accelerate and maximize private sector investment in the modernization of the mills, with particular emphasis on improved pollution-abatement facilities and energy conservation.

This agreement was signed by the ministers of DREE and Environment Canada on behalf of Canada, and by the Premier, the Minister of Commerce and Development and the Minister of Natural Resources on behalf of New Brunswick.

ELEMENTS Pulp and Paper Modernization -- to provide incentives to the pulp and paper industry to encourage and assist with investments directly related to pollution abatement, modernization of production processes, increases in value-added in production and efficient utilization of energy resources.

Public Information and Evaluation -- to evaluate and assess the programs contained in the agreement and to inform the public on the importance of the pulp and paper industry and the role of this agreement in the industry's development.

FINANCIAL PROVISIONS

	ESTIMATED TOTAL COST	PROVINCIAL SHARE	FEDERAL SHARE (DREE)
Pulp and Paper Modernization	\$42 200 000	\$8 440 000	\$33 760 000
Public Information and Evaluation	50 000	10 000	40 000
TOTAL	\$42 250 000	\$8 450 000	\$33 800 000

ADMINIS-TRATION AND MANAGEMENT Supervision will be carried out by a management committee consisting of an equal number of representatives of each government designated by the Minister of DREE (federal) and the Minister of Commerce and Development (provincial).

SUBSIDIARY AGREEMENT

TITLE **Saint John Market Square Development**

DURATION October 14, 1980 to March 31, 1983.

OBJECTIVES The objectives of this agreement are:

- (a) to revitalize the downtown core area of the city of Saint John;
- (b) to induce one or more private entrepreneurs to make substantial new capital investment in the city of Saint John; and
- (c) to increase employment opportunities in the city of Saint John.

BACKGROUND In 1968, under an urban renewal agreement for Saint John, \$22 million was pledged for the acquisition, clearing and servicing of lands required for the implementation of the North End-West Side Urban Renewal Scheme which for a number of reasons was never implemented.

In 1977, the three levels of government agreed to undertake and fund jointly a feasibility study of a new development scheme which was essentially a synthesis of earlier plans for the Market Square area. Subsequent negotiations between governments and a private sector developer led to the signing of this agreement for the construction of the trade centre and hotel components of a central building complex.

ELEMENTS Market Square Development, a major urban core redevelopment initiative, currently estimated at \$72.3 million, includes the construction of housing, hotel, trade centre, private office and retail space and a library. The subsidiary agreement covers the contributions towards the construction of the following major components of the central building complex:

- (a) a trade centre with meeting rooms and industrial display areas; and
- (b) a 152-room hotel.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Trade Centre	\$ 7 303 200	\$1 460 000	\$5 842 560
Hotel	<u>2 804 100</u>	<u>560 820</u>	<u>2 243 280</u>
TOTAL	\$10 107 300	\$2 021 460	\$8 085 840

Other federal monies towards the overall redevelopment initiative total \$12 million and include: CHMC (\$6.4 million), Public Works Canada (\$5.4 million) and DFO (\$0.1 million).

ADMINIS-
TRATION AND
MANAGEMENT

Supervision will be carried out by a management committee consisting of an equal number of representatives of each government designated by the respective federal and provincial ministers.

SUBSIDIARY AGREEMENT

TITLE **Forestry Development**

DURATION March 13, 1981 to March 31, 1984 (retroactive to April 1, 1980).

OBJECTIVE The scope of the agreement is confined to primary forestry, with the most crucial objective being to increase the sustainable wood supply, on both Crown and private lands, with emphasis on softwood.

BACKGROUND This agreement has been developed based upon the planning capability and infrastructure which was put in place with the assistance of the first forestry subsidiary agreement. The major thrust is toward intensive silviculture treatment to sustain the long-term wood supply.

ELEMENTS Silviculture Treatment -- to provide the basis for a sustainable supply of wood to meet the current fibre requirements of the existing New Brunswick wood-processing industry, in the most economically efficient manner possible.

 Forest Management, Planning and Development -- to improve long-term forest management planning and to develop more efficient operational forest management techniques.

 Private Woodlot Management -- to increase provincial income by developing the income-generating potential of private woodlots.

 Harvesting and Transportation -- to minimize the cost of specialized harvesting and transportation of wood fibre utilized in New Brunswick processing facilities.

 Evaluation and Public Information -- to evaluate and assess the programs contained in the agreement and to inform the public on the importance of the forest resource and the role of the agreement in forest management.

FINANCIAL PROVISIONS	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Silviculture Treatment	\$30 108 000	\$6 021 600	\$24 086 400
Forest Management, Planning and Development	3 572 000	714 400	2 857 600
Private Woodlot Management	1 900 000	380 000	1 520 000
Harvesting and Transportation	1 800 000	360 000	1 440 000
Evaluation and Public Information	<u>120 000</u>	<u>24 000</u>	<u>96 000</u>
TOTAL	\$37 500 000	\$7 500 000	\$30 000 000

ADMINIS-
TRATION AND
MANAGEMENT

Supervision will be carried out by a management committee consisting of an equal number of representatives of each government, designated by the respective federal and provincial ministers.

QUEBEC



GENERAL DEVELOPMENT AGREEMENT

The Canada-Quebec General Development Agreement (GDA) 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 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 optimum development of the various regions;
- (d) to promote increased participation of Quebecers in their own development; and
- (e) to promote balanced development in Quebec in relation to the various regions of Canada.

To pursue these objectives, 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 centred 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 development, we can still identify certain activities which play a promoting role in development. First we have the case of tourism, the impact of which 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 socio-economic development of Quebec. It also permits Canada and Quebec to better coordinate their respective initiatives in the development of the province.

Summaries of currently active subsidiary agreements follow.

SUBSIDIARY AGREEMENT

TITLE	Key Highway Networks
DURATION	September 13, 1974 to March 31, 1982 as amended March 31, 1976, June 22, 1977 and March 30, 1978.
OBJECTIVES	<p>In the realization of industrial, regional and urban development programs implying rapid means of communication between the various urban centres, to establish a comprehensive highway infrastructure to consolidate the key role of these centres. A further objective of the projects to be undertaken under this agreement is to promote increased movement of industrial products between the various regions of Quebec.</p> <p>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 industrial corridor will be accelerated and communication links with the vast Montreal market will be greatly improved.</p> <p>The amendment signed on March 31, 1976 regarding the construction of Autoroutes 10, 51 and 55 will promote commercial, industrial and tourist activity by improving the highway links in the Sherbrooke region with the industrial towns of the Saint-François Valley and the Bois-Francs region, as well as with Trois-Rivières - Bécancour.</p> <p>Work will also have to be completed on another departmental project in the Sherbrooke region: development of a vast regional industrial park adjacent to the proposed autoroute.</p> <p>Another project consists of reconstruction work on Highway 138 linking Port-Cartier and Sept-Îles, which form the urban centre with the highest rate of economic and demographic growth in Quebec. In addition, this project will mark the continuation of our activities in this region, including the establishment of SIDBEC and Rayonnier-Québec at Port-Cartier and the numerous projects undertaken under the Special Areas agreement.</p> <p>The objective of the second amendment, signed on June 22, 1977 and covering five additional highway projects, is to provide the Mauricie, the North Shore, Eastern Quebec, the Saguenay and the Northwest with highway networks that will promote the industrial development of these regions.</p> <p>It is in this perspective that the following projects are being undertaken: construction of the second half of the divided highway and cloverleafs for Autoroute 40 between Berthier and Pointe-du-Lac, construction of the second half of the divided highway and cloverleafs for the Route Transquébécoise A-55 between Trois-Rivières and Shawinigan, and reconstruction of Highway 132 in the Lower St.</p>

Lawrence - Gaspé region and Highway 199 on the Magdalen Islands. Finally, two additional projects consist of reconstruction of Highway 117 from Saint-Jovite to Louvicourt through La Vérendrye Park and construction of Autoroute 70 for a distance of 51.8 km between Saint-Bruno and La Baie.

Finally, a third amendment, signed March 30, 1978, is aimed at finishing the highway network serving Mirabel International Airport by completing Highway A-13 and continuing the construction of Highway A-50 between Dorval and Mirabel.

BACKGROUND

The territory along the south shore of the St. Lawrence between Boucherville and Tracy already boasts healthy industrial activity, based mainly on the metallurgical and iron-and-steel industries. The area already has access to excellent harbour facilities, including a vast shipyard and supplies of electricity. Moreover, it is gaining considerable ground in several other sectors such as the petrochemical industry, electricity, research and the heavy-metal industry.

There are two essential considerations in the reconstruction of Highway 138: universal accessibility to the principal services concentrated in Sept-Îles, and safety, in view of the increase in heavy traffic resulting from new industrial activities.

The existing highway network is inadequate, and risks hampering further development unless corrective measures are taken. The road improvements to be made should alleviate the situation, keep the growth rate at its present level and maximize the industrial upswing in the regions with high potential for economic development.

On the North Shore, the only links between the two major centres of Montreal and Trois-Rivières are Highway 138 and the partially completed Autoroute 40. Highway 138, which passes through all the villages bordering the river, is narrow, winding and congested by local traffic along its entire length. Even in 1972 its average daily volume of traffic was 6 300 to 8 800 vehicles. Already much of the traffic is shifting toward the corridor of Autoroute 40, which is reason for building it as soon as possible. Last, a large number of vehicles use Autoroute 20 on the south shore of the St. Lawrence rather than take a chance on Highway 138, thereby contributing to the congestion on the bridges to the south shore of Montreal and to Autoroute 20 itself. The objectives of this project are to link the regional capitals by means of an efficient, safe and rapid highway; to promote development of existing industrial centres and promote the establishment of new industry; to facilitate through traffic and reduce pressure on the roads running parallel to the river (Autoroute 20 and Highway 138); and to extend the present level of service of the Laviolette Bridge and of the bridges leading to the south shore of Montreal. DREE has already recognized the industrial vocation of Trois-Rivières and its important role as a regional capital by contributing, under the Canada-Quebec Special Areas agreement, to the establishment of major industrial and highway infrastructure. DREE has also participated financially in the construction of the Trois-Rivières/Pointe-du-Lac section.

The only existing rapid highway link between Trois-Rivières and Shawinigan is the first lane of Autoroute 55, which has been in operation for several years. By 1975, an average of almost 5 500 vehicles per day were using this road, and an increase of 23% was registered during the first eight months of 1976. If the second half of the divided highway and cloverleaves are built, within six or seven years this autoroute will bear an average daily traffic of almost 10 000 vehicles on the section between Trois-Rivières and Shawinigan, and almost 14 000 on the section between Shawinigan and Grand-Mère, which is already under construction. The objectives of this project are to increase capacity and safety by constructing another lane, making the road a divided highway and constructing cloverleaves, to promote the industrial development of Trois-Rivières and Shawinigan by linking the various poles of the urban agglomeration by means of a modern highway forming an integral part of the Route Transquébécoise, to promote improved accessibility to the various urban centres spread out in a line and to facilitate through traffic and accessibility to tourist areas (for example, Mauricie National Park).

Highway transport forms the backbone of the regional economy of the Lower St. Lawrence - Gaspé area, in terms of both tourism and primary industry. The principal highway network consists of a major peripheral road (Highway 132), a number of crossroads at the eastern and western ends and a regional road cutting across the middle of the peninsula. The fact that this link is peripheral and is the only one on a large part of the peninsula means that this road is extremely vulnerable to poor weather conditions and that a continual watch must be kept on its condition. Highway 132 (around the Gaspé) is 858 km long. Since 1968, 431 km have been improved, 183 of which were financed under the FRED agreement at a cost of \$54.6 million. The section of Highway 132 between Cacouna and Sainte-Flavie is 119 km long, 39 of which have been reconstructed. The upgrading program for this road calls for the reconstruction of 60 km at a cost of \$10 million. Highway 199, in the Magdalen Islands, is 96 km long. Thirty-two kilometres have already been improved and the planned upgrading of the last 37 km is estimated at \$8 million. The objectives of this project are to reduce the costs of access to markets; to stimulate tourism and ensure a higher level of service; to promote communication between the various centres spread out in a line along the peninsula; and to promote exchanges with the other regions of the province. In addition to achieving the aims stated above, the upgrading of Highway 132 will constitute an important adjunct to the investments already made under the FRED agreement, as it will bring in a return on sums invested in the development of the Rimouski, Mont-Joli, Rivière-du-Loup and Matane municipal industrial parks, the development of the Rivière-au-Renard, Paspébiac and Grande-Rivière fishery industrial parks and the harbour infrastructure of the Matane rail ferry.

The present Highway 117 (old Highways 11 and 58) is the principal highway link in this vast territory. This highway is inadequate to carry the some 8 000 vehicles that were seen on an average summer day in 1976 north of Saint-Jovite. This volume, 13% of which consists of heavy vehicles, has increased by 5% in each of the last three years. The traffic flow of 25 000 vehicles established for an average summer weekend in 1976 (total for 48 hours) illustrates the leisure use to which this road is now being put. A study of existing operating conditions on this road shows that, because of numerous substandard curves and steep grades, passing

visibility is extremely low and the average basic speed is far below the legal limit. Drainage, foundations and paving are in poor condition, and the width of the roadway and the shoulders as well as the grades leading to the ditches fail to meet modern standards. In a number of cases there are obstacles less than 9 m from the roadway. Since the Laurentian Autoroute 15 has been extended to Sainte-Agathe, and Highway 117 between Sainte-Agathe and Saint-Jovite has recently been reconstructed into a four-lane divided highway, and since the regular development budget of the Quebec Department of Transport would not allow improvement of the highway infrastructure under consideration here to be contemplated for a number of years, there would soon be a severe congestion of the existing highway which is already in poor condition, and this would result in a slowdown in the development of this high-potential region. The objectives of this project are to promote tourist development in the region by advancing the reconstruction of its main highway over a number of years, to facilitate access to the exploitation of the region's natural resources (forest, mineral and so on), to consolidate the region's links with the Montreal area and to consolidate the principal highway network and further extend it toward the northwest where the urban centres of Val-d'Or and Rouyn-Noranda constitute an important industrial development area. In addition to achieving the major aims stated above, the reconstruction of Highway 117 will also make it possible to establish a complete highway link serving the James Bay hydro-electric complex, since there is now a modern road linking Matagami to LG 2. In addition, DREE has actively participated in tourist, agricultural, forestry, mining and industrial development in Abitibi through a number of agreements concluded with Quebec. The financial participation of DREE in the reconstruction of Highway 117 forms part of an integrated effort for economic development in this region.

South of the Saguenay River there are three roads serving the area between Alma and La Baie: Highway 169 between Alma and Saint-Bruno, Highway 170 between Saint-Bruno and La Baie and Highway 372 between Jonquière and La Baie by way of Chicoutimi. These roads pass through urban or semi-urban areas, an example being Highway 170 in La Baie, Jonquière and Arvida. Traffic volume is relatively large: the average daily traffic on these roads is 4 500 vehicles near La Baie and Alma and over 12 000 between Chicoutimi and Jonquière.

If current trends persist, projections indicate that traffic volumes will increase appreciably by 1986 (because of major industrial developments and the growth of urban centres). The present highway network would not then be adequate to meet these needs. The Quebec Department of Transport has put forward two possible solutions to this problem: improving the existing highway network or building an autoroute between Alma and La Baie. Following an analysis, building an autoroute was recommended because, although improving the existing network might provide a short-term answer, the department points out that, in the medium- and long-term, building an autoroute would better meet needs in terms of capacity and safety and would, moreover, promote development of the region. The objectives of this project are, therefore, to improve traffic in terms of capacity and safety and to contribute to both the economic and urban development of the region. In addition to achieving the aims stated above, the construction of Autoroute 70 will

constitute a necessary complement to other departmental projects in the Saguenay - Lac Saint-Jean region, including the development of a regional park adjacent to the proposed autoroute. This industrial park is being developed under the subsidiary agreement on industrial infrastructure.

Finally, the work planned in the framework of the third amendment will make it possible to establish a direct link between Dorval, the west of the Island of Montreal and Laval, and Mirabel International Airport. The completion of route A-13 will encourage the industrial and commercial development of this region and especially of the Mirabel airport park (PICA) created by a Canada-Quebec agreement in 1976.

These projects have been developed in consultation with a number of federal departments, in particular Finance and Transport, as well as with various provincial departments. They have been ratified by DREE and the Minister responsible for the Quebec Planning and Development Bureau.

ELEMENTS

The first project involves the construction of a divided highway with two lanes in each direction from Boulevard Grande Rivière in Tracy to Montée Sainte-Julie (47 km), and construction of two additional lanes from Montée Sainte-Julie to the Trans-Canada Highway (5 km). This project covers a distance of 51 km of new highway and the work includes roadway structures, drainage system, signs, lighting and displacement of public utilities.

The two projects covered by the first amendment are the construction of Autoroute 10 for a distance of 19 km between Omerville and Sherbrooke and of Autoroutes 51 and 55 for a distance of 35 km between Sherbrooke and Drummondville, and the reconstruction of Highway 138 (15) for a distance of 59 km between Port-Cartier and Sept-Îles, including entry into Sept-Îles as far as the Poste River west of the town.

Under the second amendment to the agreement, the following five projects are being undertaken: construction of the second half of the divided highway of Autoroute 40 for 36 km, four cloverleaves, 11 bridges and viaducts and a highway rest stop, thereby completing Autoroute 40 from Montreal to Trois-Rivières; construction of the second half of the divided highway between Trois-Rivières and Shawinigan (31 km), seven cloverleaves, two grade-separation bridges and one viaduct above the railway line at Shawinigan; reconstruction of Highway 132 between Cacouna and Sainte-Flavie and around the Gaspé, and reconstruction of Highway 199 in the Magdalen Islands; reconstruction of Highway 117 between Saint-Jovite and Louvicourt, consisting of a four-lane highway from south of Saint-Jovite to north of Labelle (39 km) and a two-lane highway to Louvicourt (331 km); and, finally, construction of a divided highway with two lanes in each direction between Alma and La Baie (52 km), including construction of six cloverleaves and two river crossings.

Finally, the third amendment involves the construction of 21.5 km of highway and 19 interchanges.

FINANCIAL
PROVISIONS

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>
Autoroute 30 from Boucherville to Tracy	\$ 49 000 000	\$ 19 600 000	\$ 29 400 000
Route 138 between Sept-Îles and Port-Cartier	24 175 000	9 670 000	14 505 000
Autoroutes 10, 51 and 55 Sherbrooke/Drummondville	59 500 000	23 800 000	35 700 000
Autoroute 40 between Berthier and Pointe-du-Lac	32 000 000	12 800 000	19 200 000
Autoroute 55 between Trois-Rivières and Shawinigan	22 600 000	9 000 000	13 600 000
Highways 132 and 199 - Gaspé and Magdalen Islands	148 000 000	123 000 000	25 000 000
Reconstruction of Highway 117 from Saint-Jovite to Louvicourt	36 000 000	14 400 000	21 600 000
Autoroute 70 between Alma and La Baie	26 000 000	10 400 000	15 600 000
Rapid Highway Link Montreal - Mirabel (A-13 and A-50)	<u>50 000 000</u>	<u>20 000 000</u>	<u>30 000 000</u>
TOTAL	\$447 275 000	\$242 670 000	\$204 605 000
Reserve	<u>1 500 000</u>	<u>600 000</u>	<u>900 000</u>
GRAND TOTAL	\$448 775 000	\$243 270 000	\$205 505 000

ADMINIS-
TRATION 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 appointed by their respective federal and provincial ministers, will be set up to supervise the implementation of the agreement and to handle routine administration. Quebec will be represented on this committee by one representative from the Quebec Planning and Development Bureau and one representative from the Department of Transport. The federal government will be represented by one representative from DREE and one representative from Transport Canada.

SUBSIDIARY AGREEMENT

TITLE	Forest Development
DURATION	March 26, 1975 to March 31, 1984, as amended December 9, 1976, June 22, 1977, May 15, 1979 and February 11, 1980.
OBJECTIVES	To promote the development of Quebec's timber resources through the construction or improvement of forest access roads; to maximize output per hectare of woodland through intensive forest management; to rationalize timber allotment and to ensure improved utilization of available timber; and to improve the competitive position of all parts of the forestry sector.
BACKGROUND	<p>The forest, one of the few renewable natural resources, is a major element of Quebec's economy. However, a shortage of timber is expected by the 1990s, and a study by the Quebec Department of Lands and Forests on the state of the pulp and paper industry indicates that half of the comparative disadvantage at which the province finds itself in its competition with the southern United States is accounted for by the higher cost of timber in Quebec. In 1977, the difference in the cost of producing a ton of newsprint was estimated at \$25.</p> <p>This difference is generally the result of low-resource yield and a slower rate of growth in Quebec forests due to harsh climatic conditions and the almost complete absence of any forest management. These factors mean that a larger area must be logged off to produce an equivalent quantity of timber. Consequently, considerably longer access roads are needed; this entails greater transportation costs and longer distances from the labour supply. In addition to being far away from the mills, sources of wood are often widely separated, thereby increasing the cost of delivered timber. Distribution of timber and sawmill by-products (chips, sawdust and shavings) presents the major problem in the allocation of resources among the various users or processors.</p> <p>Finally, the cost of delivering timber which the industry buys either from private forests or as sawmill waste is much higher than that of our competitors, mainly because of the distances it must travel.</p> <p>In certain regions of the province, the shortage of timber is holding back industrial development or is preventing the establishment of new businesses. In other regions, businesses are surviving only by importing large quantities of timber from the United States.</p> <p>Consequently, Quebec must adopt a policy to develop the provincial forests, particularly commercial and private ones. An intense program of applied research in the techniques of reforestation will hasten attainment of the objectives.</p> <p>This subsidiary agreement was prepared in consultation with a number of federal departments, including the departments of the Environment (Forestry) and Industry, Trade and Commerce, as well as various provincial departments. The agreement was signed by the Minister of DREE and the Minister responsible for the Quebec Planning and Development Bureau.</p>

ELEMENTS

Part I - Forest access roads

Construction of access roads to the Crown forest of the Saguenay/Lac-Saint-Jean area, in eastern Quebec, in the Quebec City area, in the Trois-Rivières region, in the Abitibi/Témiscamingue area and on the North Shore. Construction of logging roads in concessions subject to renewal in eastern Quebec, in the Saguenay/Lac-Saint-Jean area, in the Quebec City, Trois-Rivières, Montreal and Outaouais regions, in northwestern Quebec and on the North Shore.

