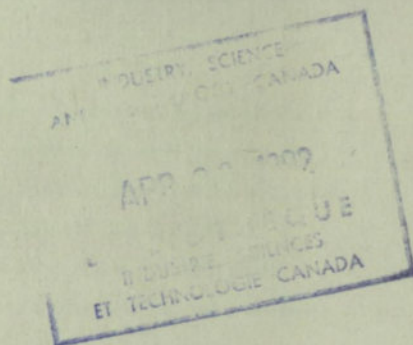
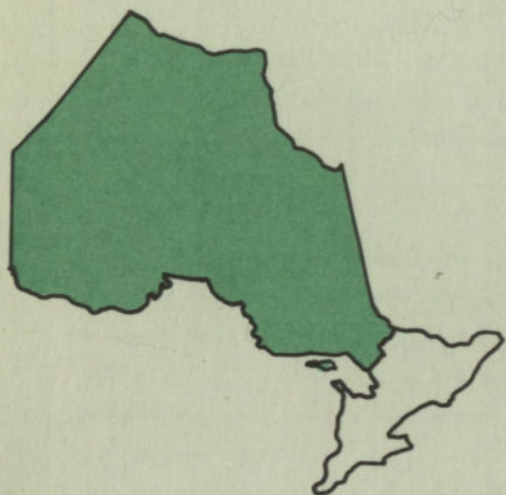


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Northern Ontario Rural Development Agreement

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A subsidiary agreement to the Canada-Ontario
General Development Agreement
Signed March 2, 1981

CANADA-ONTARIO SUBSIDIARY AGREEMENT

NORTHERN RURAL DEVELOPMENT

THIS AGREEMENT made this second day of March, 1980

BETWEEN:

THE GOVERNMENT OF CANADA
(hereinafter referred to as
"Canada"), represented by
the Minister of Regional
Economic Expansion and the
Minister of Indian Affairs
and Northern Development,

OF THE FIRST PART,

AND:

THE GOVERNMENT OF THE
PROVINCE OF ONTARIO
(hereinafter referred to as
"the Province"), represented
by the Treasurer of Ontario
and Minister of Economics,
the Minister of Northern
Affairs, the Minister of
Agriculture and Food, the
Minister of Natural
Resources, the Minister of
Industry and Tourism, and
the Minister of
Intergovernmental Affairs,

OF THE SECOND PART.

WHEREAS Canada and the Province have signed a General Development Agreement dated February 26, 1974 (hereinafter referred to as "the GDA") to achieve the objectives stated in section 3 thereof;

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

AND WHEREAS Canada and the Province agree that the objectives of this Agreement shall be consistent with the objectives stated in section 3 of the GDA:

AND WHEREAS the Governor in Council by Order in Council P.C. 1980- 7/2996 of the 30th day of October 1980, has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Minister of Indian Affairs and Northern Development is authorized to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council O.C. 3272/79 of the 12th day of December 1979, has authorized the Treasurer of Ontario and Minister of Economics, the Minister of Northern Affairs, the Minister of Agriculture and Food, the Minister of Natural Resources, the Minister of Industry and Tourism, and the Minister of Intergovernmental Affairs, to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

DEFINITIONS

1. In this Agreement:

- (a) "approved capital costs" means those capital costs as determined by the Management Committee for the establishment, expansion or modernization of a facility;
- (b) "assistance projects" means those projects as defined pursuant to section 8(2);
- (c) "eligible project costs" means those costs defined in sections 5(1) and 5(2);

- (d) "Federal Ministers" means the Minister of Regional Economic Expansion and the Minister of Indian Affairs and Northern Development and includes any persons authorized to act on their behalf;
- (e) "fiscal year" means the period commencing on April 1 of any calendar year and terminating on March 31 of the immediately following calendar year;
- (f) "Management Committee" means the committee referred to in section 4(1) and 4(2);
- (g) "Ministers" means the Federal Ministers and the Provincial Ministers;
- (h) "Northern Ontario" means those geographical areas of the Province of Ontario lying within the territorial Districts of Algoma, Cochrane, Kenora, Manitoulin, Parry Sound, Rainy River, Sudbury, Thunder Bay, Timiskaming, and that portion of the territorial District of Nipissing lying north, west and south of Algonquin Provincial Park;
- (i) "Principal Federal Minister" means the Minister of Regional Economic Expansion;
- (j) "Principal Ministers" means the Principal Federal Minister and the Principal Provincial Minister;
- (k) "Principal Provincial Minister" means the Minister of Northern Affairs;
- (l) "program" means a series of specific and related activities as described in Schedule 'A';
- (m) "project" means any specific activity or undertaking involving a distinct financial contribution under the terms of this Agreement;
- (n) "Provincial Ministers" means the Treasurer of Ontario and Minister of Economics, the Minister of Northern Affairs, the Minister of Agriculture and Food, the Minister of Natural Resources, the

- Minister of Industry and Tourism, and the Minister of Intergovernmental Affairs and includes any persons authorized to act on their behalf;
- (o) "public projects" means those projects as defined pursuant to section 8(1);
 - (p) "resident" means any person ordinarily residing in the specified area;
 - (q) "rural area" means that area of Northern Ontario as defined by the Management Committee in a manner consistent with the intent expressed in section 2(c);
 - (r) "Status Indian", for the purposes of this Agreement, means any person who is registered under the terms of the Indian Act (Canada); and
 - (s) "Subsidiary Agreement" means an agreement made pursuant to section 6 of the GDA.