Part II - Silviculture and reforestation

The aspect of the agreement concerning silviculture covers forestry work, public forests and aid to private forest production.

The reforestation aspect covers seed production and the various activities connected with the development of tree nurseries.

Part III - Studies

The agreement allocates funds for studies of the development of efficient timber allocation.

FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
<u>Part I - Access roads</u>			
Crown forests	\$120 060 000	\$ 48 024 000	\$ 72 036 000
Reserve	13 140 000	5 256 000	7 884 000
Concessions subject to renewal	32 174 000	12 869 000	19 305 000
Reserve	4 826 000	1 931 000	2 895 000
<u>Part II - Silviculture and reforestation</u>	137 635 000	55 054 000	82 581 000
Reserve	11 498 000	4 599 000	6 899 000
<u>Part III - Studies</u>	3 000 000	1 200 000	1 800 000
GRAND TOTAL	\$322 333 000	\$128 933 000	\$193 400 000

ADMINIS-
TRATION AND
MANAGEMENT

Supervision will be effected by a development committee set up under the terms of the General Development Agreement. A management committee consisting of an equal number of federal and provincial representatives, appointed by the federal and Quebec ministers, has been set up to supervise the agreement's implementation and to look after its routine management. The federal Department of the Environment (Canadian Forestry Service) is represented on this committee.

SUBSIDIARY AGREEMENT

TITLE	Industrial Infrastructure
DURATION	March 26, 1975 to March 31, 1983 as amended December 9, 1976, January 24, 1978 and February 23, 1979.
OBJECTIVE	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	<p>The development of the manufacturing sector in Quebec is dependent on the reinforcement of a network of infrastructure to encourage 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.</p> <p>The installation of infrastructure necessary for the fish-processing industry in the Lower St. Lawrence, the Gaspé, Magdalen Islands and North Shore areas, will be facilitated, in that it enables the development of the fishery industrial parks to be completed.</p> <p>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 action 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 optimum development of the various regions.</p> <p>This agreement was developed in consultation with several federal departments, more particularly with the departments of Fisheries and Oceans, and Finance, as well as with various provincial departments. It was signed by the Minister of DREE and the Minister responsible for the Quebec Planning and Development Bureau.</p>
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; (Haut-Saguenay, Saint-Romuald, Valleyfield, Rimouski, Rivière-du-Loup, Rouyn, Sherbrooke, Alma, Drummondville, Sept-Îles, Noranda, Trois-Rivières, Victoriaville, Val-d'Or, Matane, Saint-Georges-de-Beauce, Saint-Hyacinthe, Joliette, Montmagny, Outaouais, Delson, Saint-Augustin, Saint-Jérôme, Baie-Comeau/Hauterive, Sorel, Bernières, Saint-Jean, Granby, Shawinigan/Grand-Mère, Longueuil, Varennes, Montreal);
- (b) establishment and development of several well-equipped fishery industrial parks in the Gaspé and Magdalen Islands areas and fishery infrastructure in the North Shore area (Paspébiac, Cap-aux-Meules, Rivière-au-Renard, Grande-Rivière, Côte-Nord, Gascons, Millerand); and
- (c) the provision of essential infrastructure projects in municipalities which are financially incapable of meeting the industrial requirements of specific industries (Sacré-Coeur, Saint-Honoré, Les Méchins, La Tuque, Chute-aux-Outardes, La Baie, Magog, Amos).

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Industrial Parks Reserve	\$ 72 077 000 4 453 000	\$28 831 000 1 781 000	\$43 246 000 2 672 000
Fishery Parks Reserve	20 028 000 2 372 000	8 011 000 949 000	12 017 000 1 423 000
Punctual Interventions Reserve	4 742 000 <u>33 998 000</u>	1 897 000 <u>13 599 000</u>	2 845 000 <u>20 399 000</u>
TOTAL	<u>\$137 670 000</u>	<u>\$55 068 000</u>	<u>\$82 602 000</u>

ADMINIS-
TRATION 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.

Fisheries and Oceans has been invited to participate in the supervision of the development of fishery industrial parks.

SUBSIDIARY AGREEMENT

TITLE	Agricultural Development
DURATION	March 29, 1976 to March 31, 1982 as amended June 22, 1977 and June 15, 1980.
OBJECTIVE	The objective of this agreement is to implement an integrated land reclamation program on the Montreal Plain and to pursue the land-use adjustment program in Eastern Quebec, Saguenay - Lac-Saint-Jean - Chibougamau and Abitibi - Témiscamingue, and to gradually apply it as needed to the other regions of Quebec outside the Montreal Plain.
BACKGROUND	<p>From 1963 to 1975, net farm incomes increased by only 16% (constant dollars) in Quebec, compared with 34% in Ontario and 29% for the whole of Canada. At the same time, the population has constantly increased, necessitating an increase in food production. The amount of farmland, both cleared and under cultivation, has dropped dramatically in the past 10 years, and this has resulted in a considerable falling-off of agricultural production in Quebec.</p> <p>Over the past 20 years, the province has thus become increasingly less self-sufficient, principally in meat, beef and potatoes, so that it must depend on imports to meet a large part of its food requirements.</p> <p>More than a third of Quebec's 2.4 million ha of farmland is on the Montreal Plain, an area of consistently high-quality soils lying within Quebec's most favourable climate zone. The Montreal Plain represents the main area of consumption in Quebec, a fact which should normally favour industrialization of the farming sector.</p> <p>However, the fairly uniform level of the land and high water table constitute major constraints: the excess water remaining in the soil in spring and during heavy rains interferes with sowing and harvesting and results in poor harvests.</p> <p>The integrated land reclamation program on the Montreal Plain will allow a significant improvement in productivity and the diversification of products, thereby favouring the establishment of food-processing plants.</p> <p>For some years now, the nature of farming has been changing both on the Montreal Plain and in other regions of Quebec. From a labour-intensive operation, it has become a capital-intensive one, because decreasing profit margins and labour shortages have led to farm consolidation and greater mechanization. In regions of lower capability than the Montreal Plain, however, farmers take longer to adjust to these new conditions, so that there is a certain amount of catching up to be done.</p> <p>Land-use adjustments have become necessary to consolidate good farmland and to remove low-capability cleared land from agriculture.</p> <p>The land-use adjustment program consists of a series of closely interrelated measures designed both to remove low-capacity land from agriculture and to consolidate and improve good agricultural land.</p>

ELEMENTS

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

- (a) municipal watercourse engineering aimed at controlling the drainage of excess water while conserving water for irrigation;
- (b) optimum development of organic soils based on soil analysis and a master development plan;
- (c) reclamation of the alluvial lands around Lac Saint-Pierre, subject to annual flooding, with a view to reclaiming and protecting an area of about 12 000 ha;
- (d) underground drainage aimed at providing, together with surface drainage, the protection required to introduce or extend intensive crops under the climatic conditions peculiar to the Montreal Plain; and
- (e) land-use adjustment in the various regions of Quebec outside the Montreal Plain.

FINANCIAL REVISIONS

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>
<u>Land-Use Adjustment</u>			
01* - Eastern Quebec	\$ 3 950 000	\$1 580 000	\$ 2 370 000
09 - Northwest Quebec	3 950 000	1 580 000	2 370 000
12 - Saguenay - Lac-Saint-Jean	3 950 000	1 580 000	2 370 000
02 - Quebec City	853 000	341 000	512 000
03 - Beauce	1 100 000	440 000	660 000
08 - Outaouais	1 045 000	418 000	627 000
05 - Eastern Townships	1 012 000	405 000	607 000
11 - Trois-Rivières	437 000	175 000	262 000
10 - L'Assomption	407 000	163 000	244 000
04 - Nicolet	466 000	186 000	280 000
SUB-TOTAL	\$17 170 000	\$6 868 000	\$10 302 000

*Quebec Department of Agriculture's agricultural regions

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
<u>Land Reclamation</u>			
Municipal Watercourses			
- Montreal Plain	\$ 21 721 000	\$ 8 688 000	\$13 033 000
Underground Drainage			
- Montreal Plain	49 130 000	19 652 000	29 478 000
Superficial Drainage			
- Mirabel	495 000	198 000	297 000
Municipal Watercourses			
- Eastern Quebec	3 750 000	1 500 000	2 250 000
Underground Drainage			
- Eastern Quebec	1 000 000	400 000	600 000
Municipal Watercourses			
- Northwest Quebec	1 250 000	500 000	750 000
Municipal Watercourses			
- Saguenay - Lac-Saint-Jean	3 750 000	1 500 000	2 250 000
Underground Drainage			
- Saguenay - Lac-Saint-Jean	<u>5 000 000</u>	<u>2 000 000</u>	<u>3 000 000</u>
SUB-TOTAL	\$86 096 000	\$34 438 000	\$51 658 000
GRAND TOTAL	\$103 266 000	\$41 306 000	\$61 960 000

ADMINIS-
TRATION 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 appointed by the federal and provincial ministers, will be set up to supervise the implementation of the agreement and to handle routine administration. Agriculture Canada will participate in the routine administration of the projects under this agreement through its representative on the management committee.

SUBSIDIARY AGREEMENT

TITLE	Mineral Development
DURATION	March 29, 1976 to March 31, 1982 as amended March 25, 1977, March 15, 1978, March 27, 1980 and March 30, 1981.
OBJECTIVE	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	<p>Despite the considerable potential of Quebec's sub-soil, the distribution of exploitable mineral resources is very uneven from one region to another.</p> <p>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.</p> <p>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.</p> <p>Private industry invests between \$10 and \$15 million annually in mineral exploration in Quebec.</p> <p>Investments in the order of \$25 to \$30 million, 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.</p> <p>The processing industry is weak in relation to mineral production and is not sufficiently diversified.</p> <p>Working low-density and complex ore deposits present 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 prevent 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.</p>

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

(a) 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.

(b) 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 drillhole geophysics.

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

(c) Industrial Research and Development Projects

The research and development program will centre on the development of procedures for 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.

FINANCIAL
PROVISIONS

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			
- permanent roads	\$ 4 985 000	\$ 1 994 000	\$ 2 991 000
- mining access roads	7 476 000	2 990 000	4 486 000
Geoscientific Mineral Studies			
- geological surveys	1 135 000	454 000	681 000
- geoscientific surveys	2 085 000	834 000	1 251 000
- geochemical surveys	900 000	360 000	540 000
- other surveys	1 990 000	796 000	1 194 000
Geoscientific Petroleum Studies	1 455 000	582 000	873 000
Valorization and Development	8 360 000	3 344 000	5 016 000

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Reserve Capital	<u>64 000</u>	<u>26 000</u>	<u>38 000</u>
TOTAL AVAILABLE	\$28 450 000	\$11 380 000	\$17 070 000
Repayments Made by Quebec	<u>150 000</u>		
INITIAL TOTAL	\$28 600 000		

ADMINIS-
TRATION 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. Energy, Mines and Resources will participate in the routine administration of these projects through its representative on the management committee.

SUBSIDIARY AGREEMENT

TITLE	Airport Industrial and Commercial Park (PICA)
DURATION	June 18, 1976 to March 31, 1982 as amended November 25, 1977 and March 7, 1979.
OBJECTIVES	<p>The agreement is aimed at increasing industrial development through the establishment of an industrial airport complex integrating the whole range of activities of a modern airport and the various means of transportation converging on it.</p> <p>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 for carrying out industrial projects.</p>
BACKGROUND	<p>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.</p> <p>This Canada-Quebec subsidiary agreement on the financing of the Société's capital assets is designed to extend the subsidiary agreement on industrial infrastructure. This agreement differs from the previous one in its two composing facets: first, the intended international 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.</p> <p>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.</p> <p>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.</p> <p>The airport park will encourage not only the creation of new jobs but also the establishment of high-growth industries, namely those most likely to strengthen or modify Quebec's industrial structure.</p>

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% and Canada for 40% of the Société's common shares.

The Société's board of directors will be made up of seven members who will be the directors of the Société as defined in the Companies Act.

ELEMENTS

(a) 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 Saint-Canut purification plant.

(b) 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.

(c) Downtown Mirabel

Included under this heading are 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.

(d) 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.

FINANCIAL PROVISIONS

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

	ESTIMATED TOTAL COST	PROVINCIAL SHARE	FEDERAL SHARE (DREE)
Waste-Water Evacuation System	\$ 3 634 000*	\$1 454 000	\$2 180 000
Physical Development	6 634 000*	2 653 000	3 981 000
Mirabel Infrastructure (Downtown)	550 000*	220 000	330 000

*Including 10% of indirect costs.

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Administration	1 560 000	624 000	936 000
Reserve	<u>914 000</u>	<u>366 000</u>	<u>548 000</u>
TOTAL	\$13 292 000	\$5 317 000	\$7 975 000

ADMINIS-
TRATION 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.

SUBSIDIARY AGREEMENT

TITLE	Water Treatment Facilities for the Montreal Area
DURATION	March 30, 1978 to March 31, 1982 as amended December 7, 1978.
OBJECTIVES	<p>Quebec's Environmental Protection Service has created a program to treat the waste water of major urban areas in Quebec. Within this program, priority has been given to the Montreal area.</p> <p>The aim of this agreement is to ensure that the population of the Montreal area has a supply of drinking water of high quality. It is also necessary to ensure that the present and future metropolitan population can make use of the Rivière-des-Prairies, the Rivière des Mille Îles and Lake St-Louis for recreational purposes. The development of the river corridor and more particularly the authorization to develop Ste-Thérèse Island as an urban recreation and resort park requires that the sewage flowing into the river upstream of the island be treated. This last point completes the objectives of this agreement.</p> <p>Note however that, as well as participating in the work program of the Montreal Urban Region, other infrastructure projects of waste-water treatment in the Montreal region could be approved by the ministers and be part of Phase II of the agreement.</p>
BACKGROUND	<p>In view of the importance of the Montreal area, its large population, and its geographical location upstream of other major sources of pollution, it is mandatory that the water-treatment program for this area be implemented promptly.</p> <p>There are a number of reasons which militate in favour of the immediate commencement of the project. First, the Montreal area is the largest source of water pollution in Quebec. Second, studies of the St. Lawrence River show that effluents from the Montreal area have a major impact on the quality of the river's water because of the large quantities of nutrients and toxic metals contained therein. Third, the industrial depollution programs would be seriously endangered if Montreal's water-purification program suffered any major delay.</p> <p>Works valued at \$300 million have already been authorized under the initial phase of the Montreal area water-treatment program. To start and step up the implementation of subsequent phases, both governments have agreed to participate in the financing of the programs under which the various elements will be completed.</p>
ELEMENTS	To be determined.
FINANCIAL PROVISIONS	This is the list of the projects that will be carried out by the province under the terms of the agreement:

<u>PHASE I</u>	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
One, or a combination of the following:	\$110 000 000	\$44 000 000	\$ 66 000 000
- Completion of North main sewer			
- Pumping station			
- Pre-treatment plant			
- Drainage Channel No. 1			
<u>PHASE II</u>			
Other infrastructure to treat waste water of the Montreal area	<u>90 000 000</u>	<u>36 000 000</u>	<u>54 000 000</u>
TOTAL	\$200 000 000	\$80 000 000	\$120 000 000

ADMINIS-
TRATION 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. Representatives of the Quebec Planning and Development Bureau will participate on Quebec's behalf. Representatives of DREE will participate on behalf of the federal government.

SUBSIDIARY AGREEMENT

TITLE	Tourism Development
DURATION	April 6, 1978 to March 31, 1983.
OBJECTIVES	<p>Since tourism is a multi-faceted industry involving a variety of complementary activities, this subsidiary agreement was designed to take this diversity into account.</p> <p>Since the tourist industry occupies an important position in the Quebec economy, measures should be introduced to increase the number of visitors to the province and to consolidate the resulting economic benefits.</p> <p>Furthermore, since Quebec's cultural and historical heritage is a major tourist attraction, its potential should be further developed through appropriate action. The French character of Quebec is unique in America and holds an especially strong attraction for foreign visitors.</p> <p>Quebec's geography and the diversity of its regions give the province a wide variety of attractions that should be turned to advantage in stepping up tourism development. Tourist facilities suited to Quebec conditions should be set up, especially in connection with winter sports activities.</p> <p>Finally, since all of Quebec's regions offer a range of tourist attractions that can attract a diversified clientele, the agreement will make it possible to set up infrastructure appropriate to each region's tourism potential.</p>
BACKGROUND	<p>Among the activities in the tertiary sector that can make a major contribution to economic development and foster a more balanced regional growth, the tourist industry occupies a prominent position in Quebec, especially in terms of creating jobs. Tourism now ranks second in importance only to the pulp and paper industry. In 1977, the tourist industry directly or indirectly employed over 200 000 people in Quebec, 85% of them in hotels and restaurants and 15% in entertainment and recreation.</p> <p>Because of its diversified nature, tourism development has an impact on several sectors of the economy, particularly construction, transportation, retail trade, manufacturing and services. Since tourism activities largely involve the purchase of goods and services, they stimulate a flow of capital and have an effect on the spatial distribution of income. In any region with good tourism potential, the tourist industry contributes to the region's prosperity and helps reduce unemployment, since it requires a great deal of manpower.</p> <p>The economic importance of local tourism in terms of entertainment and recreational activities is becoming increasingly apparent. While it is still desirable to attract more tourists from outside the province, there is now a growing need to improve the quality and increase the number of tourist attractions and areas visited by Quebecers themselves. With more and more disposable income being spent by Quebecers holidaying in their own province, local tourism is having economic benefits as great as those generated by tourists from outside Quebec.</p>

In Quebec, as in the rest of Canada, a profound change is taking place in the underlying conditions of tourism development, which in the long run may reduce the relative importance of this industry. Recent studies have shown that the balance of trade between Canada and the United States as regards tourist exchanges has been deteriorating steadily. Statistics Canada estimated that in 1977 Canadians would spend \$1.7 billion more outside the country than foreign tourists would spend in Canada. In the first seven months of 1977, there were 27.7 million visitors to Canada; this figure represents a decrease of 2.2% compared to the previous year. During the same period, there was a 7.6% increase in the number of Canadians travelling outside the country.

In view of this situation, it is important that appropriate measures be introduced through this agreement to consolidate the economic benefits stemming from this industry and to further develop the tourism potential of the whole province. The projects to be undertaken will form part of a diversified plan of action adapted to the potential of each region and to various target groups.

ELEMENTS

Under the terms of the agreement, these objectives will be achieved through three main sets of activities in which three Government of Quebec agencies will participate. Each set will be implemented under a different provincial department or organization: promotion of tourism, recreational parks and special projects (Department of Tourism, Fish and Game); restoration, modernization of museums and tourist stopovers (Department of Cultural Affairs); and finally, the establishment and improvement of open-air centres and holiday camps (High Commission for Youth, Recreation and Sport).

FINANCIAL PROVISIONS

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>
<u>SET I</u>			
<u>Promotion</u>			
Tourist information centres	\$ 2 953 000	\$ 1 181 000	\$ 1 772 000
Cap-aux-Meules	35 000	14 000	21 000
Petite-Rivière-Saint-François	12 000	5 000	7 000
<u>Tourism Parks</u>			
Iles-de-la-Madeleine	525 000	210 000	315 000
Gaspé	5 000 000	2 000 000	3 000 000
Bic	3 500 000	1 400 000	2 100 000
Pointe Taillon	1 000 000	400 000	600 000
Mont Valin	2 000 000	800 000	1 200 000

	ESTIMATED TOTAL COST*	PROVINCIAL SHARE	FEDERAL SHARE (DREE)
Shawinigan	2 000 000	800 000	1 200 000
Montauban	1 100 000	440 000	660 000
Frontenac	4 400 000	1 760 000	2 640 000
Îles de Boucherville	4 100 000	1 640 000	2 460 000
Lachine Rapids	600 000	240 000	360 000
Land acquisition	1 600 000	640 000	960 000
Dollard-des-Ormeaux	150 000	60 000	90 000
Ville-Marie	465 000	186 000	279 000
Tadoussac	1 800 000	720 000	1 080 000
Val-Morin/Val-David	1 000 000	400 000	600 000
<u>Punctual Projects</u>			
Percé area	500 000	200 000	300 000
Small-scale fishing ports	1 000 000	400 000	600 000
Nature study trails, Saint-Félicien	400 000	160 000	240 000
Missisquoi Bay	4 000 000	1 600 000	2 400 000
Trois-Rivières Grand Prix	220 000	88 000	132 000
SUB-TOTAL	\$36 760 000	\$14 704 000	\$22 056 000
<u>SET II</u>			
<u>Restoration</u>			
Batterie Royale	\$ 3 850 000	\$ 1 540 000	\$ 2 310 000
Gauvreau-Beaudry House	1 100 000	440 000	660 000
Champlain House	1 100 000	440 000	660 000
Île-Perrot	800 000	320 000	480 000
Île-des-Moulins	2 750 000	1 100 000	1 650 000
Petit Pré Mill	330 000	132 000	198 000
Lamontagne House	220 000	88 000	132 000
Desgagné Mill	220 000	88 000	132 000
<u>Modernization of Museums</u>			
Quebec Seminary	2 530 000	1 012 000	1 518 000
Sherbrooke Seminary	880 000	352 000	528 000
Islet Maritime Museum	330 000	132 000	198 000
Pointe-Bleue Amerindian Museum	385 000	154 000	231 000
Ursuline Museum	135 000	54 000	81 000
<u>Tourist Stopovers</u>			
Tourist Stopovers	220 000	88 000	132 000
SUB-TOTAL	\$14 850 000	\$ 5 940 000	\$ 8 910 000

	<u>ESTIMATED TOTAL COST*</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
<u>SET III</u>			
<u>New Open-Air Centres</u>	\$ 4 817 300	\$ 1 927 000	\$ 2 890 300
<u>Improvement of Open-Air Centres</u>	4 131 600	1 652 700	2 478 900
<u>Holiday Camps</u>	4 886 100	1 954 400	2 931 700
SUB-TOTAL	\$13 835 000	\$ 5 534 100	\$ 8 301 000
Reserve (15%)	9 655 000	3 862 000	5 793 000
TOTAL	\$76 000 000	\$30 400 000	\$45 600 000

* Including 10% for indirect costs

ADMINIS-
TRATION 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. Provincial participation on these committees as well as three other sub-committees will include, among others, the departments of Tourism, Fish and Game; Cultural Affairs; the High Commission for Youth, Recreation and Sport; and the Quebec Planning and Development Bureau. Federally, Industry, Trade and Commerce and DREE will be represented.

SUBSIDIARY AGREEMENT

TITLE	Public Infrastructure
DURATION	May 16, 1978 to September 30 1981 as amended May 31, 1979, October 26, 1979 and October 27, 1980.
OBJECTIVES	<p>Canada and Quebec have agreed to provide financial assistance to municipalities to enable them to pay for the public infrastructure essential to the execution of major industrial projects, if they are unable to assume the full burden of such expenditures. This program is also, to some extent, a prerequisite to reinforcing and promoting the development of the various regions. The implementation of this agreement will counteract the restrictions which in some municipalities are hampering the growth of the manufacturing sector.</p> <p>The activities outlined in the agreement will take place largely in the resource regions, and will result in an appreciable reduction in the unemployment endemic to these regions. The agreement will make it possible to establish new manufacturing concerns and will give rise to the creation of about 2 000 direct jobs.</p> <p>This agreement is designed to neutralize the effects of the unfavourable economic situation in regions faced with high unemployment, and to provide the facilities that will encourage new manufacturing concerns to locate in these regions.</p>
BACKGROUND	<p>In October 1977, faced with the steadily climbing rate of unemployment, the Government of Quebec unveiled a program designed to stimulate the economy and create employment. The Premier emphasized that unemployment was taking on disturbing proportions and that the two levels of government should make a concerted effort to curb the rise of unemployment. Labour market conditions are particularly discouraging in Quebec, where the rate of unemployment currently stands at 11.4%. Furthermore, Quebec, which accounts for a little over one quarter of the Canadian labour force, now also accounts for 35% of the national unemployment figure, compared to 32.3% one year ago. To keep this underemployment from increasing any further, the Government of Quebec proposed a recovery program and asked the federal government to assist by covering a portion of the cost of implementing these measures. This subsidiary agreement fits into this general context, and calls for providing the public infrastructure needed in carrying out certain development projects.</p>
ELEMENTS	See below.
FINANCIAL PROVISIONS	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>
<u>ALMA</u>			
Improvement of municipal services	\$ 648 000	\$ 208 000	\$ 440 000
Water-main	195 000	66 000	129 000
Municipal garage	1 500 000	487 000	1 013 000
<u>LA BAIE</u>			
Industrial zone (street)	176 000	54 000	122 000
Water intake	2 062 000	647 000	1 415 000
<u>SAINT-FÉLICIEN</u>			
Notre Dame Street	1 222 000	440 000	782 000
Hamel Boulevard	866 000	300 000	566 000
New districts	834 000	287 000	547 000
Development of streets	1 009 000	350 000	659 000
<u>SAINT-JOSEPH-DE-BEAUCE</u>			
Industrial zone	700 000	240 000	460 000
<u>SAINTE-MARIE-DE-BEAUCE</u>			
Industrial zone	654 000	224 000	430 000
<u>GAGNON</u>			
Pumping station	435 000	156 000	279 000
Municipal services	177 000	63 000	114 000
<u>HAUTERIVE</u>			
Trailer park	4 000 000	1 438 000	2 562 000
Roofed stadium	330 000	100 000	230 000
Water intake	1 000 000	312 000	688 000
<u>HAVRE-SAINT-PIERRE</u>			
Industrial zone	880 000	266 000	614 000
Trailer park	500 000	157 000	343 000

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
<u>PORT-CARTIER</u>			
Industrial zone	715 000	230 000	485 000
Trailer park	319 000	108 000	211 000
Urban renewal	340 000	80 000	260 000
Portage-des-Mousses			
Boulevard	1 273 000	429 000	844 000
Filtration plant	2 270 000	712 000	1 558 000
<u>SACRÉ-COEUR</u>			
Trailer park	275 000	94 000	181 000
<u>SEPT-ÎLES</u>			
Urban park	1 000 000	303 000	697 000
Filtration plant	2 500 000	838 000	1 662 000
<u>SCHEFFERVILLE</u>			
Trailer park	825 000	265 000	560 000
<u>CACOUNA</u>			
Services for port facilities	1 238 000	398 000	840 000
<u>PARENT</u>			
Aqueduct, sewage system	950 000	299 000	651 000
<u>ABITIBI-TÉMISCAMINGUE</u>			
	1 200 000	399 000	801 000
<u>SAINTE-AGATHE-DES-MONTS</u>			
Water treatment plant (expansion)	930 000	292 000	638 000
<u>GRANDE-RIVIÈRE</u>			
Municipal services	<u>1 000 000</u>	<u>303 000</u>	<u>697 000</u>
SUB-TOTAL	\$32 023 000	\$10 545 000	\$21 478 000
Reserve	<u>2 853 000</u>	<u>1 070 000</u>	<u>1 783 000</u>
GRAND TOTAL	\$34 876 000	\$11 615 000	\$23 261 000

The Canada Employment and Immigration Commission has paid \$228 518 of the federal share. DREE is responsible for the remainder.

ADMINIS-
TRATION AND
MANAGEMENT

A development committee, formed under the terms of the General Development Agreement, will supervise the agreement. A management committee composed of two representatives from Canada and two representatives from the province, as designated by the respective federal and provincial ministers, will be set up to supervise the implementation of the agreement and to assume responsibility for the day-to-day operations. Quebec will be represented on this committee by officials of the Quebec Planning and Development Bureau. The federal government will be represented by officials of DREE and the Canada Employment and Immigration Commission.

SUBSIDIARY AGREEMENT

TITLE	Modernization of the Pulp and Paper Industry
DURATION	May 15, 1979 to March 31, 1984 as amended November 20, 1980.
OBJECTIVES	To restore the competitive position of Quebec's pulp and paper industry on the international market by encouraging investment in modernization, by reducing manufacturing costs, by rationalizing processing activities and by diversifying production; and to install equipment for protecting the environment and conserving energy.
BACKGROUND	<p>In-depth studies on the forest-products industry undertaken over the past two years by the two levels of government in close cooperation with the industry and its workers, have made it possible to identify a number of the problems facing the industry in Quebec and some of the restrictions on its development and growth.</p> <p>The fundamental problem facing the Quebec pulp and paper industry is the decline of its competitive capacity on domestic and world markets. Four main indicators leave no doubt that the industry is in a state of regression:</p> <ul style="list-style-type: none"> (a) the Canadian pulp and paper industry's return on investments from 1965 to 1978: 8.3% as compared to 11.1% for the same industry in the United States and 11.2% for the entire Canadian manufacturing sector; (b) its share of the American markets. From 1950 to 1976, the share gradually but constantly decreased from 40% to 30%; (c) the continuously increasing difference between the cost of manufacturing and shipping one ton of newsprint in Quebec and the cost in the United States. The difference rose from \$16 in 1968 to \$20 in 1970, and from \$45 in 1976 to \$52 in 1977; (d) temporary shutdowns and the closing of mills resulting from fluctuations in demand with consequent loss of revenue for workers, the companies and governments. <p>This situation, characterized by the devaluation of the Canadian dollar and an exceptional increase in demand for newsprint, creates a number of basic problems: prohibitive wood-supply costs, low productivity of mills and high cost of transporting finished products.</p> <p>The high price of wood is the most important element in the cost structure and accounts for nearly half of the difference between Quebec and its competitors. The subsidiary agreement on forestry development, signed in 1975 and since amended, sets aside more than \$322 million for this component.</p> <p>The low productivity of the mills resulted in high manufacturing costs. This can be explained in part by the fact that the mills are old, the arrangement of their production lines is unsatisfactory and the yields of pulping processes and paper machines are low.</p>

Taking into account all the various sources and destinations of shipments, the average transportation cost for Quebec mills is much higher than for American mills. Most of this difference is due to the fact that Quebec is farther away from the markets where rapid expansion is taking place.

Lastly, market problems, combined with unfavourable supply, production and shipment costs, are the main causes of poor profitability. This situation has limited the industry's ability to finance on its own the modernizations necessary for improving its competitive position. These same reasons have made it expensive, if not impracticable, to turn to the financial market to make up the shortage of capital, since the return on investments is below the average generally observed in industry.

Over the past five years, the industry has invested \$360 million annually in Quebec, only \$140 million of which has been spent on modernization of mills and anti-pollution measures. It is estimated that the modernization of existing mills and the installation of environmental protection equipment will require a capital investment of \$1.3 billion over the next five years.

This subsidiary agreement was developed in consultation with a number of federal departments including Industry, Trade and Commerce; Energy, Mines and Resources; and Environment, as well as signed by the Minister of DREE and the Minister responsible for the Quebec Planning and Development Bureau.

ELEMENTS

Financial assistance will take the form of direct grants. They can amount to up to 25% of eligible investments and will be based on a five-year plan providing for investment in the companies in the categories set forth in section 5 of the agreement and covering the modernization of machinery and the installation of equipment for environmental protection and energy conservation.

FINANCIAL PROVISIONS

The amount of money allocated for grants is as follows:

<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
\$240 000 000	\$105 000 000	\$135 000 000

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 appointed by the respective federal and provincial ministers, will be set up to supervise the implementation of the agreement and to handle routine administration. The federal departments of the Environment (Environmental Protection Service) and Industry, Trade and Commerce have been invited to participate in the supervision of the projects.

SUBSIDIARY AGREEMENT

TITLE	Establishment of a Newsprint Mill at Amos
DURATION	July 24, 1980 to March 31, 1983.
OBJECTIVES	<p>The purpose of this agreement is to enable Donohue-Normick Inc. to realize its project of establishing a newsprint mill at Amos by contributing to its financing. Since being signed, the Canada-Quebec General Development Agreement has made it possible to implement important programs in the Quebec forestry sector. The signing of the Canada-Quebec subsidiary agreement on forest development might be mentioned as an example; this agreement enables the two governments to devote some \$322.3 million to improving access to the vast forest lands in the outlying regions and increasing the output per hectare of woodland through intensive forest management.</p> <p>With the signing of the General Development Agreement, moreover, it was agreed that development activities undertaken by the two governments would aim, in particular, at improving opportunities for productive employment, improving the standard of living of Quebeckers, strengthening the industrial and urban structure of the province by promoting development of the various regions and, finally, promoting increased participation by Quebeckers in their own development. The Donohue-Normick Inc. project is fully in keeping with government priorities in the matter of development and constitutes a sufficient response to the objectives pursued. In fact, the proposed mill will create, directly or indirectly, a number of jobs and will contribute to raising income generally in the area by offering salaries commensurate with an activity involving a considerable added value and by promoting development of the regional potential, which is based largely on the exploitation of the forest resource. Finally, the project offers Quebec interests the opportunity to become more involved in the economic development of the province.</p> <p>Setting up a paper mill in Amos is in keeping with government policies that favour the optimum use of wood fibre. In fact, the newsprint mill will be supplied exclusively with wood chips, which are by-products of the sawmill. Full integration of two complementary industries will thereby be achieved.</p>
BACKGROUND	<p>The pulp and paper industry is one of the oldest and most important in the economic structure of Canada and Quebec.</p> <p>With the elimination of the American tariffs on newsprint in 1913, the development of the pulp and paper industry in Canada began to accelerate. Today, Canada is the most important producer of newsprint in the world, and its plant capacity of 9.1 million tonnes in 1979 constitutes 34% of the world capacity of 26.9 million tonnes.</p> <p>Of all the Canadian provinces, Quebec is the one that has specialized most in the production of newsprint. In 1979 the Province of Quebec had a plant capacity of 4.3 million tonnes, or 47% of the Canadian total and 16% of the world total.</p>

The pulp and paper industry in Canada has a considerable impact on the level of employment and on the balance of payments. In 1978 Canadian pulp and paper exports totalled \$5.6 billion and represented 10.8% of total Canadian exports. Moreover, 51% of the pulp and paper exports consisted of newsprint, which means that this product alone accounted for more than 5% of all Canadian exports.

Besides the strategic value of pulp and paper for the balance of trade, the industry plays a key role in regional development.

The industrial structure of northwestern Quebec, which includes the Amos region, is essentially based on tapping the natural resources, in particular the forest. This region has always experienced a rate of unemployment above the provincial average. It had a rate of 13.6% in 1979, compared with 9.6% for the province.

It is worth noting that the Abitibi region has no newsprint mill, despite the presence of abundant forest resources. Due to the importance of its sawmill industry, this region is the most important producer of wood chips east of the Rockies -- wood chips which constitute the raw material for the manufacture of newsprint. This is an indication of the weakness of the economy in this region, which is less well endowed than others in the field of industrial processing.

Establishment of the planned newsprint mill at Amos would constitute, in the context of the regional economy, an important contribution to the strengthening of the industrial structure, to the creation of productive employment, and to the growth of the regional contribution to the added value of the Quebec manufacturing industry.

With regard to housing facilities, the establishment of the newsprint mill in Amos obliges the municipalities of Amos and Amos-Est to accelerate development in the sectors contemplated.

Based on past experience (Saint-Félicien), it can be stated that realization of the Donohue-Normick project will lead to a substantial increase in the population, because, either directly or indirectly, about 700 jobs will be created.

ELEMENTS

The agreement will make possible contributions to the financing of the Donohue-Normick Inc. paper mill and to the installation of industrial infrastructure in the municipalities of Amos and Amos-Est.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Newsprint mill - Donohue-Normick Inc.	\$41 000 000	\$16 400 000	\$24 600 000
Housing facilities (Amos and Amos-Est)	<u>1 500 000*</u>	<u>600 000</u>	<u>900 000</u>
TOTAL	\$42 500 000	\$17 000 000	\$25 500 000

* Including 10% for indirect costs.

ADMINIS-
TRATION 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 appointed by the respective federal and provincial ministers, will be set up to supervise the implementation of the agreement and to handle routine administration. Quebec participation is provided by representatives of the Quebec Planning and Development Bureau. Federal government participation is provided by representatives of DREE.

ONTARIO



GENERAL DEVELOPMENT AGREEMENT

The Canada-Ontario General Development Agreement (GDA) 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 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;
- (b) to encourage socio-economic 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; and
- (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 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 Ontario Design for Development Program. A list of action plans, which could lead to subsidiary agreements, was worked out 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 was signed, which facilitated joint government action in the Cornwall area. The two governments contributed \$16 255 000 toward programs.

(b) Northwestern Ontario

Northwestern Ontario is the first part of the province for which a set of policy recommendations has been published and officially accepted. Consideration was given to initiatives consistent with federal and provincial development objectives and priorities and designed to facilitate both urban and rural development.

(c) Ontario Northlands

There is 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 Indian or Métis. 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.

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

Summaries of currently active subsidiary agreements follow.

SUBSIDIARY AGREEMENT

TITLE	Northeastern Ontario
DURATION	March 25, 1976 to March 31, 1982 as amended July 28, 1976, March 21, 1978, October 5, 1978, October 10, 1978, December 11, 1979, February 15, 1980 and November 17, 1980.
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 in northeastern Ontario; and to provide the means through which financial assistance can be given for approved projects aimed at alleviating constraints to the economic and social development of key population centres.
BACKGROUND	<p>Northeastern Ontario has experienced an annual population growth rate about half that for Ontario as a whole.</p> <p>The economy of northeastern Ontario developed on the strength of its natural resources. Mining, forestry, tourism and related manufacturing constitute the mainstay of the 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.</p> <p>Many communities depend upon a single industry for their economic base, leaving them vulnerable to adverse changes in that industry.</p> <p><u>Sudbury Area</u></p> <p>The regional municipality of Sudbury, with a population of 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 northeastern Ontario. As such, Sudbury services a population of more than 500 000.</p> <p>Historically, the size of the labour force in this region has been directly related to the growth of the local mining industry and to its related service industries. The dominance of these industries, with their high wage scales, has acted as a constraint on the number of income and employment opportunities available.</p> <p>The lack of serviced industrial land and the high costs of infrastructure have been continuing problems during the past decade and have now become major constraints on future development.</p>

Parry Sound Area

The town of Parry Sound has a population of nearly 6 000. It is the major community in the area of Parry Sound, an area of some 3 625 km² with a total of 30 000 people. The economic growth of this area has not kept pace with that of northeastern Ontario as a whole.

Historically, Parry Sound was an important transshipment point, but today the harbour is used only 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 as a result of 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 of manufacturers to the area. 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 stabilize.

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 was faced with the fact that many of the water and sewer mains were undersized and that the two 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 is expected to increase the permanent work force by 1 500, and result in a population increase for Timmins of 4 500. In order to provide essential services and housing, several large-scale infrastructure projects are urgently required.

North Bay Area

The city of North Bay is a major urban centre in northeastern Ontario. Its economic base is diversified and has a good potential for growth; however, a shortage of serviced industrial land sites is inhibiting development.

In 1973, the city acquired a 55-ha site in its southern quadrant, zoned for industrial use. The city now wishes to develop an industrial park on this site and has applied to DREE and the province for development assistance under the GDA.

At this time, the city does not have the funds to undertake this project. Consequently, DREE and the province, through the GDA, are supporting development of the proposed municipal industrial park site.

ELEMENTS

(a) Sudbury Area

Construction of water, sewage, storm drainage ditches and road facilities in the Highway 17 West (Walden) industrial park.

(b) Parry Sound Area

(i) Construction of the water and sewage facilities required for the Woods Road Industrial Park in Carling Township.

(ii) Assessment of the industrial planning, development, marketing and park management efforts in the Parry Sound area.

(c) Timmins Area

(i) Construction of additional sewer and water facilities in the Timmins-Mountjoy area and the Tisdale-Whitney area.

The province will arrange through the Canada 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 industrial planning, development, marketing and park management efforts in Timmins.

Assessment of the need for a by-pass road system to improve vehicle flow in the central business district, and to carry traffic to the Texasgulf mines and to the new industrial park.

(d) North Bay Area

The construction of water, sewage, storm drainage ditches and road facilities required to provide the park site access to municipal services. Also, the construction of a water tower in the park area as well as a sewage pumping station on Highway 11B and an accompanying force sewer line.

FINANCIAL
PROVISIONS

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>(a) Sudbury Area</u>			
Highway 17 West (Walden) Industrial Park			
(i) Water Distribution System	\$ 1 298 000	\$ 649 000	\$ 649 000
(ii) Sanitary Sewers	850 000	425 000	425 000
(iii) Access Road Construction	<u>897 000</u>	<u>448 500</u>	<u>448 500</u>
SUB-TOTAL	\$ 3 045 000	\$ 1 522 500	\$ 1 522 500
<u>(b) Parry Sound Area</u>			
(i) Carling Township Industrial Park			
Water Source System	\$ 620 270	\$ 310 135	\$ 310 135
Water Distribution System	488 180	244 090	244 090
Sanitary Sewers	836 550	418 275	418 275*
(ii) Assessment of the Planning	<u>13 000</u>	<u>6 500</u>	<u>6 500</u>
SUB-TOTAL	\$ 1 958 000	\$ 979 000	\$ 979 000*
<u>(c) Timmins Area</u>			
(i) Infrastructure			
Water Mains	\$ 3 233 000	\$ 1 616 500	\$ 1 616 500*
Sanitary Sewers	7 316 000	3 658 000	3 658 000
(ii) Studies	<u>145 000</u>	<u>72 500</u>	<u>72 500</u>
SUB-TOTAL	\$10 694 000	\$ 5 347 000	\$ 5 347 000*
<u>(d) North Bay Area</u>			
(i) Road Services	\$ 4 345 000	\$ 2 172 500	\$ 2 172 500
(ii) Sewer Services	3 280 000	1 640 000	1 640 000

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
(iii) Water Services	2 246 000	1 123 000	1 123 000
(iv) Storm Drainage	<u>449 000</u>	<u>224 500</u>	<u>224 500</u>
SUB-TOTAL	<u>\$10 320 000</u>	<u>\$ 5 160 000</u>	<u>\$ 5 160 000</u>
Total without C.A.	\$26 017 000	\$13 008 500	\$13 008 500*
Contingency Allowance	<u>3 903 000</u>	<u>1 951 500</u>	<u>1 951 500*</u>
TOTAL	\$29 920 000	\$14 960 000	\$14 960 000*

* Includes possible CMHC assistance.

ADMINIS-
TRATION 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.