PURPOSE AND OBJECTIVES

- (a) The purpose of this Agreement is to provide for the joint participation of Canada and the Province in programs consistent with the objectives of the GDA, including the reinforcement of the general policies and priorities of the Province concerning the expansion and diversification of economic activities in the rural areas of Northern Ontario.
- (b) The objectives of this Agreement are:
 - (i) to promote the economic development of the resource-based sector, including forestry, mining, agriculture, tourism, fishing, hunting, trapping, directly related processing activities, and other industries in rural areas of Northern Ontario to effect an increase in the levels of employment income and productivity in these areas;

- (ii) to create or maintain employment opportunities appropriate to the residents of rural areas of Northern Ontario through resource management, and the development and diversification of resource-based and other industries;
 - (iii) to promote the capital development and expansion of processing and marketing facilities to develop resource-based products in the rural areas of Northern Ontario;
 - (iv) to promote an increase in the productivity and competitiveness of the resource base in the rural areas of Northern Ontario through re-adjustment and diversification;
 - (v) to provide the infrastructure to support the expansion of existing enterprises in the rural areas of Northern Ontario and to provide scope for the development of new programs and projects; and
 - (vi) to provide research, feasibility and evaluation activities to assist in the implementation, administration and planning of development programming in the rural areas of Northern Ontario and to supply relevant and appropriate studies and information otherwise not available in those areas to support development programs and projects.
- (c) The intent of this Agreement is to provide rural development assistance in Northern Ontario and, to that end, funding assistance may be provided for projects:
- (i) outside of major urban centres of Northern Ontario; and
 - (ii) within those major urban centres of Northern Ontario where the projects are intended primarily for the benefit of residents of rural areas of Northern Ontario.

SUBJECT MATTER

3. (1) Schedule 'A' attached to and forming part of this Agreement outlines the programs to be implemented. Schedule 'B' attached to and forming part of this Agreement provides a narrative description of the program strategy to be implemented.
- (2) The Province shall take over, or arrange to have taken over, on completion, all public capital projects implemented under this Agreement and shall accept full responsibility for their operation, maintenance and repair, except in the case of projects primarily involving or benefiting Status Indians, where other federal-provincial arrangements may apply.
- (3) The Province shall arrange for the takeover and acquisition of all lands and interests in lands that are required for program implementation, excluding those land requirements associated with projects primarily involving or benefiting Status Indians, where takeover and acquisition of all lands and interests in lands that are required shall be the responsibility of Canada.

ADMINISTRATION AND MANAGEMENT

4. (1) Canada and the Province shall, through the Principal Ministers, appoint a Management Committee consisting of an equal number of representatives of each party.

- (2) The Principal Ministers shall respectively appoint one federal and one provincial official from among the members of the Management Committee to act as co-chairmen.

- (3) Canada and the Province agree to provide the Management Committee with all of the information considered necessary for the performance of its functions.

- (4) The Management Committee shall be responsible for the overall management of this Agreement and, in particular, for performing the following functions:
 - (a) approving all projects to be undertaken within the terms of Schedule 'A' and approving all implementation and financial arrangements thereto;
 - (b) approving, prior to implementation, all project amendments and all major contract awards with respect to public projects;
 - (c) reviewing, and recommending to the Federal Ministers, the Principal Provincial Minister, and the Treasurer of Ontario and Minister of Economics, all substantive amendments to this Agreement;
 - (d) submitting by no later than September 1 of each fiscal year, for the approval of the Federal Ministers, the Principal Provincial Minister, and the Treasurer of Ontario and Minister of Economics, the projected budget required for the subsequent fiscal year;

- (e) coordinating all cost-shared programs and projects to be implemented under this Agreement;
 - (f) submitting for the approval of the Federal Ministers, the Principal Provincial Minister, and the Treasurer of Ontario and Minister of Economics, on or before each annual meeting as prescribed in section 9.1 of the GDA, an assessment of the progress being made in implementing this Agreement and the continuing relevance of the programs listed in Schedule 'A' in achieving the specified objectives of this Agreement;
 - (g) establishing subcommittees, as appropriate, which shall consist of federally and provincially nominated representatives, to advise upon or assist in the implementation of programs and projects under this Agreement;
 - (h) recommending to the