SUBSIDIARY AGREEMENT

TITLE	Single-Industry Resource Communities
DURATION	October 18, 1976 to March 31, 1983 as amended July 19, 1977, October 25, 1978, January 9, 1979, February 15, 1980 and March 17, 1981.
OBJECTIVES	To diversify and stabilize the economies of single-industry resource communities in northern Ontario 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 fluctuations in the resource sectors; to create alternative employment opportunities; to improve the living environment to attract and retain skilled labour; to strengthen the urban structure; and to encourage and sustain longer term resource developments.
BACKGROUND	<p>PHASE I: <u>Kimberly-Clark Impact Area</u></p> <p>The initial phase of this Canada-Ontario joint strategy will implement measures to support the growth opportunities of Nakina, Longlac and Geraldton; will implement measures to increase the number and range of jobs and income opportunities; and will provide for selective improvements to the communities' infrastructure. Evaluations show that the tax base of the communities is insufficient to cope with major development of the woodlands operations of the Kimberly-Clark company. The tripling of the Kimberly-Clark Terrace Bay mill capacity from 364 to 1 092 tonnes per day will mean an increase of 400 to 600 jobs in their woodlands operations.</p> <p>The impact area envelops a region of some 72 520 km² in northwestern Ontario. In this area, the Kimberly-Clark company obtained cutting rights from the province for an additional 12 587 km², bringing their total timber limits to 31 562 km².</p> <p>PHASE II: <u>White River</u></p> <p>As part of a long-term expansion program, the Abitibi Paper company announced plans in early 1974 to construct a new sawmill with a capacity of 300 440 m³ per year at White River. This location was selected on the basis of proximity to Abitibi Paper limits north of Pukaskwa National Park and south of Chapleau as well as on the basis of direct road/rail connections to the existing Abitibi groundwood and newsprint mill in Sault Ste. Marie. The company has accepted RDIA assistance of \$1.2 million on approved capital costs of \$11.3 million.</p> <p>The key problem associated with this development opportunity arises from the community's inability to absorb and accommodate the rapid population growth anticipated in the next two years. In particular, at least 180 new dwellings will likely be needed by 1978 (including single-family dwellings, semi-detached units and rental accommodations).</p>

PHASE III: Hornepayne Town Centre

The municipality of Hornepayne is located on the main line of the CNR in a remote area of northern Ontario. CNR operates a major divisional point at Hornepayne. At present, the CNR is undertaking an expansion of these facilities in anticipation of increased train traffic through Hornepayne.

Hallmark Hotels Limited, a private realty company, has been engaged by CNR and the Ontario government to plan, construct and administer a 15 794-m² town centre complex to be located on a 3.6-ha site adjacent to Hornepayne's business section. The centre will include a mix of urban services aimed at ameliorating local living conditions.

PHASE IV: Long Lake No. 77

A further element in the development of this subsidiary agreement would involve federal and provincial support for infrastructure improvements in the town of Longlac and the adjoining native settlement on the Long Lake No. 77 Indian Reserve.

With the recent announcement by Weldwood of Canada to proceed with an RDIA-assisted expansion in the Longlac area which will create 34 jobs, and the completion of servicing plans for the Long Lake No. 77 Reserve, Canada and Ontario have agreed to proceed with additional infrastructure projects to provide water services for a parcel of industrial land in the town of Longlac and water and sewage services for the Long Lake No. 77 community. Canada accepts responsibility for those projects carried out for the exclusive benefit of Status Indians living on the Reserve. This responsibility will be shared equally by DREE and Indian Affairs and Northern Development.

ELEMENTS

PHASE I: Kimberly-Clark Impact Area

(a) Community Infrastructure

- (i) The community infrastructure program will assist Nakina with the completion of wells (excluding drilling), pumps and housing; construction of a reservoir, pumping and chlorination equipment of an approximate capacity of 1.6 million L; the construction of 366 linear metres of 30.48-cm watermain; construction of a 1.7 million litre-per-day sewage-treatment facility and 1 402 linear metres of gravity trunk-line sewers.
- (ii) At Longlac, the construction of a 6.8 million litre-per-day water-treatment plant and an elevated storage tank with a capacity of 2.3 million L; 1 402 m of 30.48-cm watermain; and a 1.7 million litre-per-day sewage-treatment plant.
- (iii) At Geraldton, improvements to the water system including a 6.8 million litre-per-day water-treatment plant and 1 371 linear metres of 30.48-cm trunk watermain from the existing storage tank to a new 2.3 million L storage tank.

(b) Transportation Development

- (i) At Geraldton airport, the grading and paving of a 1 524-m 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.
- (ii) Airport access including reconstruction of granular base of existing roadway (7.6 km) with asphalt pavement.

PHASE II: White River

(a) Water Services

Construction of basic water-system improvements to accommodate anticipated growth, including construction of two new residential subdivisions and an apartment block providing approximately 320 housing units.

(b) Sanitary-Sewer Services

Construction of basic sanitary sewage-system improvements to accommodate anticipated new growth.

(c) Storm Drainage

Construction of basic storm drainage facilities for the proposed Nordev municipal subdivision.

PHASE III: Hornepayne Town Centre

The clearing, grading and sinking of foundation pilings for the town centre site are prerequisites for the construction of the 15 793-m² building in which the complex of urban services is to be accommodated.

PHASE IV: Long Lake No. 77 Community Infrastructure

(a) Water-Supply Extension

Construction of a water-supply main from the present terminus of the municipal water system in the town of Longlac.

(b) Water-Supply Connection

Construction of a water-supply main from the settled portion of the native community of Long Lake No. 77 Indian Reserve to the Reserve boundary, including a crossing over the Making Ground River.

(c) Water-Distribution System

Construction of water-supply-main loop through the settled portion of Long Lake No. 77 Indian Reserve, to provide water service connections and fire hydrants.

(d) Sanitary-Sewage Extension

Construction of a sanitary sewage force-main from Long Lake No. 77 Indian Reserve to the present limit of the municipal collection system in the town of Longlac, including the required pumping station.

(e) Sewage-Collection System

Construction of a gravity sanitary-sewage-collection system throughout the settled portion of the native community of Long Lake No. 77 Indian Reserve, including service connections for 25 existing dwellings.

FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
<u>PHASE I</u>			
<u>(a) Community Infrastructure</u>			
(i) Nakina Water-System Improvements	\$ 900 000	\$ 450 000	\$ 450 000
Nakina Sewage-System Improvements	1 579 000	789 500	789 500
(ii) Longlac Water-System Improvements	2 750 000	1 375 000	1 375 000
Longlac Sewage-System Improvements	1 500 000	750 000	750 000
(iii) Geraldton Water-System Improvements	<u>2 770 000</u>	<u>1 385 000</u>	<u>1 385 000</u>
	\$ 9 499 000	\$ 4 249 500	\$ 4 249 500
<u>(b) Transportation Development</u>			
(i) Geraldton Airport 1 524-m runway, lighting, airport roads, terminal building	\$ 2 662 000	\$ 1 331 000	\$ 1 331 000
(ii) Airport Access Improvements - 7.6 km of roadway to the airport	<u>1 179 000</u>	<u>589 500</u>	<u>589 500</u>
	\$ 3 841 000	\$ 1 920 500	\$ 1 920 500
TOTAL PHASE I	\$13 340 000	\$ 6 670 000	\$ 6 670 000

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

- (a) CMHC, towards water and sewer infrastructure works, to a maximum of approximately \$400 000; and
- (b) Transport Canada, towards airport construction, up to \$150 000.

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
<u>PHASE II</u>			
<u>Community Infrastructure</u>			
(a) Water Services	\$ 167 000	\$ 183 500	\$ 183 500
(b) Sewer Services	1 015 000	507 500	507 500
(c) Storm Drainage	<u>878 000</u>	<u>439 000</u>	<u>439 000</u>
TOTAL PHASE II	\$2 060 000	\$1 030 000	\$1 030 000
<u>PHASE III</u>			
<u>Town Centre Complex</u>			
(a) Site Clearing and Preparation	\$ 389 000	\$ 194 500	\$ 194 500
(b) Public Area Components	<u>741 000</u>	<u>370 500</u>	<u>370 500</u>
TOTAL PHASE III	\$1 130 000	\$ 565 000	\$ 565 000
<u>PHASE IV</u>			
<u>Community Infrastructure</u>			
(a) Water-Supply Extension	\$ 153 600	\$ 76 800	\$ 76 800
(b) Water-Supply Connection	77 600		77 600*
(c) Internal Water Distribution	122 900		112 900*
(d) Sewage Extension	233 000		233 000*
(e) Internal Sewage Collection	<u>108 900</u>	<u> </u>	<u>108 900*</u>
TOTAL PHASE IV	\$ 686 000	\$ 76 800	\$ 609 200*

* 50% of the federal contribution, plus 15% contingency, which involves Indian community projects is to be funded by DIAND.

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
Total without C.A.	\$17 216 000	\$8 341 800	\$ 8 874 200
Contingency Allowance	<u>2 582 400</u>	<u>1 251 270</u>	<u>1 331 130</u>
GRAND TOTAL	\$19 798 400	\$9 593 070	\$10 205 330

ADMINIS-
TRATION 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.

SUBSIDIARY AGREEMENT

TITLE	Community and Rural Resource Development
DURATION	December 7, 1977 to March 31, 1983 as amended June 19, 1978, October 25, 1978, December 8, 1978 and February 15, 1980.
OBJECTIVES	To strengthen the community structure of rural areas by encouraging residents to contribute to and participate in developing the social and economic potential of the area; improving the opportunities for productive long-term employment through the assessment and pursuit of economic opportunities related to development of natural resources; and strengthening and diversifying the economic base of the rural areas by encouraging the development of alternative secondary industry.
BACKGROUND	<p>This program of financial assistance for Ontario is to enable the province to arrange for the undertaking of projects which are essential to the development of a strong rural resource community in northern and eastern Ontario.</p> <p><u>Upper Ottawa Valley</u></p> <p>Renfrew County, in the Eastern Ontario Planning Region, requires special measures to stimulate economic growth and diversification. The area is characterized by slow growth, high unemployment, low income levels and a high rate of out-migration.</p> <p>Renfrew County's development problems are closely related to its industrial structure. Employment in the resource and manufacturing sectors has declined steadily during the 20 years between 1951 and 1971, and although service-sector employment rose between 1961 and 1971, there are indications that it has reached its peak. The current growth of employment in the service sector is a reflection of the continuing growth in the tourist and recreation industries. These industries, however, tend to be low-paying and seasonal, and there are indications that the area may already be too dependent on such employment. Because of these limitations, resource and manufacturing industries must be relied upon to bring about employment growth and income improvement.</p> <p><u>New Forests in Eastern Ontario</u></p> <p>The forestry sector in eastern Ontario is operating at a level below its potential due to an inadequate level of support for forest management following significant shifts in the agricultural use of land. Some of the existing forests in the region are of generally poor quality as a result of exploitation over the past 200 years. The area is characterized by good climatic conditions and there is a rural population able to supply the required labour for forest industry development. It is located close to potential market areas in the Quebec-Windsor axis and in the eastern United States. The low-quality-hardwood forest-renewal project and the successful development of new hybrid poplar products involving a new source of marketable pulpwood, a potential new source of animal fodder, and feed stock for the production of alcohols for energy could offer almost immediate benefits to eastern Ontario. In addition, substantial amounts of non-productive land now held by small landowners could be put to productive use.</p>

Kirkland Lake Area

For the purpose of this agreement, the Kirkland Lake area includes the town of Kirkland Lake and the communities of Matachewan, Swastika, Larder Lake and Virginiatown. As such, the area occupies the northeast corner of the District of Timiskaming and is an integral part of the Northeastern Ontario Planning Region.

Over the past few decades the northeastern region has experienced social and economic growth below the expectations of the provincial government. In the Kirkland Lake area the local economy is stagnant and unemployment is at a high level.

The Ontario Ministry of Natural Resources has established that the underlying geology of the area has a good potential for minerals, and that the discovery of a major ore body could revitalize the local economy and restore area growth.

ELEMENTS

UPPER OTTAWA VALLEY(1) Resource Development(a) Forest Resource Assessment(i) Forest Resource Inventory

Development of up-to-date quantitative information on the forest resource including the magnitude of the raw material potential.

(ii) Reconnaissance Inventory

Development of reliable qualitative information on the volume of raw material available for allocation to industries.

(iii) Forest and Mill Utilization Surveys

Analysis of the efficiency and existing level of timber consumption in Renfrew County.

(b) Mineral Resource Assessment(i) Precambrian Geological Surveys

To provide data on rock types, structures and geological history in unmapped parts of the region.

(ii) Mineral Deposit Assessment

Field examination and compilation of all available data on the known mineral deposits of the region.

(iii) Analytical Work, Publication and Cartography

The results of the assessment work will be analysed and made available to the public through printed maps and reports.

(2) Industrial Development

- (a) Testing nutrient-removal facilities to determine the extent and cost of expanding the capacity of the present sewage plant in Pembroke; and
- (b) detailed design and engineering work, up to but not including tendering, on the city's water-filtration plant.

(3) Regional Economic Development

The proposed strategy is to provide assistance to establish a unified local organization which would be responsible for identification of development opportunities and constraints and problems, and the promotion of the county in general and of specific development opportunities.

NEW FORESTS IN EASTERN ONTARIO

(1) Hybrid Poplar Development

(a) Technological Development

The aim of this program is to develop and expand technology for hybrid poplar culture using industrial-style plantations to maximize biomass production per unit area for energy, fibre and food.

(b) Hybrid Poplar Nursery

The success of the hybrid poplar program depends heavily on a continuous supply of good-quality cuttings in large quantities being available early each spring.

(2) Hardwood Forest Renewal

This project will involve the harvesting of the poor-quality material, and at the same time make the productive sites available for growing better quality stems for the future. The harvesting and sale of the forest products will be carried out under the direction of the Ministry of Natural Resources.

(3) Forestry and Agricultural Resource Inventory

A resource inventory of the present land use, agricultural, forest and woodlot cover and other uses will be conducted. The study area includes the United Counties of Stormont, Dundas and Glengarry; the United Counties of Prescott and Russell; the Grenville portion of the United Counties of Leeds and Grenville; and the Regional Municipality of Ottawa-Carleton.

(4) Hybrid Poplar Research

This project is to facilitate research that will allow a more complete utilization of the potential of the hybrid poplar program, and contribute significantly to its operational success.

KIRKLAND LAKE AREA

Program of Geoscientific Surveys

- (a) Precambrian Stratigraphic Mapping
- (b) Airborne Geophysical Survey
- (c) Basal Till Sampling
- (d) Quaternary Geological Surveys
- (e) Gold Deposit Surveys
- (f) Uranium Deposits Study
- (g) Data Series Maps
- (h) Overburden - Lineament Study
- (i) Technical Evaluation Services
- (j) Public Information Services

FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
<u>UPPER OTTAWA VALLEY</u>			
(1) Resource Development			
(a) Forest Resource Assessment	145 000	\$ 72 500	\$ 72 500
(b) Mineral Resource Assessment	491 000	245 500	245 500
(2) Industrial Land Development Studies	315 000	157 500	157 500
(3) Regional Economic Development Assistance	<u>200 000</u>	<u>100 000</u>	<u>100 000</u>
SUB-TOTAL	\$1 151 000	\$ 575 500	\$ 575 500

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
<u>NEW FORESTS IN EASTERN ONTARIO</u>			
(1) Hybrid Poplar			
(a) Technical Development	\$2 010 000	\$1 005 000	\$1 005 000
(b) Nursery	870 000	435 000	435 000
(2) Hardwood Forest Renewal	1 350 000	675 000	675 000
(3) Forest and Agriculture Resource Inventory	240 000	120 000	120 000
(4) Hybrid Poplar Research	<u>310 000</u>	<u>155 000</u>	<u>\$ 155 000</u>
SUB-TOTAL	\$4 780 000	\$2 390 000	\$2 390 000
<u>KIRKLAND LAKE AREA</u>			
Geoscientific Surveys	<u>\$2 292 000</u>	<u>\$1 146 000</u>	<u>\$1 146 000</u>
SUB-TOTAL	<u>\$2 292 000</u>	<u>\$1 146 000</u>	<u>\$1 146 000</u>
Total Without C.A.	\$8 223 000	\$4 111 500	\$4 111 500
Contingency Allowance	<u>1 233 450</u>	<u>616 725</u>	<u>616 725</u>
GRAND TOTAL	\$9 456 450	\$4 728 225	\$4 728 225

ADMINIS-
TRATION 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.

SUBSIDIARY AGREEMENT

TITLE	Forest Management
DURATION	December 8, 1978 to March 31, 1984 as amended February 15, 1980 and February 23, 1981.
OBJECTIVES	To enable Canada and the province to jointly participate in measures to improve forest management, and accelerate reforestation and private-sector employment, in an effort not only to create new employment within the province's wood-based industries, but to sustain existing productive employment which is currently in jeopardy due to the present inability to ensure long-term wood supplies.
BACKGROUND	<p>The forest industry in Ontario is comprised of the logging, wood industries and the paper and allied industries groups.</p> <p>Physically, the industry consists of more than 300 logging establishments, plus more than 800 mills of various kinds and sizes. These establishments provide direct employment to 78 000 persons and have an annual wages and salaries payroll in excess of \$1 billion. Value-added by the industry is 2.6% of the total of all activity in the province and represents 6% of the total attributable to all of Ontario's goods-producing industries.</p> <p>The importance of the forest industry to the north is clearly shown by the fact that 76% and 32% of the total employment in manufacturing in the northwestern and northeastern regions, respectively, is forest-oriented. In the very highly industrialized southern region, the forest industry provides 6% of the total employment in manufacturing.</p> <p>From the viewpoint of current forest management practices in northern Ontario, much of the forest area is inadequately accessed. Most of the primary forest-access roads being constructed by the forest industry are solely for the purpose of timber harvesting and extraction.</p> <p>The roads are not designed to facilitate the various aspects and requirements of adequate forest management, other than those which minimize the cost of mill-delivered wood. The result has been the harvesting of timber stands located at the periphery of the existing road system, largely irrespective of the management characteristics of the forest.</p> <p>With the province's allowable cut being largely allocated, it is imperative that the currently unaccessed mature and over-mature stands be harvested, allowing this volume to be recovered before it becomes decadent and lost to fire, wind, insects and disease. If such volumes are not accessed and harvested, there is a double calamity: not only is this volume lost and the land area added to that in need of regeneration treatment, but additional accessible, immature growth must be harvested and treated to satisfy the roundwood requirements of the industry.</p>

Another pressing reason for improved forest access is Ontario's new silvicultural harvesting systems policy which will require much of the future harvesting to be done in a fashion that will reduce the size, and/or control and configuration of the cut areas.

The development of this Canada/Ontario forest management subsidiary agreement is the result of close cooperation by officials of the provincial ministries of Natural Resources, Northern Affairs, Treasury and Economics, and Intergovernmental Affairs and officials of DREE and Environment.

ELEMENTS

(a) Forest Access Roads

Construction of about 1 600 km of all-weather forest access roads in northern Ontario, in addition to the construction currently being undertaken by the private sector and the province.

(b) Silviculture Camps

To provide improved amenities in remote forest areas to attract and hold labour required for tree planting, stand improvement, cone collecting and thinning operations.

(c) Nursery Expansion

The replacement and expansion of existing capital facilities (including production, storage, grading and shipping facilities) at Ontario's forest tree nurseries to meet expanded regeneration targets.

(d) Soil Survey

Pilot soil surveys in northern Ontario, which will provide information in required detail.

(e) Assessments

(i) An applied research and development project designed to establish a field capability to identify operational problems, review relevant data, establish design and sampling procedures and to investigate and analyze specific problems.

(ii) A hardwood-utilization study (preceded by a condensed pre-feasibility study) to address the problems and prospects associated with the greatly underutilized hardwood resource.

A preliminary study will be undertaken to determine the parameters and need for the main study.

(iii) A project review and public information component designed to:

-- provide funds for a review and assessment of the cost-shared program prior to the expiration of the agreement; and for the detailed evaluation of each project after its completion; and

-- provide funds for the joint development and distribution of information regarding the Canada-Ontario forest management subsidiary agreement and the development activity supported by it.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
<u>FOREST MANAGEMENT</u>			
(a) Forest Access	\$54 500 000	\$27 250 000	\$27 250 000
(b) Silviculture	1 910 000	955 000	955 000
(c) Nursery	10 000 000	5 000 000	5 000 000
(d) Soil Survey	1 000 000	500 000	500 000
(e) Assessments	<u>4 100 000</u>	<u>2 050 000</u>	<u>2 050 000</u>
SUB-TOTAL	\$71 510 000	\$35 755 000	\$35 755 000
Contingency Allowance	<u>10 726 500</u>	<u>5 363 250</u>	<u>5 363 250</u>
GRAND TOTAL	\$82 236 500	\$41 118 250	\$41 118 250

ADMINIS-
TRATION 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 principal federal and provincial ministers.

SUBSIDIARY AGREEMENT

TITLE	Pulp and Paper Industry Facilities Improvement
DURATION	May 15, 1979 to March 31, 1984 as amended December 13, 1979 and February 5, 1981.
OBJECTIVES	To enable Canada and Ontario to participate jointly in programs of incentives for the pulp and paper industry in Ontario, to assist in meeting the costs of conforming to pollution-abatement standards, to improve the viability and competitiveness of the pulp and paper industry in Ontario by accelerating and maximizing private sector investment in modernization, and to promote policies which are supportive of good forest management, pollution abatement and modernization.
BACKGROUND	<p>The pulp and paper industry is one of Ontario's most important industrial sectors in terms of employment, value of shipments, and export earnings. The importance of the industry is most critical in terms of its regional and community impact. It accounts for three quarters of all manufacturing activity in Northwestern Ontario, one quarter in Northeastern Ontario, and a significant element in Eastern Ontario.</p> <p>Despite the pulp and paper industry's valuable contribution to Ontario's economic well-being, it has become evident over the past decade that the industry itself is experiencing increasing difficulties. It is not fully competitive with its counterparts elsewhere, and has been unable to generate investment capital to meet the industry's modernization and pollution-abatement needs.</p> <p>Concerted action is needed to bring cost disadvantages back into line and to restore the industry's competitiveness. Some steps in this direction have already been taken. The forest management subsidiary agreement recently signed by Canada and Ontario will provide assistance for forest access and help to restrain companies' future wood costs. Similarly the province is cooperating with companies to increase the effectiveness of forest regeneration efforts and thereby better ensure a long-term supply of wood.</p> <p>The profit performance of the industry over the past several years has been weaker and more erratic than that of Canadian industries generally, as well as that of United States forest-products companies. Moreover, high rates of inflation have borne heavily on this capital-intensive industry, diverting funds towards everyday working capital which otherwise would have been available for modernizing plant and equipment. Furthermore, an increasing share of that capital which has been available has had to be spent on pollution-control improvements which do not significantly improve productivity or future profitability.</p> <p>Although the pulp and paper industry enjoyed substantially increased earnings in 1978, fully 60% of the increased profits is attributable to foreign exchange gains from the devalued Canadian dollar, and most of the remainder to improved market conditions. Both of these helpful factors could easily reverse and cause profits to plunge once again. It is imperative, therefore, that the government capitalize upon the present buoyant conditions by encouraging the industry to reinvest and</p>

re-establish itself on a more competitive footing. Government can play a major role in this, by providing incentives towards new capital investment. Such incentives will serve both to alleviate the capital costs which companies must bear and to increase the return on companies' investments.

ELEMENTS

(a) Pulp and Paper Mill Pollution-Abatement Program

Priority assistance for selected mills over the next five years, to install pollution-abatement equipment which will meet government standards.

(b) Pulp and Paper Mill Modernization Program

Assistance for selected mills over the next five years to modernize equipment and processes where needed, and to maintain or improve the viability of the operations.

(c) Consulting and Professional Services Program

Funding for consulting and professional services retained for the management committee, to assist in its assessment of applications.

(d) Public Information and Evaluation Program

Public information and evaluation programs will be undertaken respecting the implementation of the programs and the projects under this agreement.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Pulp and Paper Mill Pollution- Abatement Program			
Pulp and Paper Mill Modernization Program			
Consulting and Professional Services Program			
Public Information and Evaluation Program			
TOTAL	\$180 000 000	\$120 000 000	\$60 000 000

ADMINIS-
TRATION 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 principal federal and provincial ministers.

SUBSIDIARY AGREEMENT

TITLE	Eastern Ontario
DURATION	December 20, 1979 to March 31, 1984.
OBJECTIVES	<p>The objectives of this agreement are:</p> <ul style="list-style-type: none">- to stabilize the economy of the eastern Ontario region;- to diversify the economic base of the region;- to increase the utilization and development of the region's natural resources;- to ensure the long-term availability of natural resources within the region; and- to attract private investment to the region.
BACKGROUND	<p>Eastern Ontario is characterized by slow growth, social and economic disparities and pockets of high unemployment. The public service sector has for many years been the region's major employer. On the other hand, the resource and manufacturing sectors have been unable to maintain their employment levels over longer term periods. The agriculture sector has been directed towards the production of dairy products and as a result of this orientation is dependent on marketing boards and subsidies for its economic well-being.</p> <p>This agreement was developed to improve the region's economy primarily in the resource sectors which offer significant opportunities for development. Accordingly, the strategy of the agreement is to build upon the potential of these sectors, thereby encouraging developments in the urban and rural areas of the region where employment opportunities and income levels are well below the provincial average.</p>
ELEMENTS	<p>Since the thrust of this agreement is focused on resource sectors, programs of assistance have been developed for implementation on a sector basis. They are as follows:</p> <p>(a) <u>Agriculture Program</u></p> <p>(i) Municipal Outlet Drainage</p> <ul style="list-style-type: none">- provision for the construction of outlet drains required to increase the productive capacity of farmland. <p>(ii) Technology Transfer</p> <ul style="list-style-type: none">- provision for the demonstration, promotion and testing of new farm technology and farm management systems in order to promote their widespread adoption to help diversify and improve the efficiency and effectiveness of agricultural operations currently practised by local farmers.

(iii) Development and Marketing

- provision for the diversification of agriculture and for the identification and development of markets for agricultural products arising therefrom and from the technology transfer component of this program.

(b) South Nation River Basin Development Program

- provision for interim flood control projects in the town of Chesterville and a river-basin study to determine the viability of further flood control and water management measures.

(c) Forestry Program

(i) Inventory and Data Base

- provision to conduct an inventory of the forests of Eastern Ontario, and to establish a computerized information system for storage and updating wood-supply data on a continuing basis.

(ii) Renewal

- provision to assist in the regeneration, rehabilitation and management of the forest resource on public and private lands.

(iii) Development and Marketing

- provision to identify market opportunities for forest products and to participate in innovative projects that will help to diversify the existing product base of the forest industry in Eastern Ontario.

(d) Minerals Program

- provision to assist geoscientific surveys in selected areas of Eastern Ontario and to assist in the development of a data base of unmapped areas for resource evaluation and as a means of stimulating mineral exploration.

(e) Tourism Program

- provision for the encouragement of private investment in major tourist facilities, for project feasibility studies and for the funding of selected tourist infrastructure.

(f) Small Business Incentives Program

- provision for funding assistance to stimulate small business development in rural and urban areas.

(g) Analysis and Review Program

- provision for research, technical and staff resources required to analyse, review and evaluate the programs implemented during the term of this agreement.

(h) Public Information Program

- provision to produce data in appropriate forms for public information and consultation.

FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Agriculture	\$14 000 000	\$ 7 000 000	\$ 7 000 000
South Nation River Basin	9 000 000	4 500 000	4 500 000
Forestry	9 000 000	4 500 000	4 500 000
Minerals	4 000 000	2 000 000	2 000 000
Tourism	4 000 000	2 000 000	2 000 000
Small Business Incentives	10 000 000	5 000 000	5 000 000
Analysis & Review	250 000	125 000	125 000
Public Information	<u>100 000</u>	<u>50 000</u>	<u>50 000</u>
TOTAL	\$50 350 000	\$25 175 000	\$25 175 000

ADMINIS-
TRATION AND
MANAGEMENT

Supervision will be carried out by a management committee consisting of an equal number of representatives of each government designated by the respective federal and provincial ministers.

SUBSIDIARY AGREEMENT

TITLE	Northern Rural Development
DURATION	March 2, 1981 to March 31, 1984.
OBJECTIVES	<p>The objectives of the agreement are:</p> <ul style="list-style-type: none">- to sustain, expand and diversify the economic base of the rural areas of northern Ontario;- to identify and encourage the establishment of new economic activities and the expansion of existing economic activities utilizing local resources;- to create or sustain employment opportunities for local residents;- to raise income levels throughout the region; and- to attract private investment.
BACKGROUND	<p>The performance of the northern Ontario economy has frequently lagged behind the provincial and national averages in such categories as income, employment, labour force participation, educational attainment and housing. In this regard, the number of northern workers unemployed includes an inordinate number of rural residents and native people. Moreover, in some remote areas, native unemployment ranges as high as 80% of the local work force.</p> <p>This agreement is, therefore, designed to help expand and diversify economic activities in rural northern Ontario. The development programs proposed under the agreement are aimed at stimulating and attracting private sector investment into small-scale economic opportunities primarily in the resource sectors of tourism, forestry, minerals and agriculture. Accordingly, at least one half of the identified program funding will be directed to the private sector with the balance being used in related public sector projects including research, infrastructure and feasibility studies.</p>
ELEMENTS	<p>The following programs have been developed for implementation:</p> <p>(a) Agricultural Development</p> <ul style="list-style-type: none">(i) Agricultural Technology Transfer<ul style="list-style-type: none">- to upgrade the level of applied technology through demonstration and encouragement of new methods and practices in agriculture.(ii) Farm Development and Marketing<ul style="list-style-type: none">- to identify market opportunities, facilitate farm rationalization, and to assist in establishing or expanding processing and marketing facilities.

(b) Natural Resource Development

(i) Community-Based Geological Surveys

- to complete the geoscientific data base in a number of areas with high mineral potential.

(ii) Resource Base Diversification

- to encourage the utilization of the natural resource base available through mineral studies, mapping, resource inventories and research, and incentives to increase harvesting, production and marketing of natural resources.

(iii) Rural Forest Production

- to establish or expand woodlots.

(c) Tourism Development

- to upgrade, expand and diversify facilities, services and activities.

(d) Rural Employment Incentives

- to provide support for small-scale rural industry and selected commercial activities.

(e) Rural Industrial Infrastructure

- to aid in the removal of specific physical constraints to the development of small-scale private sector projects.

(f) Program Analysis and Review

- to analyze, review and evaluate programs implemented under this agreement.

(g) Public Information

- to provide public information relating to the programs under this agreement.

FINANCIAL PROVISIONS	ESTIMATED TOTAL COST	PROVINCIAL SHARE	FEDERAL SHARE
Agricultural Development	\$ 4 700 000	\$2 350 000	\$ 2 350 000
Natural Resource Development	4 000 000	2 000 000	2 000 000
Tourism Development	3 000 000	1 500 000	1 500 000
Rural Employment Incentives	2 500 000	1 250 000	1 250 000
Rural Industrial Infrastructure	2 500 000	1 250 000	1 250 000
Program Analysis and Review	200 000	100 000	100 000
Public Information	<u>100 000</u>	<u>50 000</u>	<u>50 000</u>
SUB-TOTAL	\$17 000 000	\$8 500 000	\$ 8 500 000
Assistance to Status Indians	<u>1 500 000*</u>		<u>1 500 000</u>
GRAND TOTAL	\$18 500 000	\$8 500 000	\$10 000 000

* Funding for projects involving or benefiting Status Indians will be shared equally by DREE and DIAND.

ADMINIS-
TRATION AND
MANAGEMENT

The administration of the agreement will be carried out by a management committee consisting of one federal co-chairman (DREE) and up to two additional federal members; one provincial co-chairman from the Ontario Ministry of Northern Affairs (MNA) and up to two additional provincial members. There will also be one federal coordinator (DREE), and one provincial coordinator (MNA) who will be ex-officio members of the management committee. A representative of the Ontario Ministry of Treasury and Economics will have permanent observer status at management committee meetings. Sub-committees will be established under the direction of the management committee for each program.



MANITOBA



GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) 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).

The objectives of this agreement are:

- (a) to increase incomes and employment opportunities throughout Manitoba, thereby increasing 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 to 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.

Summaries of currently active subsidiary agreements follow.

SUBSIDIARY AGREEMENT

TITLE	Manitoba Northlands
DURATION	September 15, 1976 to March 31, 1982 (retroactive to April 1, 1976) as amended March 30, 1979 and March 31, 1981.
OBJECTIVES	<p>(a) To enable the people of the area to contribute to and participate in the development of northern Manitoba.</p> <p>(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.</p> <p>(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.</p>
BACKGROUND	<p>The two-year interim agreement allowed for a series of planning and initial development projects within the context of the 15-year western northlands initiative. Projects were undertaken to encourage increased participation of native people in community and regional employment and to 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 160 km 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> <p>The strategy for this agreement involved detailed discussions with the Province of Manitoba, the Department of Indian Affairs and Northern Development, the Canada Employment and Immigration Commission, Transport Canada and other federal departments. The resulting agreement provides for a coordination and implementation system that accommodates the complex nature of the socio-economic development programs.</p> <p>This agreement was signed by the federal ministers of Transport, Canada Employment and Immigration Commission, Indian Affairs and Northern Development, and DREE, and by the provincial Minister of Northern Affairs.</p>
ELEMENTS	<p>The three sectors of the agreement relate to:</p> <p>(a) resource 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; to emphasize local participation; and to provide long-term employment and increased well-being in communities, based on basic human needs and productive activity arising from the resources of the region;</p>

- (b) human development and community services, designed to help 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 in development opportunities; and
- (c) transportation and communications, designed to move toward 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.

FINANCIAL PROVISIONS

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</u>
Resource and Community Economic Development	\$ 14 559 000	\$ 5 823 000	\$ 8 736 000
Human Development and Community Services	88 540 000	22 657 000	65 883 000
Transportation and Communications	49 015 000	19 606 000	29 409 000
Coordination and Pilot Action Research	<u>3 302 000</u>	<u>1 321 000</u>	<u>1 981 000</u>
TOTAL	\$155 416 000	\$49 407 000	\$106 009 000

Other federal departments contributing to the agreement are the Canada Employment and Immigration Commission (\$5.516 million), Transport Canada (\$12.183 million), and Indian Affairs and Northern Development (\$14.993 million).

ADMINIS- TRATION AND MANAGEMENT

The agreement is carried out under the general direction and supervision of joint managers: the Deputy Minister of the Manitoba Department of Northern Affairs, and the Director General of the Manitoba DREE office, or their delegates. In addition, the joint managers may establish coordination committees as required for the effective and efficient coordination of the programs.

SUBSIDIARY AGREEMENT

TITLE	Industrial Development
DURATION	April 21, 1978 to March 31, 1983 (retroactive to April 1, 1978).
OBJECTIVES	To encourage industrial activities which are closely tied to other economic activities through backward, forward and final-demand linkages; to develop industries in which Manitoba has advantages compared to other areas; and to support high-wage industries and industries which provide stable long-term employment.
BACKGROUND	<p>The manufacturing capital-stock position of the province has deteriorated steadily over the last decade. In 1966, capital investment in manufacturing accounted for 2.4% of the Canadian total, while total capital investment in Manitoba represented 11% of the Canadian total. These shares declined steadily over the years. The 1977 intentions reached a very low level: 1.3% of all manufacturing and 4.6% of total investment.</p> <p>A heavy dependence on primary-resource production and processing, with its sensitivity to fluctuations in international demand, creates instability of employment and income. During the 1975-77 period, employment in manufacturing was severely curtailed. The durable-goods sector, particularly metal fabricating, transportation equipment, and agricultural implements, has been the hardest hit. While to a large extent this reduction might be cyclical in nature, the lack of dynamism in other manufacturing sectors suggests that coordinated federal and provincial policies are essential to prevent overall manufacturing employment from remaining static or declining in the foreseeable future.</p> <p>There are opportunities to improve the performance of a number of industrial sectors. Some of the manufacturing industries that are very important in Manitoba because of their size, linkages and long-term growth potential include primary metals, food and beverage, health-care products, light machinery, transportation equipment and aerospace electronic products.</p> <p>Productivity of many sectors is restrained by an inadequate rate of introduction of technology. A few sectors face an uncertain future due to the changes in the international economic environment.</p>
ELEMENTS	<p>(a) <u>Industrial Process</u></p> <ul style="list-style-type: none"> - investigate and promote industrial and commercial development opportunities; - stimulate the application of technology and industry; - foster development of small manufacturing businesses; and - provide an active promotion organization to undertake seminars, conferences, etc. <p>(b) <u>Industrial Assistance</u></p> <ul style="list-style-type: none"> - provide incentive assistance to encourage development and expansion of small businesses not normally eligible for existing incentive programs.

(c) Industrial Infrastructure

- assist local governments in industrial site preparation.

FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
Industrial Process	\$29 000 000	\$11 600 000	\$17 400 000
Industrial Assistance	5 000 000	2 000 000	3 000 000
Industrial Infrastructure	<u>10 000 000</u>	<u>4 000 000</u>	<u>6 000 000</u>
TOTAL	\$44 000 000	\$17 600 000	\$26 400 000

Industry, Trade and Commerce is to contribute \$1 000 000.

ADMINIS-
TRATION AND
MANAGEMENT

Supervision of the agreement will be carried out by a management committee consisting of four members: Director General of DREE Manitoba (federal co-chairman); a representative of Industry, Trade and Commerce; the Deputy Minister of the Manitoba Department of Industry and Commerce (provincial co-chairman); and one other representative of the province. There are also two ex-officio members who represent the Federal Business Development Bank and the Manitoba Department of Finance.

SUBSIDIARY AGREEMENT

TITLE	Value-Added Crops Production
DURATION	April 1, 1979 to March 31, 1984 (signed December 15, 1978).
OBJECTIVES	To expand economic production of value-added crops, improve the efficiency of the red-meat industry, and expand both commercial services and the processing of agricultural products.
BACKGROUND	<p>In Manitoba most of the land resource suitable for agricultural production is in farm use. This land is made up of 5.2 million ha of improved and 2.4 million ha of unimproved land. In 1977 the farm value of crop production was \$858 million, and of livestock production was \$345 million. Grain crops continue to occupy most of the province's arable lands. Crops grown for processing have increased substantially in recent years. As an indication of these changes, grain corn has increased from less than 182 000 hectolitres to over 1.8 million hectolitres in the last five years. This increase, along with substantial increases in other special crops such as rapeseed and buckwheat, has provided a substantial impetus to economic development in the province.</p> <p>Although crops dominate agricultural output, the use of crops in raising livestock forms a major part of value-added to crops in Manitoba. The existing livestock industry is based mainly on utilization of marginal and unimproved farm lands. Increased value-added can be obtained through improved efficiency of forage production and by expanding the feeding and finishing of cattle. The intensification of crops and livestock production, together with the processing of crop and livestock products, provides the major means of obtaining increased value-added to the agricultural sector.</p>
ELEMENTS	<p>The objectives of the four elements of the agreement are to:</p> <ul style="list-style-type: none">(a) provide for investigation of the technical implications and the potential and/or realized impact of the introduction and expansion of value-added crops;(b) assist in the expansion and sustained production of special crops, primarily those which are processed or have potential for being processed in Manitoba;(c) improve the production, handling and utilization of crops grown for livestock feed; and(d) implement productivity measures that will remove constraints to the production of value-added crops, with particular attention to the development of land and water management projects.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Investigation and Evaluation	\$ 800 000	\$ 320 000	\$ 480 000
Special Crop Products	3 000 000	1 200 000	1 800 000
Livestock Products	5 700 000	2 280 000	3 420 000
Related Productivity Measures	<u>9 000 000</u>	<u>3 600 000</u>	<u>5 400 000</u>
TOTAL	\$18 500 000	\$7 400 000	\$11 100 000

ADMINIS-TRATION AND MANAGEMENT

The agreement provides for an implementation committee of four regular and two ex-officio members. The regular members are representatives of DREE (federal co-chairman), Agriculture Canada, the Manitoba Department of Agriculture (provincial co-chairman) and one other representative of the province. The ex-officio members represent Canada and the Manitoba Department of Finance.

SUBSIDIARY AGREEMENT

TITLE **Tourism Development**

DURATION April 1, 1979 to March 31, 1984 (signed December 15, 1978).

OBJECTIVES To strengthen and enhance tourist destination areas as well as to improve the productivity of the industry.

BACKGROUND The tourism industry provides a substantial contribution to the Manitoba economy. The tourism industry is generally centred in Winnipeg and attraction centres within reasonable driving distance along major transportation routes. In addition, tourist attractions provide major economic activity in parts of the province where other job options are limited and economic growth is desirable. The enhancement of the attractiveness of Winnipeg assists commercial and industrial expansion as it helps firms to attract and retain key personnel. Winnipeg offers major cultural and sports activities. Activities which improve the year-round attractiveness of Winnipeg can increase commercial travel and expand the demand for commercial services. In addition, the enhancement of destination areas in rural Manitoba can increase the attractiveness of the province as a place to visit.

ELEMENTS (a) Destination Areas

Priority will be given to enhancing and developing new destination areas. Programs will focus on the Winnipeg area but investigation of opportunities in other areas will also be undertaken and selective support will be provided where appropriate.

(b) Productivity Measures

The objective is to facilitate the establishment and strengthening of organizational and institutional structures in the tourism industry to improve communication and coordination. This is intended to assist in the implementation of measures to guarantee that operational standards are met. These may include recommendations on the design and establishment of standards affecting accommodation and services, information systems, and training services.

There is also an incentive program available to assist in the establishment, modernization and/or expansion of accommodation facilities outside of Winnipeg.

FINANCIAL PROVISIONS	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Destination Areas	\$12 000 000	\$4 800 000	\$ 7 200 000
Productivity Measures	<u>8 000 000</u>	<u>3 200 000</u>	<u>4 800 000</u>
TOTAL	\$20 000 000	\$8 000 000	\$12 000 000

ADMINIS-
TRATION AND
MANAGEMENT

The agreement provides for a management committee of four regular and two ex-officio members. The regular members are representatives of DREE (federal co-chairman); Industry, Trade and Commerce; Manitoba Department of Tourism and Cultural Affairs (provincial co-chairman); and one other representative of the province. The ex-officio members are from the Federal Business Development Bank and the Manitoba Department of Finance.

SUBSIDIARY AGREEMENT

TITLE **Interim Water Development for Regional Economic Expansion and Drought Proofing**

DURATION May 30, 1980 to March 31, 1982.

OBJECTIVES Develop a strategy to improve the effectiveness of future water management activities, especially in drought-sensitive areas; provide analysis of the availability of and requirements for water in selected areas, and undertake the construction of such water supply and delivery schemes as may be identified as necessary; and in the Manitoba portion of the Souris River Basin, undertake the review and improvement of existing flood forecasting, warning and emergency action programs and the construction of such flood-damage-reduction and channel-improvement works as can be identified.

BACKGROUND Manitoba's economy is characterized by a heavy reliance on the resource industries and related industrial and service activities. In recent years there has been a real trend to increased diversification of the primary goods-producing sectors and substantial new investment in manufacturing and processing facilities. This trend is particularly dependent on adequate and sustainable water supplies. The economic performance of the primary resources and related goods-producing sectors can be severely restricted during periods of drought. Estimates of the impact of drought conditions of moderate severity on primary resource sectors in western Canada indicate losses in the order of \$100 million per year as well as the loss of confidence in business prospects in many sectors of the economy. Flooding problems also cause serious disruptions of sub-regional activity in Manitoba, particularly in the Souris River Basin in the southwestern part of the province.

- ELEMENTS
- (a) Water Management Activities - develop a strategy to improve the effectiveness of future water management activities with particular attention on water-short and drought-sensitive areas.
 - (b) Water Supply - analyze the availability of and requirement for water in specified areas, investigate and design identified works and undertake some of these as projects.

FINANCIAL PROVISIONS	ESTIMATED	PROVINCIAL	FEDERAL
	<u>TOTAL COST</u>	<u>SHARE</u>	<u>SHARE (DREE)</u>
Water Management Activities	\$3 350 000	\$ 875 000	\$2 475 000
Water Supply	<u>5 600 000</u>	<u>2 725 000</u>	<u>2 875 000</u>
TOTAL	\$8 950 000	\$3 600 000	\$5 350 000

ADMINISTRATION AND MANAGEMENT The agreement provides for implementation through a federal-provincial management group comprised of the Director General of PFRA or his designate (federal co-chairman), a representative of the Department of the Environment, and two representatives of the province, one of whom shall be provincial co-chairman.

SASKATCHEWAN



GENERAL DEVELOPMENT AGREEMENT

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

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 more effectively utilize the human resources of Saskatchewan; and
- (e) to increase the opportunities for people in northern Saskatchewan to participate 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, and rural and urban development.

Summaries of currently active subsidiary agreements follow.

SUBSIDIARY AGREEMENT

TITLE	Qu'Appelle Valley
DURATION	October 6, 1975 to March 31, 1984 (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 demand for these resources.
BACKGROUND	<p>The Qu'Appelle Valley is a major attraction for Saskatchewan residents and potentially for Trans-Canada Highway 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 longer in the province.</p> <p>Recreational and tourist development of the valley has been piecemeal and uncoordinated. The result is: an imbalance among attractions, facilities and services; great seasonality of use, alternatively overloading and underutilizing accommodations; and deterioration of the resource.</p> <p>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.</p> <p>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.</p> <p>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 reinforce the framework plan, the board made recommendations with respect to water quality, water supply, land and water use, and adjustment of the flood hazard.</p> <p>With this agreement, Canada and Saskatchewan have developed an integrated package of programs to be implemented over a 10-year period to solve the urgent environmental problems, establish effective management practices, and develop the recreation and tourism potential of the Qu'Appelle Valley.</p>
ELEMENTS	The program to be undertaken in this agreement comprises the following sectors:

- (a) 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.
- (b) Tourism and Recreation Development Sector -- to ensure that basic services are in place; that 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.
- (c) 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.

FINANCIAL
PROVISIONS

The following is a list of the costs associated with the 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	<u>2 000 000</u>	<u>1 000 000</u>	<u>1 000 000</u>
TOTAL	\$44 100 000	\$15 740 000	\$17 960 000

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

** Includes \$2 million in loan financing by SEDCO.

Federal contributions will be:

DREE	\$7 743 680
DOE	9 000 000
DIAND	1 200 000
IT&C	16 320

ADMINIS-
TRATION AND
MANAGEMENT

The agreement will be managed by a federal-provincial Qu'Appelle Valley management board made up of representatives from DREE and the federal departments of the Environment; 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 of DREE Saskatchewan or his delegate shall be the federal co-chairman and the Deputy Minister of the Saskatchewan Department of the Environment or his delegate 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 on matters of public concern.

SUBSIDIARY AGREEMENT

TITLE	Northlands
DURATION	August 28, 1978 to March 31, 1983 (retroactive to April 1, 1978) as amended June 10, 1980.
OBJECTIVES	Provide options and opportunities for northern residents to participate in the social and economic development of northern Saskatchewan; encourage the development of the natural resources of the area in harmony with resource conservation, for the benefit of northern residents and other residents of the province; and provide the opportunity for northern residents, who wish to do so, to continue their own way of life in an improved social and physical environment.
BACKGROUND	<p>Circumstances in northern Saskatchewan present both unique development problems and development opportunities. The region contains a substantial portion of the natural resources of the province, including minerals, forest, fresh water, and a largely untapped potential for outdoor recreation. Development of those natural resources is already taking place and there is increasing pressure to accelerate the pace of the development for the benefit of all Saskatchewan and Canadian residents. At the same time, northern Saskatchewan is the traditional living and working environment of a number of northern residents who view the resources of the region as the foundation of their economic, social and cultural lifestyle.</p> <p>The majority of people in northern Saskatchewan live in relatively small communities which find their historical economic roots in the traditional occupations of fishing, hunting and trapping. Most of these communities evolved from seasonal encampments centred on fur trading posts, missions and schools. The residents are almost exclusively of native ancestry. Their traditional economic base is weak. Their involvement in the economic development of the region is limited. Their standards of living are, on the average, unacceptably lower than those enjoyed by other Saskatchewan residents.</p> <p>Northern Saskatchewan is now at a critical stage in the development of both its economic and human resources. There is an opportunity for the northern economy to grow and diversify. There is equally an opportunity to ensure that development proceeds in a manner that provides an increasing range of economic options to northern residents and an increasing sense of accessibility to those options. An assertive and carefully coordinated development thrust is required on the part of all relevant federal, provincial and municipal agencies to ensure that northern residents have every opportunity to participate in the development of their region, and that northern communities provide a stable and supportive environment as a base for that participation.</p>
ELEMENTS	(a) Economic and Resource Development -- to increase the range of employment and income opportunities for northern residents, by influencing the pace and direction of resource development, and by broadening and diversifying the northern economic base in such a way as to ensure the increased participation of northern residents.

- (b) Human Development -- to improve the access of northern residents to existing and future social and economic opportunities by lowering the barriers associated with inadequate living conditions, difficult social circumstances, and a lack of sufficient education, industrial skills, working experience, information and participation in decision-making.
- (c) Transportation and Communication Development -- to facilitate economic, social and cultural interaction and development among northern residents and communities by providing basic transportation and communication access to northern communities and by improving the efficiency of transportation and communication on a regional level.
- (d) Implementation, Program Review and Assessment, and Public Information and Consultation -- to provide the resources necessary for effective coordination of the various federal and provincial initiatives, consultation with northern residents regarding the direction of development under this agreement, and a systematic review and assessment of programs undertaken under the terms of this agreement.

FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
Economic and Resource Development	\$ 8 500 000	\$ 3 400 000	\$ 5 100 000
Human Development	71 800 000	17 920 000	53 880 000
Transportation and Communication Development	45 600 000	18 240 000	27 360 000
Implementation, Program Review, etc.	<u>1 100 000</u>	<u>440 000</u>	<u>660 000</u>
TOTAL	\$127 000 000	\$40 000 000	\$87 000 000

In the Human Development sector, DIAND is contributing \$7 200 000 and CEIC \$9 000 000. Under Transportation and Communication Development, MOT is contributing \$12 500 000.

ADMINIS-
TRATION AND
MANAGEMENT

Supervision of the agreement will be carried out by a management group consisting of eight members: Director General of DREE Saskatchewan or his delegate (federal co-chairman), representatives of MOT, CEIC and DIAND, the Deputy Minister of the Department of Northern Saskatchewan or his delegate (provincial co-chairman), and three other representatives of the province.

SUBSIDIARY AGREEMENT

TITLE	Forest Development
DURATION	May 17, 1979 to March 31, 1982.
OBJECTIVES	Plan for the long-term development of the forest industry; identify industrial opportunities in forestry, conduct market and feasibility analyses, and apply known technology to existing or new industrial applications; upgrade forest management and silvicultural practices to ensure a continuing supply of timber for the industry; undertake site-specific planning for the development of commercial forest areas; and improve the cost competitiveness of the industry in domestic and export markets and maximize total utilization of the forest resource by upgrading and constructing access roads and by identifying and making improvements to the harvesting and distribution system.
BACKGROUND	<p>The Saskatchewan timber industry uses primarily softwood species (jack pine, black and white spruce). The forest industry directly employs approximately 4 500 people in the industry's manufacturing, harvesting and woods operation.</p> <p>In the areas considered to be commercial, most of the softwood is being utilized, but very little hardwood is cut. In the identified potentially commercial areas, and in the more northern part of the province, all species are underutilized. On average, only 50.6% of the allowable softwood cut and 17.1% of the allowable hardwood cut is used. Limited access, low-quality trees in some instances, and lack of adequate inventory information are the main reasons for the current underutilization.</p>
ELEMENTS	<p>(a) Opportunity Identification and Technological Advancement -- determine industrial opportunities in forestry, particularly in the underutilized species of aspen and elm; conduct market and feasibility analyses; and transfer known technology to an existing or new industrial application.</p> <p>(b) Forest Management and Silvicultural Practices -- assist Saskatchewan in upgrading its forest management and silvicultural practices to ensure that allowable cut estimates are based on adequate data to ensure a continuing supply of timber for the industry; to plan for the development of the potentially commercial forest areas; and to help make decisions on future plant locations or expansions.</p> <p>(c) Forest Harvesting Logistics and Productivity Improvement -- improve the cost competitiveness of the existing industry by reducing the cost of wood supply to plants by identifying and making improvements to the harvesting and wood distribution system and by improving forest access roads.</p> <p>(d) Implementation, Evaluation and Public Information -- provide for the administration of the agreement, the evaluation of the program impact, public information, and a mechanism for the Canadian Forestry Service to provide technical assistance.</p>

FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Opportunity Identifi- cation and Technolog- ical Advancement	\$ 1 000 000	\$ 500 000	\$ 500 000
Forest Management and Silvicultural Practices	14 350 000	7 175 000	7 175 000
Forest Harvesting Logistics and Produc- tivity Improvement	8 300 000	4 150 000	4 150 000
Implementation, Evaluation and Public Information	<u>350 000</u>	<u>175 000</u>	<u>175 000</u>
TOTAL	\$24 000 000	\$12 000 000	\$12 000 000

ADMINIS-
TRATION AND
MANAGEMENT

The agreement provides for a management board of six members: three representing Canada and three representing the province. The federal members will include the Director General of DREE Saskatchewan or his delegate (federal co-chairman), a representative of the Department of the Environment, and one additional representative. The provincial members will include a representative of the Department of Tourism and Renewable Resources (provincial co-chairman) and two other provincial representatives.

SUBSIDIARY AGREEMENT

TITLE	Productivity Enhancement and Technological Transfer in Agriculture		
DURATION	May 17, 1979 to March 31, 1982.		
OBJECTIVES	Broaden and diversify the agriculture base of the province by encouraging the production of special crops which have a potential for processing and thereby strengthen the linkages from primary production to processing; enable the transfer of technology from applied research to farm production; improve the efficiency of production and conversion of crops through livestock into red meats; and increase the level of value-added processing of crops and meats.		
BACKGROUND	In 1977, Saskatchewan produced approximately 65% of the total Canadian wheat supply, 30% of the total domestic production of non-wheat cereal grains, and 40% of both the Canadian rapeseed and flaxseed production. Approximately 20% of the total Canadian cattle and calves and 9% of the hogs are on Saskatchewan farms. There is some production of field and root crops such as potatoes, carrots and onions for supply to local markets. Special crops produced in the province include peas, mustard seed, millet and corn. As population and demands increase in Canada and internationally, opportunities exist to increase the processing of presently produced products which would generate more income and employment in Saskatchewan. The employment and incomes provided by the processing industries will stabilize the economy of some areas, while aiding in the growth of others and contributing to the overall aggregate economic development of the province.		
ELEMENTS	<p>(a) Crop Diversification and Technology Transfer -- encourage the production of new and special crops, innovative crops and cropping practices.</p> <p>(b) Productivity Improvement -- improve the productivity of crop and livestock enterprises.</p> <p>(c) Program Development, Public Information and Evaluation -- analyze the trends in agriculture and agricultural products and assist in the planning of agriculture in Saskatchewan.</p>		
FINANCIAL PROVISIONS	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
	Crop Diversification and Technology Transfer	\$ 2 025 000	\$1 012 500
	Productivity Improvement	12 145 000	6 072 500
	Program Development, Public Infor- mation and Evaluation	<u>1 150 000</u>	<u>575 000</u>
	TOTAL	\$15 320 000	\$7 660 000

ADMINIS-
TRATION AND
MANAGEMENT

The agreement provides for a management board of four members: the Director General of DREE Saskatchewan (federal co-chairman), representatives of Agriculture Canada and the Saskatchewan Department of Agriculture (provincial co-chairman) and a second provincial representative.

SUBSIDIARY AGREEMENT

TITLE	Interim Water Development for Regional Economic Expansion and Drought Proofing
DURATION	May 17, 1979 to March 31, 1982 (retroactive to April 1, 1979).
OBJECTIVES	Develop a strategy to improve the effectiveness of future water management activities, especially in drought-sensitive areas; provide analysis of the availability of and requirements for water in selected areas, and undertake the construction of such water supply and delivery schemes as may be identified as necessary; and in the Saskatchewan portion of the Souris River Basin, undertake the review and improvement of existing flood forecasting, warning and emergency action programs, the purchase of flood-prone lands and the construction of such flood damage reduction and channel improvement works as can be identified.
BACKGROUND	Saskatchewan's economy is characterized by a heavy reliance on the resource industries, particularly grain and cattle production. The manufacturing and service sectors are tied closely to the primary sector, so cyclical fluctuations in world markets or a crop failure has a significant impact on the provincial economy. In recent years, major opportunities have been identified in energy and related mining activities. The pursuit of these opportunities, along with the growing urban population and more intensive farming operations, depends heavily on adequate and sustainable water supplies. The economic potential and performance of the primary resources and related sectors are severely restricted during periods of drought. The impact of moderate drought conditions on primary-resource sectors is estimated at losses in the order of \$375 million per year and a loss of confidence in business prospects in many sectors of the economy. Flooding can also cause serious disruptions of sub-regional economic activity in Saskatchewan, particularly in the south and central parts of the province.
ELEMENTS	<p>(a) Water Management Activities -- develop a strategy to improve the effectiveness of future water management activities with particular attention to water-short and drought-sensitive areas.</p> <p>(b) Water Supply -- analyze the availability of and requirement for water in specified areas; investigate and design identified works; and undertake at least one large storage project as well as a number of less costly schemes.</p> <p>(c) Flood-Damage Reduction -- enable the joint implementation of the recommendations of the Souris River Basin Study relative to the mitigation of urban flood damage and the improvement of programs of flood forecasting, warning and emergency actions.</p>

FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
(a) Water Management Activities	\$ 2 500 000	\$ 500 000	\$2 000 000
(b) Water Supply	10 700 000	5 300 000	5 400 000
(c) Flood-Damage Reduction	<u>2 050 000</u>	<u>1 550 000</u>	<u>500 000</u>
TOTAL	\$15 250 000	\$7 350 000	\$7 900 000

Of the federal share, DREE is funding Sectors (a) and (b) (\$7 400 000) and the Department of the Environment is funding Sector (c) (\$500 000).

ADMINIS-
TRATION AND
MANAGEMENT

The agreement provides for implementation through a federal-provincial management group of three federal and three provincial members. The federal members include two representatives of DREE, one of whom is the Director General of PFRA (federal co-chairman), and a representative of the Department of the Environment. The provincial members are from the departments of the Environment (provincial co-chairman), Municipal Affairs, and Agriculture.

SUBSIDIARY AGREEMENT

TITLE	Planning 1979-84		
DURATION	May 17, 1979 to March 31, 1984 (retroactive to April 1, 1979).		
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	The General Development Agreement between Canada and Saskatchewan provides a general framework for the coordinated planning and implementation of measures for economic and socio-economic development in Saskatchewan. The Canada-Saskatchewan planning agreement 1975-79 and the preceding Canada-Saskatchewan interim planning agreement of 1974 have played a supportive role in DREE's development programs in Saskatchewan. Both have been useful in identifying industrial projects in Saskatchewan, in undertaking preliminary analysis for new agreement formulation in support of the GDA process, and in providing analytic support for ongoing programs. It is the intention of this agreement to continue and to enhance joint planning activities under the GDA.		
ELEMENTS	<p>(a) Economic Opportunity Studies -- identify and examine potential economic development opportunities in various sectors in Saskatchewan.</p> <p>(b) Urban Social Adjustment Studies -- develop a strategy that will facilitate the adjustment of people of native ancestry to living in urban centres and will enable their increased participation in urban employment opportunities.</p> <p>(c) Community Planning and Mapping Studies -- provide an inventory, analysis and topographic information essential to planning and engineering activities related to development.</p> <p>(d) Core Redevelopment Studies -- plan core redevelopment of larger cities, focusing on industrial and commercial developments as these relate to the centres' economic growth potential.</p>		
FINANCIAL PROVISIONS	ESTIMATED <u>TOTAL COST</u>	PROVINCIAL <u>SHARE</u>	FEDERAL <u>SHARE (DREE)</u>
	\$1 500 000	\$750 000	\$750 000
ADMINIS- TRATION AND MANAGEMENT	The agreement provides for implementation through a federal-provincial management committee made up of a senior official from DREE and a senior official from the provincial Department of Industry and Commerce.		

ALBERTA



GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) 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 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 to 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 in 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; and 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.

Summaries of currently active subsidiary agreements follow.

SUBSIDIARY AGREEMENT

TITLE	Nutritive Processing Assistance
DURATION	March 11, 1975 to June 30, 1981 (retroactive to July 1, 1974) as amended April 5, 1976, May 27, 1977, November 24, 1977, May 2, 1978, May 30, 1979, December 17, 1979, January 30, 1980, August 4, 1980 and March 31, 1981.
OBJECTIVES	<p>The objectives of the agreement are to:</p> <p>(a) strengthen the economic viability of the small rural community; and</p> <p>(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 rural communities to the major metropolitan centres.</p>
BACKGROUND	<p>The Alberta economy, while relatively strong in terms of general economic indicators, is characterized by a tendency to concentrate development both sectorially 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.</p> <p>Economic and socio-economic standards in the major urban centres are generally high. There exist, however, many small rural communities which are unable to provide the productive employment opportunities or levels of social amenities necessary to permit their residents to participate in and benefit from the development of Alberta. Many of these communities, although they possess 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 to provide a better social environment.</p> <p>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 to avoid possible future adverse consequences of a heavy reliance on the oil and gas industry.</p> <p>Achievement of the 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 increases in personal and family incomes, potential economic benefits include increased employment and a greater provincial share of value-added generated from primary products which now leave the province.</p> <p>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.</p>

The constraints to 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 agreement is the result of a detailed analysis which was carried out in close cooperation with, and with the active participation of the departments of Industry, Trade and Commerce; Agriculture; Finance; Treasury Board; and the Alberta government.

The agreement was signed by the Minister of DREE and the Alberta Minister of Federal and Intergovernmental Affairs.

ELEMENTS

The elements of this program are:

- (a) Development Assistance Program, which shall take the form of financial incentives to nutritive processing facilities;
- (b) 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; and
- (c) Sheep Industry Development Program, which will provide sheep slaughter facilities at Innisfail.

FINANCIAL PROVISIONS

The following are the estimated costs provided for in the agreement:

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

ADMINIS-
TRATION 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.

SUBSIDIARY AGREEMENT

TITLE	Alberta North
DURATION	February 8, 1978 to March 31, 1982 (retroactive to April 1, 1977) as amended August 15, 1979.
OBJECTIVES	Provide options and opportunities for the people of northern Alberta to contribute to and participate in the development of the region; initiate those social and cultural amenities, community infrastructure improvements and services required to enable the people in northern Alberta to participate in northern development; and encourage the orderly development of northern Alberta for the benefit of the inhabitants and the region.
BACKGROUND	<p>The development approach proposed under the long-term Alberta North agreement has evolved from research and a process of experimentation and testing at the federal, provincial and local levels. The approach is built upon experience gained in social, economic and community services programming over the period since the late 1960s. It recognizes a need for more experimentation in economic development initiatives, and the need to improve upon existing planning and implementation mechanisms.</p> <p>Under the interim subsidiary agreement on Alberta North, Canada and Alberta undertook a series of planning and development projects designed to clarify the nature of a long-term commitment aimed at northern socio-economic development. More specifically, the interim subsidiary agreement provided for programs, under the Life Improvement and Community Services Sector, designed to provide the social, cultural and physical environment required to assist individuals, families and communities to take advantage of development opportunities. Steps were taken to assess need and to assist remote communities to improve the services they were providing their residents.</p> <p>In addition, through the efforts of a number of federal and provincial agencies, a coordinated approach to life improvement programming was developed. Under the Community Economic Development Sector, a preliminary analysis of resources and economic opportunities was completed. Pilot action was initiated to experiment with a number of community and regional economic development projects and organizational structures. Efforts were made to develop an economic development strategy for disadvantaged sub-regions in the north. Under the Planning and Management Sector, studies were undertaken to develop a socio-economic profile of the north, with emphasis on the social and economic characteristics of the most underdeveloped sub-regions. In addition, a long-term development approach was designed.</p> <p>Given the complex nature of northern development, further programming within a long-term framework is required. The initiatives and planning undertaken through the four-year interim agreement have resulted in some progress toward the objectives of the agreement. In general, the programs displayed in this schedule</p>

are intended to continue work toward similar objectives in a manner that is consistent with a development approach which places increased emphasis on community involvement within the context of regional, provincial and national policies and objectives.

ELEMENTS

- (a) Human Development -- designed to provide a process through which individuals and families can develop the life skills and attitudes that are prerequisites for entry into socio-economic opportunities and for making informed decisions regarding their futures.
- (b) Community Services and Facilities -- assist communities, individuals and families to establish a healthy and safe environment within which they can live and plan for the future. Access to education, vocational training and job opportunities will be an integral part of this program.
- (c) Community Services and Facilities -- Indian Reserves -- as above, except that it pertains to Indian Reserves only and is cost-shared by DREE and Indian Affairs and Northern Development.
- (d) Social Adjustment and Professional Development -- assist individuals and families who have decided to move from the remote communities to training and/or employment opportunities, through provision of special social adjustment counselling.
- (e) Community Economic Development -- assist individuals, groups and community organizations to identify socio-economic opportunities, to formulate development proposals, and to gain socio-economic experience in the local setting.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE</u>
Human Development	\$20 470 000	\$10 235 000	\$10 235 000
Community Services and Facilities	16 600 000	8 300 000	8 300 000
Community Services and Facilities - Indian Reserves	10 000 000	--	10 000 000*
Social Adjustment and Professional Development	2 950 000	1 475 000	1 475 000
Community Economic Development	<u>4 980 000</u>	<u>2 490 000</u>	<u>2 490 000</u>
TOTAL	\$55 000 000	\$22 500 000	\$32 500 000*

* \$5 million will be paid by DIAND, the rest by DREE.

ADMINIS-
TRATION AND
MANAGEMENT

Supervision of the agreement will be carried out by a joint committee consisting of two members: the Director General of DREE Alberta or his delegate and the Executive Director, Northern Development Branch, Business Development and Tourism or his delegate.



BRITISH COLUMBIA



GENERAL DEVELOPMENT AGREEMENT

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

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 areas or sectors 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 underutilized 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.

Summaries of currently active subsidiary agreements follow.

SUBSIDIARY AGREEMENT

TITLE	Industrial Development
DURATION	July 8, 1977 to March 31, 1982 as amended April 11, 1979, June 29, 1979 and October 28, 1980.
OBJECTIVES	To encourage greater sectorial and spatial diversification of economic activity in the Province of British Columbia and thereby improve opportunities for productive employment in the target area and achieve a more balanced level of development among the different areas of the province.
BACKGROUND	<p>The realization of the federal and provincial objectives to diversify and distribute economic activity throughout British Columbia requires a program of assistance designed to overcome the disadvantages of locating manufacturing activities away from the already highly developed centres. The thrust of such a program would be to stimulate manufacturing and to support those parts of British Columbia presently on, or close to the major transportation routes. For the most part this would include, but not be limited to, the Prince Rupert-Prince George-Kamloops corridor, and the corridor served by Highway 3.</p> <p>In support of a program of industrial incentives, a research effort is needed to identify viable manufacturing opportunities. Also included would be support for regional industrial development commissions which would play an active role in support of the diversification and dispersion goals of the two senior levels of government.</p> <p>The elements of this subsidiary agreement are:</p> <p>(a) Research</p> <ul style="list-style-type: none">- to provide the information and analysis necessary to implement the other elements of the agreement and to ensure that the developmental objectives of the federal and provincial governments are rationally attained. <p>(b) Community Industrial Development</p> <ul style="list-style-type: none">- to encourage the development of well-trained and effective industrial development capabilities in each of the main economic regions of the province;- to ensure the existence of adequate competitively priced industrial land in the key regional centres which have been identified as potential growth areas in the province; and- to encourage and facilitate orderly development and efficient growth patterns in British Columbia by supporting industrial development in industrial parks, or in special cases in industrial malls, or advance factory space.

(c) Industrial Assistance

- to encourage and assist the modernization, expansion or establishment of small business enterprises, which because of size or function would not normally meet the criteria of existing incentive programs.

(d) Public Information

- to provide for the preparation and distribution of public information material.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Research	\$ 2 750 000	\$ 1 375 000	\$ 1 375 000
Community Industrial Development	57 000 000	28 500 000	28 500 000
Industrial Assistance	10 000 000	5 000 000	5 000 000
Public Information	<u>250 000</u>	<u>125 000</u>	<u>125 000</u>
TOTAL	\$70 000 000	\$35 000 000	\$35 000 000

ADMINIS-
TRATION AND
MANAGEMENT

This agreement will be managed by a joint federal-provincial industrial development committee. The committee shall consist of: a representative of DREE who shall be the federal co-chairman; an official from Industry, Trade and Commerce; an ex-officio member from the Federal Business Development Bank; two representatives from the British Columbia Ministry of Economic Development, one of whom shall be the provincial co-chairman; and an ex-officio member from the British Columbia Development Corporation.

SUBSIDIARY AGREEMENT

TITLE	Agriculture and Rural Development
DURATION	August 1, 1977 to July 31, 1982 (signed July 8, 1977)
OBJECTIVES	<p>The objectives of this agreement are to:</p> <ul style="list-style-type: none"> (a) identify, research, plan and pursue new or unexploited projects related to agriculture and rural development; (b) expand employment in those existing aspects of the agriculture industry and food-processing industry in British Columbia which demonstrate production and market potentials; and (c) improve the ability of the existing industries to sustain growth.
BACKGROUND	<p>Agriculture and rural development have been identified as vital components of the economic development strategy in British Columbia. Rising energy and labour costs and changing market conditions necessitated major adjustments in the agriculture sector over the last five years. During this period, increasing environmental and land-use concern led to major changes in government agricultural policy in British Columbia. Studies, therefore, were undertaken by both Canada and British Columbia on specific agricultural sectors and a number of development constraints and opportunities were investigated.</p> <p>In 1976 the British Columbia Department of Agriculture initiated an agriculture planning committee which had input from other federal and provincial departments. On the basis of this committee's work, a policy paper was prepared outlining agricultural development policy proposals for the British Columbia Department of Agriculture. These policy initiatives were endorsed by the provincial Cabinet and form the basis of this agreement.</p>
ELEMENTS	<p>(a) Research, Planning, Training and Market Promotion</p> <ul style="list-style-type: none"> - to provide rural planning by geographical areas within which initiatives may be developed by government, municipalities and residents; - to support pilot demonstrations designed to test new techniques and approaches that will improve or increase production, and to identify specific employment opportunities; - to provide meaningful opportunities for participants in the agricultural industry through consultation and coordination with governments in planning projects; and - to provide the mechanism required to encourage the emergence of latent entrepreneurs to develop new and/or existing opportunities in this sector.

(b) Coordinated Resource Management

- to develop and improve the grazing capacity of Crown range in order to utilize the forage production of this resource; and
- to optimize multi-use possibilities and thereby support and stabilize the beef industry in harmony with forestry, recreation and wildlife interests.

(c) Primary-Resource Development

- to increase the production capability of the underdeveloped land resource, within the framework of those primary products which show market and production potential.

(d) Support Services and Community Development

- to provide the support services needed in rural areas to develop the agricultural industry to secondary processing and value-added stages, thereby improving stability and rural employment opportunities.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>LOCAL SHARE</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Research, Planning, Training and Market Promotion	\$ 4 950 000	-	\$ 2 475 000	\$ 2 475 000
Coordinated Resource Management	22 000 000	\$ 2 200 000	9 900 000	9 900 000
Primary-Resource Development	20 000 000	5 000 000	7 500 000	7 500 000
Support Services and Community Development	<u>39 800 000</u>	<u>19 550 000</u>	<u>10 125 000</u>	<u>10 125 000</u>
TOTAL	\$86 750 000	\$26 750 000	\$30 000 000	\$30 000 000

ADMINIS-TRATION AND MANAGEMET

A joint federal-provincial management committee will be established consisting of at least two representatives from each of Canada and the Province of British Columbia.

SUBSIDIARY AGREEMENT

TITLE	Travel Industry Development
DURATION	October 17, 1978 to October 17, 1983.
OBJECTIVES	Develop plans for British Columbia's travel industry to utilize unexploited and new initiatives; generate significant employment opportunities in British Columbia; contribute to the orderly growth and development of the travel industry in British Columbia through the greater utilization of the tourism potential; generate, encourage and increase travel and vacation time within British Columbia that will result in a stimulus to the British Columbia economy and will contribute to the improvement of Canada's balance of payments on travel account position; and develop a long-term travel-industry strategy for British Columbia.
BACKGROUND	<p>The travel industry development subsidiary agreement is designed to meet federal and provincial objectives relating to economic development and regional development. It will help to establish the preconditions for private-sector investment at all levels through support for selected targets, the provision of necessary infrastructure, and the data collection and analyses required to identify and pursue strategic activities.</p> <p>Travel has been identified by both governments as an industry that offers major opportunities that can be realized to the benefit of British Columbia and Canada through coordinated program opportunities and more balanced regional economic development. The two governments are committed to improving the British Columbia travel industry.</p> <p>The travel industry, moreover, is highly labour-intensive and is responsible for nearly 6% of the provincial work force. In 1976, the travel industry in British Columbia employed the equivalent of 62 400 person-years, of which two thirds were full-time jobs. As a result, the part-time employment figures do not adequately reflect the large absolute number of seasonal employees who may work for relatively short periods. The information clearly shows the dominance of the accommodation and the transportation categories in terms of both employment and wages impact. The travel industry, at more than \$600 million, ranked third behind manufacturing and construction in total wages paid in British Columbia during 1976.</p>
ELEMENTS	<p>(a) Travel Industry Studies and Planning -- undertake the detailed analysis of many aspects of British Columbia's travel industry required to assist in the preparation of long-term plans and the development of strategies to realize those plans.</p> <p>(b) Travel Industry Organization -- encourage existing and new organizational structures to enunciate industry needs and coordinate requirements.</p> <p>(c) Travel Industry Upgrade -- upgrade existing facilities, encourage new viable operations and provide infrastructure assistance through provision of forgivable loans.</p>

- (d) Travel Generators -- support the improvement, expansion or creation of major travel generators in selected destination areas.
- (e) Skiing and Related Facilities -- develop perhaps two major international skiing attractions, assist in construction and operation of viable regional facilities and provide technical studies and evaluation for local skiing facilities.

FINANCIAL PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>PROVINCIAL SHARE</u>	<u>FEDERAL SHARE (DREE)</u>
Travel Industry Studies and Planning	\$ 1 500 000	\$ 750 000	\$ 750 000
Travel Industry Organization	4 500 000	2 250 000	2 250 000
Travel Industry Upgrade	13 000 000	6 500 000	6 500 000
Travel Generators	15 000 000	7 500 000	7 500 000
Skiing and Related Facilities	<u>16 000 000</u>	<u>8 000 000</u>	<u>8 000 000</u>
TOTAL	\$50 000 000	\$25 000 000	\$25 000 000

ADMINIS-
TRATION AND
MANAGEMENT

This agreement will be managed by a joint federal-provincial management committee. The committee shall consist of: a representative of DREE who shall act as co-chairman; an official from Industry, Trade and Commerce; and two representatives from the British Columbia Ministry of Economic Development, one of whom shall act as co-chairman.

SUBSIDIARY AGREEMENT

TITLE	Intensive Forest Management
DURATION	May 17, 1979 to March 31, 1984.
OBJECTIVES	Ensure the long-term economic viability of the forest sector of the provincial economy; strengthen the job-creating potential of the provincial forest resource; increase the wood yield from provincial forests beyond that secured by the basic forestry program of the provincial Ministry of Forests; and ensure that the annual rate of harvest of this renewable resource is sustained and increased.
BACKGROUND	<p>The forests of British Columbia remain a vital element in the economy of the province and Canada. The industry makes a substantial contribution to the economic and social well-being of the people of British Columbia both directly through the creation of employment and income opportunities and indirectly through the stimulation of a wide variety of associated manufacturing and service enterprises. On the national level, exports of forest goods contribute significantly to Canada's balance of payments.</p> <p>The future of the forest industry is dependent on a wide variety of factors. International market conditions, the efficiency of the industry, technological innovation and the prudent husbandry and management of the resource base are all important. A central consideration in the latter factor is the enhancement of intensive forest management techniques.</p> <p>The harvesting of the British Columbia forests has progressed to the point where many of the old growth stands are disappearing or are remote and costly to use. At present the Province of British Columbia carries out a basic forestry program which is in part oriented to the rehabilitation of these areas. However, increasing demands on the resource have led to a recognition that greater efforts are needed in this area.</p>
ELEMENTS	<p>(a) Reforestation -- there is a substantial backlog of forest land which has been inadequately restocked following logging and fires.</p> <p>(b) Juvenile Spacing -- timely spacing of young stands greatly enhances management options and many stands in both coastal and interior regions of the province have reached the most appropriate ages for this treatment.</p> <p>(c) Fertilization -- studies have shown that the growth effects of juvenile spacing and fertilization are more than additive; therefore, much of the fertilization effort will be combined with juvenile spacing treatments.</p> <p>(d) Forest Protection -- to reduce fire hazard to acceptable levels, initial attack crews will be stationed on location for immediate suppression of fires that may develop following juvenile spacing.</p>

(e) Implementation Contracts -- to ensure the work is done in a systematic, cost-effective and professional manner, the province will supplement its internal capacity through the use of professional expertise for contracting development and supervision of selected projects.

FINANCIAL PROVISIONS	ESTIMATED TOTAL COST	PROVINCIAL SHARE	FEDERAL SHARE (DREE)
Reforestation	\$11 500 000	\$ 5 750 000	\$ 5 750 000
Juvenile Spacing	30 000 000	15 000 000	15 000 000
Fertilization	5 000 000	2 500 000	2 500 000
Forest Protection	1 000 000	500 000	500 000
Implementation Contracts	<u>2 500 000</u>	<u>1 250 000</u>	<u>1 250 000</u>
TOTAL	\$50 000 000	\$25 000 000	\$25 000 000

ADMINIS-
TRATION AND
MANAGEMENT

The agreement provides for a management committee of at least four members, representing the B.C. Ministry of Economic Development (provincial co-chairman), the B.C. Ministry of Forests, DREE (federal co-chairman), and the Department of the Environment, with additional, non-voting members invited on agreement of the four members.

SUBSIDIARY AGREEMENT

TITLE Ridley Island Road Access

DURATION November 26, 1980 to March 31, 1982.

OBJECTIVE To construct an industrial road connecting Highway 16 on Kaien Island with the Ridley Island site for the bulk-commodity port facility.

BACKGROUND The construction of a new bulk-commodity port facility on Ridley Island near Prince Rupert in northwest British Columbia will significantly reduce current and anticipated congestion in existing west coast Canadian ports. This new port will facilitate economic development in British Columbia and western Canada and enhance employment, income, trade and balance of payments benefits. Canadian producers will be better able to meet increasing export commitments for cereal grains, metallurgical and thermal coal, potash, sulphur and other bulk commodities.

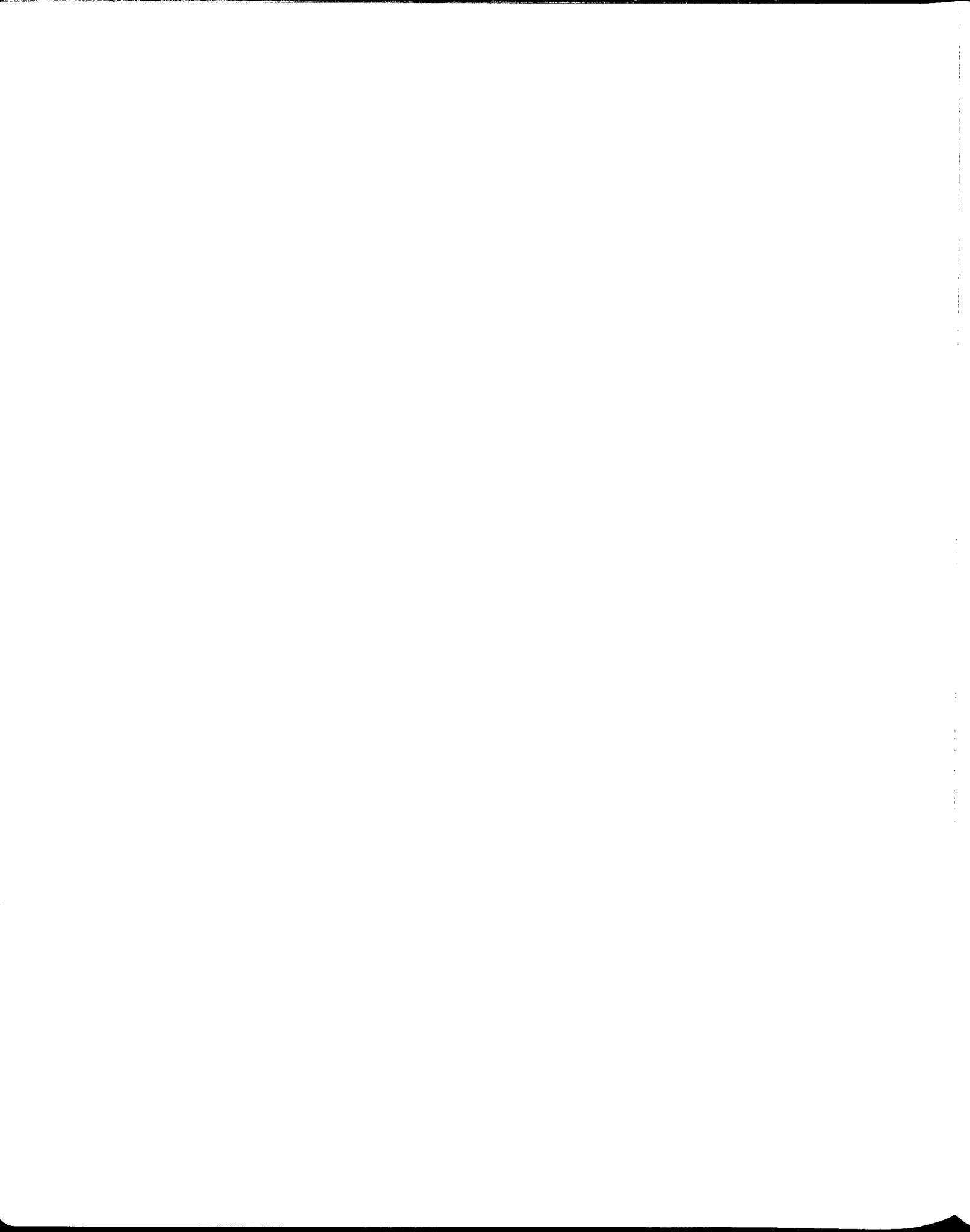
The construction of this industrial road access from Highway 16 on Kaien Island is viewed as an essential precedent to the on-site preparation of and infrastructure developments for the port.

ELEMENTS The industrial road will connect Highway 16 on Kaien Island with the Ridley Island site for the bulk-commodity port facility. Land clearing and grubbing, which began in 1980, will be followed by construction of a 75-meter right-of-way, to a design speed standard of 80 km per hour, initially for two lanes, but with provision for an additional two lanes at a later time. Construction commenced in 1980. Paving is scheduled for the summer of 1981 and final completion of the access road is scheduled for the spring of 1982.

FINANCIAL PROVISIONS	<u>ESTIMATED</u>	<u>PROVINCIAL</u>	<u>FEDERAL</u>
	<u>TOTAL COST</u>	<u>SHARE</u>	<u>SHARE (DREE)</u>
	\$8 000 000	\$4 000 000	\$4 000 000

This agreement will be managed by a joint federal-provincial management committee consisting of a single representative from each of DREE (federal co-chairman), Canada National Harbours Board, the B.C. Ministry of Industry and Small Business Development (provincial co-chairman) and the B.C. Ministry of Transportation and Highways.

NORTHWEST TERRITORIES



GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with the Northwest Territories was signed April 4, 1979 by the Minister of Regional Economic Expansion, the Minister of Indian Affairs and Northern Development, and the Commissioner of the Northwest Territories.

The objectives of this agreement are:

- (a) to develop a comprehensive and coordinated strategy for socio-economic expansion and diversification in the Northwest Territories, with emphasis on activities which will make ongoing contributions to residents of the Northwest Territories;
- (b) to provide the opportunity for people of the Northwest Territories to assume an active role in the identification, planning and implementation of development projects, so that a balance is achieved between wage-employment activities and those that support the traditional native economy;
- (c) to establish a systematic approach towards providing people of Indian and Inuit ancestry with the opportunity to choose between a life based on traditional pursuits or on the wage economy, or a combination of the two; and
- (d) to provide necessary support for related social programs and physical development.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of appropriate federal and territorial 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 the Northwest Territories and the territories' relationship to the national economy, as these may be of importance to achieving the objectives.

A summary of the currently active subsidiary agreement follows.

SUBSIDIARY AGREEMENT

TITLE	Interim Community Economic Development
DURATION	April 4, 1979 to September 30, 1981 as amended March 31, 1981.
OBJECTIVES	To assist individuals and communities to participate in community affairs and development opportunities to improve their social and physical environment in a manner conducive to improving quality of life; and to assist in the assessment, planning and development of resource-based and other opportunities for economic development in a manner which emphasizes and encourages community participation in balanced development.
BACKGROUND	The lack of community and regional infrastructure is a limiting factor in promoting economic development in the north, and in developing linkages within and between sectors, and between communities. Transportation and communication networks are not highly developed in many areas, and involve extreme distances. The inhabitants of the smaller remote settlements are predominately people of Indian or Inuit ancestry who have had limited exposure to and therefore little experience in the wage economy and have not developed an extensive array of the skills required to participate in the wage economy. Many lack information regarding development opportunities and frequently do not view such opportunities as being of potential benefit. Greater interaction between residents of northern communities affected by development activities and agents responsible for these activities is required in order to maximize the benefits of development to residents of northern communities.
ELEMENTS	<p>The elements of the agreement are:</p> <ul style="list-style-type: none">(a) to prepare an integrated tourism strategy for a 5- to 10-year horizon;(b) to provide a framework for the planning and development of a variety of community-scale renewable-resource-based activities;(c) to provide a work rotation program that will rotate workers between home and job sites, coupled with existing training programs to enable northern residents to participate in wage employment without permanently leaving their communities and country food resources;(d) to assist residents of the Northwest Territories in assuming an active role in the planning and implementation of development projects; and(e) to provide for a comprehensive assessment of the economy of the Northwest Territories examining various opportunities in light of constraints and prospects for future development.

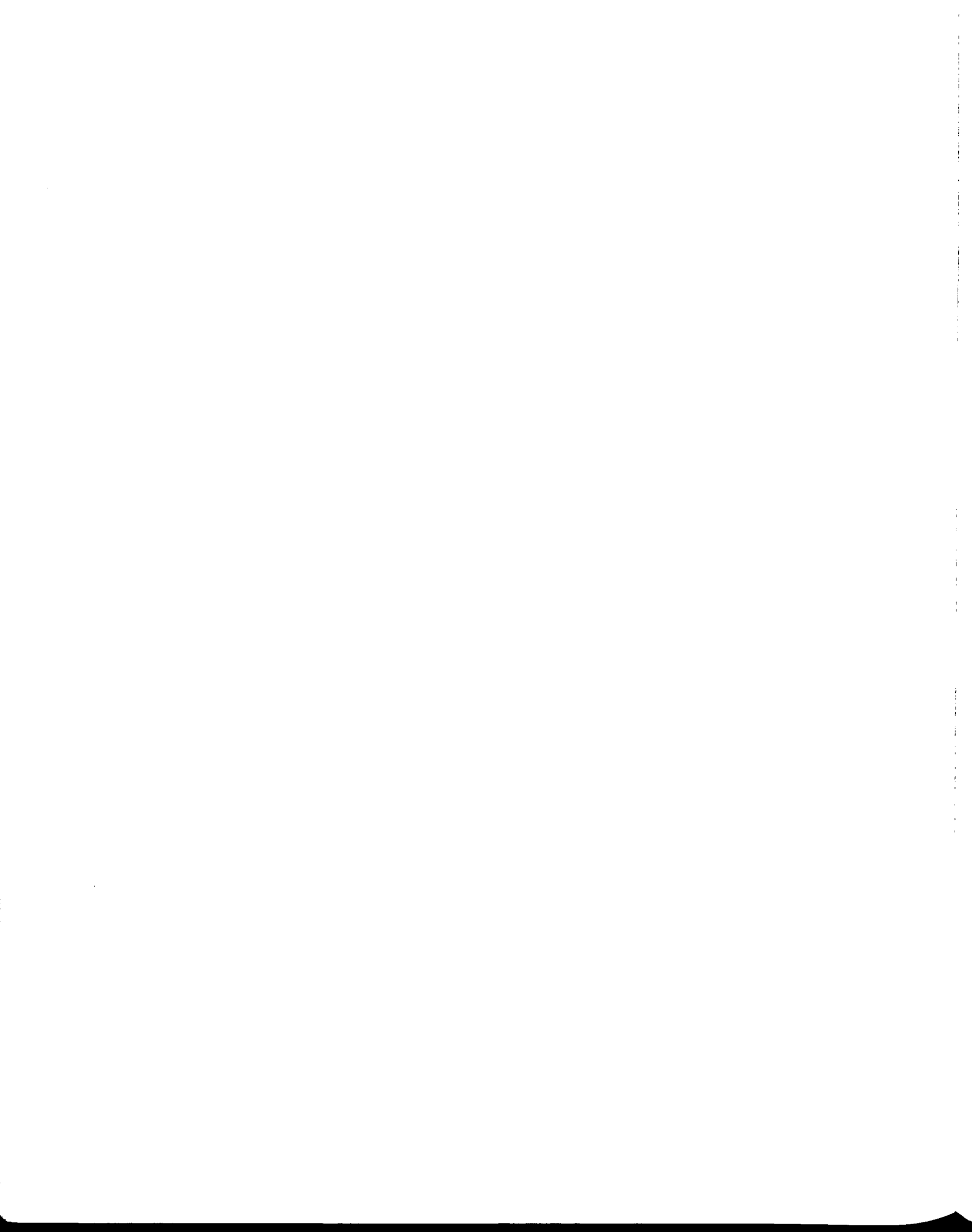
FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>TERRITORIAL SHARE</u>	<u>FEDERAL SHARE</u>
Tourism	\$ 600 000	\$ 240 000	\$ 360 000
Renewable Resources	2 253 000	741 000	1 512 000
Job Rotation	100 000	40 000	60 000
Community-Based Planning	600 000	240 000	360 000
Economic Development Strategy	200 000	80 000	120 000
Administration and Review	<u>80 000</u>	<u>32 000</u>	<u>48 000</u>
TOTAL	\$3 833 000	\$1 373 000	\$2 460 000

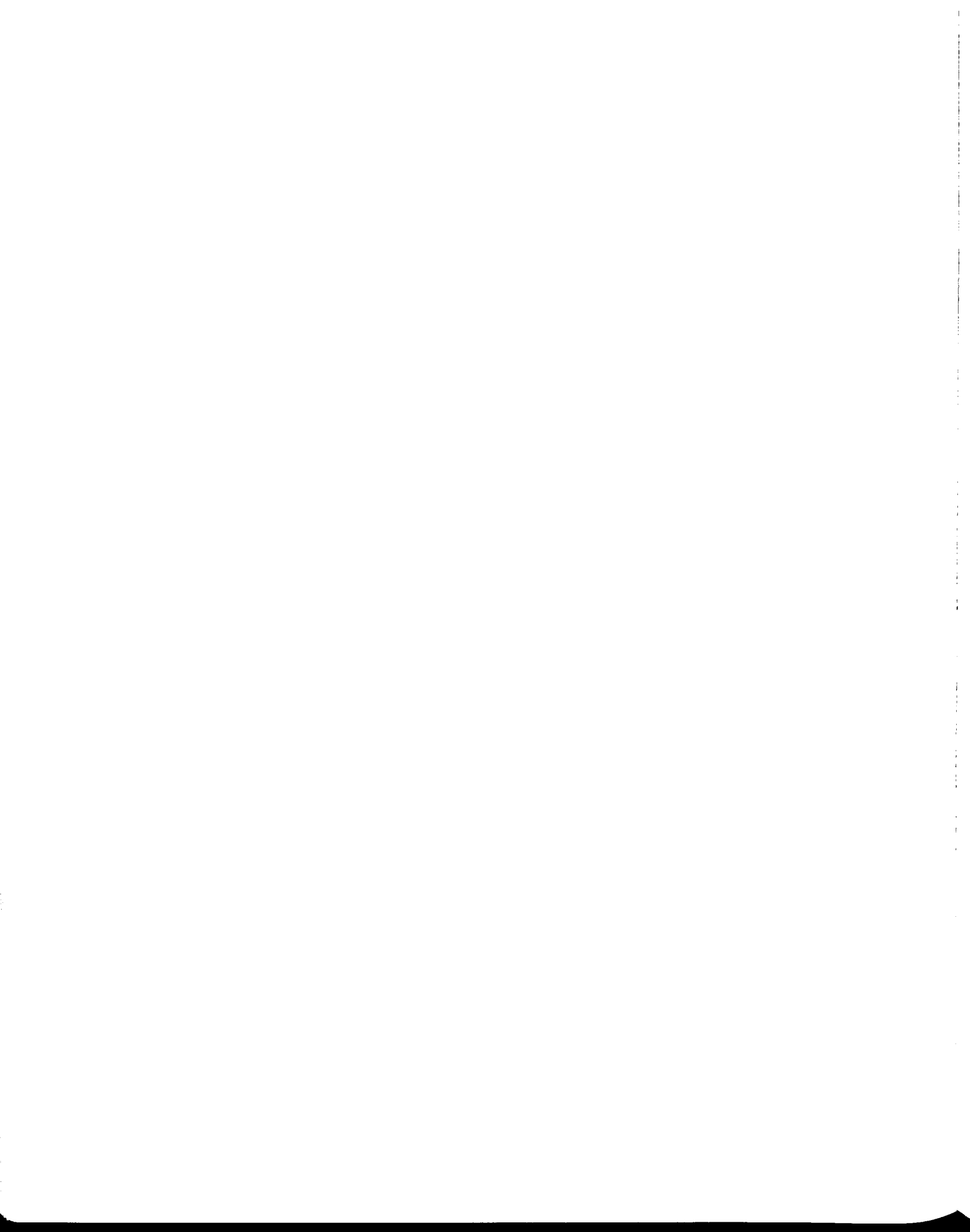
The federal share is comprised of a contribution of \$2 000 000 from DREE and a contribution of \$460 000 from DIAND.

ADMINIS-
TRATION AND
MANAGEMENT

The agreement provides for implementation through a federal-territorial management group of: two representatives from the territories (one of whom shall act as territorial co-chairman), one representative from the Department of Indian Affairs and Northern Development, and one representative from DREE (federal co-chairman).



YUKON



GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with the Yukon Territory was signed August 17, 1977 by the Minister of Indian Affairs and Northern Development, the Commissioner of the Yukon Territory and later by the Minister of Regional Economic Expansion.

The objectives of this agreement are:

- (a) to develop a comprehensive and coordinated strategy for socio-economic expansion in Yukon, to provide the opportunity for Yukon people to participate fully in determining their own priorities and to assume an active role in planning and implementation of development projects;
- (b) to establish a rational and systematic program of development which will ensure the viability of the Yukon economy; and
- (c) to put into effect socio-economic development programs which will promote greater certainty and permanence in improving the position of native people and other disadvantaged groups in the Yukon economy.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of appropriate federal and territorial 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 Yukon and the territory's relationship to the regional and national economy, as these may be of importance to achieving the objectives.

Summaries of currently active subsidiary agreements follow.

SUBSIDIARY AGREEMENT

TITLE	Renewable Resource Development
DURATION	April 4, 1979 to March 31, 1982.
OBJECTIVES	To ensure that development of Yukon resources proceeds in an orderly fashion and that residents of the territory are provided with an opportunity to participate in and to take advantage of economic and employment opportunities associated with the development of these resources.
BACKGROUND	<p>The present economy of Yukon is very heavily dependent on mineral extraction and employment in government services. Although the mining industry holds promise of future expansion, the closure of one, or possibly two existing mines will weaken its contribution to employment and income in the immediate future. The government sector, on both the federal and territorial levels, is under severe restraint and cannot be expected to provide significant direct increases in job opportunities. Against this negative outlook on the existing economy is the prospect of substantial short-term activity related to the Alaska Highway pipeline construction and the "Shakwak" road reconstruction program. Of more lasting potential is the prospect of a steady expansion of the tourist industry, both in relation to numbers of tourists and opportunities available to extend their stay in Yukon. An important element of the population is severely disadvantaged in terms of employment and income and is not able to take part in the present economy. A high percentage of these people are of Indian ancestry and, with their families, represent about 20% of Yukon's total permanent population.</p>
ELEMENTS	<p>The four elements of the agreement are:</p> <ul style="list-style-type: none">(a) to plan and implement projects relating to renewable resources information analysis;(b) to plan and construct outdoor tourist and recreation facilities with priority given to the expansion and improvement of campground and trailer court facilities at selected centres and along major roads;(c) to maximize the involvement of unemployed and underemployed residents of Yukon in the carrying-out of activities; and(d) to provide information to the public concerning various aspects of the program as well as monitoring and evaluating activities under the agreement.

FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>TERRITORIAL SHARE</u>	<u>FEDERAL SHARE</u>
Renewable Resource Information and Analysis	\$2 400 000	\$ 400 000	\$2 000 000
Tourism and Recreation Facilities	2 500 000	1 000 000	1 500 000
Resource Development Corporations	1 500 000	600 000	900 000
Monitoring and Evaluation	<u>200 000</u>	<u>80 000</u>	<u>120 000</u>
TOTAL	\$6 600 000	\$2 080 000	\$4 520 000

Of the total federal share, \$3 120 000 will be contributed by DREE and \$1 400 000 by DIAND.

ADMINIS-
TRATION AND
MANAGEMENT

The agreement provides for implementation through a federal-territorial management committee of senior officials from: DREE, the Department of Indian Affairs and Northern Development (federal co-chairman), and the Canada Employment and Immigration Commission, and three representatives from the territory (one of whom shall act as territorial co-chairman).

SUBSIDIARY AGREEMENT

TITLE	Interim Tourism Development
DURATION	February 14, 1980 to March 31, 1982.
OBJECTIVES	To diversify and stabilize the Yukon economy through increased emphasis on strengthening the present tourism industry and to create additional employment opportunities and increase incomes from the further development of the tourism industry in Yukon.
BACKGROUND	<p>In recent years, both the territorial and federal governments have realized the advantages of developing Yukon's tourism industry. In recognition of these advantages and the unique resources in Yukon, the General Development Agreement, signed in 1977, provided a number of strategy elements. The tourism subsidiary agreement is designed to meet these federal and territorial strategy elements relating to economic and regional development. The initiatives instituted under this agreement are intended to encourage new entrepreneurial involvement in the industry by providing the necessary preconditions for private sector investment. Major emphasis will be placed upon the exploitation of the major areas of comparative advantage in Yukon, namely wilderness and history, through a series of key development projects consistent with the GDA strategy.</p> <p>The Department of Tourism and Economic Development estimated that 364 502 visitors to Yukon in 1978 directly spent \$33 million in the territory. Of this amount, \$8.7 million was spent on accommodations, \$8.15 million on transportation, \$6.15 million on meals and beverages and \$6 million on recreation, entertainment and shopping. In addition, expenditures created from indirect or multiplier effects generated an additional \$9.1 million for the economy. In total, these expenditures represent 11.2% of the gross territorial product.</p> <p>The tourism industry in Yukon has enjoyed a strong growth over the past two decades and has made a major contribution to the overall strength of economic activity. Trends show that the number of visitors to Yukon increased at an average annual rate of 10.2% while tourist expenditures, adjusted to remove inflation, experienced annual increases of 7.6% per year. These trends parallel a major surge in economic growth throughout the entire North American tourism industry.</p>
ELEMENTS	<p>(a) The Tourism Development Program will provide for joint projects which will encourage the development of specific tourist attractions of facilities in Yukon. In this respect, the projects will enhance the attractiveness of Dawson City and Whitehorse as destination centres.</p> <p>(b) The Research and Planning Program will provide for joint effort to: develop data regarding the status, performance and trends relevant to Yukon's tourism industry; prepare detailed development plans, feasibility or other studies to ensure successful implementation of tourism development initiatives; determine and analyze market trends and identify markets appropriate in Yukon's travel prospects.</p>

FINANCIAL
PROVISIONS

	<u>ESTIMATED TOTAL COST</u>	<u>TERRITORIAL SHARE</u>	<u>FEDERAL SHARE</u>
Tourism Development	\$5 250 000	\$787 500	\$4 462 500
Research and Planning	<u>750 000</u>	<u>112 500</u>	<u>637 500</u>
TOTAL	\$6 000 000	\$900 000	\$5 100 000

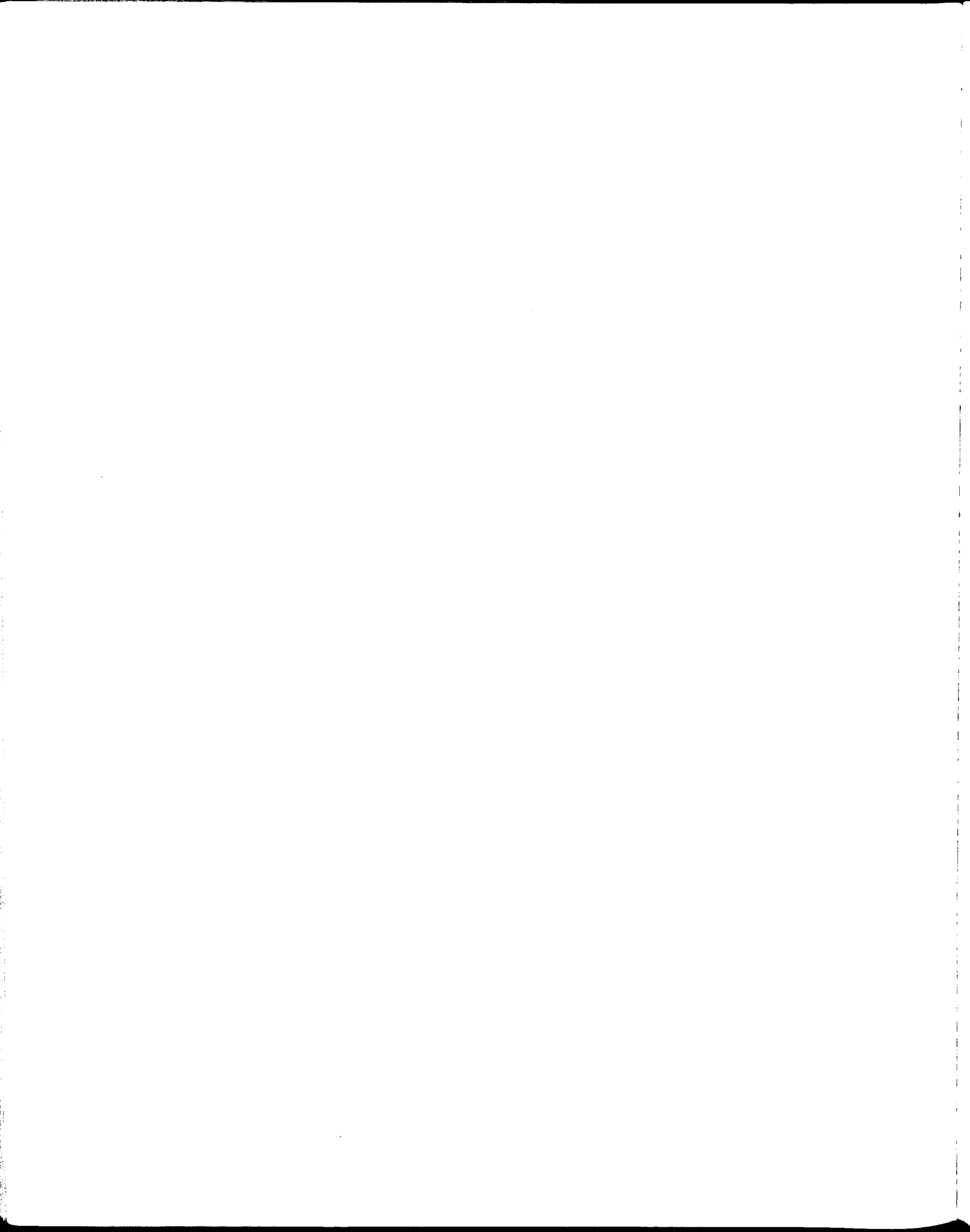
The federal share consists of \$3 600 000 from DREE and \$1 500 000 from the Department of Indian Affairs and Northern Development.

ADMINIS-
TRATION AND
MANAGEMENT

Supervision will be carried out by a management committee consisting of at least one representative from each of the federal departments of Indian Affairs and Northern Development, Industry, Trade and Commerce, the Canada Employment and Immigration Commission and DREE, and an equal number of representatives of the territory.



ANNEXES



ANNEX 1

EXPIRED SUBSIDIARY AGREEMENTS

	<u>SIGNED</u>	<u>TERMINATED</u>
NEWFOUNDLAND		
Highways - 1974-75	28/05/74	31/03/75
Fisheries Marine Service Centre Program	15/10/74	31/03/78
Special Fish Plant Water System	15/10/74	31/03/78
Ocean Research and Development (NORDCO)	23/05/75	31/03/80
Highways - 1975-76	28/05/75	31/03/76
St. John's Urban Region	23/07/75	31/03/80
Highways - 1976-81	22/06/76	31/03/81
Inshore Fisheries Development	22/06/76	31/03/81
Stephenville Mill Conversion and Reactivation	11/06/79	31/03/81
NOVA SCOTIA		
Mineral Development	17/02/75	31/03/80
Interim Cape Breton County Development	07/01/77	31/03/78
Sydney Steel Corporation Assistance Program	23/12/77	31/03/79
NEW BRUNSWICK		
Highways - 1974-75	24/06/74	31/03/75
Agricultural Development	17/02/75	31/03/78
Industrial Development	17/02/75	31/03/80
Kent Region Pilot Project	17/02/75	31/03/81
King's Landing Historical Settlement	17/02/75	31/03/77
Miramichi Channel Study	17/02/75	31/03/75
Highways - 1975-76	16/12/75	31/03/76
Tourism Development	16/12/75	31/03/80
Highways - 1976-77	24/06/76	31/03/77
Highways - 1977-81	11/02/77	31/03/81
QUEBEC		
Financing of the 1974-78 SIDBEC Expansion Plan	15/03/74	31/03/78
Industrial Studies	29/03/76	31/03/77
Establishment of a Bleached Kraft Pulp Mill at Saint-Félicien	21/04/76	31/03/80
ONTARIO		
Cornwall Area	26/02/74	31/03/77
Northwestern Ontario	23/05/74	31/03/79
Dryden Development Infrastructure	24/03/75	31/03/77
Interim Northlands	07/07/75	31/03/78

MANITOBA

Interim Northlands	05/06/74	31/03/76
Planning	11/02/75	31/03/77
Mineral Exploration and Development	31/03/76	31/03/79

SASKATCHEWAN

Mineral Exploration and Development in Northern Saskatchewan	21/06/74	31/03/78
Iron, Steel and Other Related Metal Industries	04/07/74	31/03/80
Interim Saskatchewan Northlands Planning	18/08/75	31/03/78
Expand Facilities Used by Canadian Western Agribition and Mexabition	18/08/75	31/03/79
Interim Mineral Development	28/07/77	31/03/79
	19/07/78	31/03/80

ALBERTA

1974-75 Northern Transportation	28/08/74	31/03/75
Interim Alberta North	11/03/75	31/03/78
1975-76 Northern Transportation	21/01/76	31/03/76
1976-79 Northern Transportation	18/02/77	31/03/79

BRITISH COLUMBIA

1974-75 Northern Highways	28/08/74	31/03/75
Fort Nelson	23/09/75	30/09/78
1975-76 Northern Highways	12/02/76	31/03/76
Evaluate Northeast Coal and Related Developments	28/01/77	31/03/77
1976-79 Northern Highways	31/03/77	31/03/79
Evaluate Northeast Coal and Related Developments - 1977-81	10/05/77	31/03/81

ANNEX 2

PRINCE EDWARD ISLAND COMPREHENSIVE DEVELOPMENT PLAN

Development opportunity initiatives in Prince Edward Island are carried out under the Prince Edward Island Comprehensive Development Plan.

This 15-year development agreement was signed by the federal and provincial governments in 1969 under the Fund for Rural Economic Development Act. Although the Act was repealed, the agreement remains active.

Phase I of the plan lasted from April 1, 1969 to March 31, 1974, and Phase II from April 1, 1974 to March 31, 1981. Development programs for Phase III, April 1, 1981 to March 31, 1984, are now being negotiated.

In Phases I and II, the plan provided for development programming in a number of economic sectors where opportunities existed, as well as for infrastructure and other types of support activities, such as product and market development, land adjustment, community development, urban core development, school construction, and upgrading and expansion of the transportation system.

Activities

agriculture	land adjustment	educational facilities
forestry	market and product development	manpower development
fisheries	agricultural research	housing
tourism and conservation	transportation	environment
industrial development	power transmission	plan management
land-use planning	urban development	community resources

Funding

In Phase II, activities under the Comprehensive Development Plan were cost-shared by DREE and the provincial government on a 90/10 basis, except for agricultural research, which was 100% funded by DREE, and educational facilities, which was shared equally.

Maximum federal commitments under Phase I and Phase II of the plan are as follows:

1969-70 to 1975-76, \$25 million per year;
1976-77, \$27 million;
1977-78, \$30 million;
1978-79, \$29.7 million;
1979-80, \$29.3 million; and
1980-81, \$32.5 million.

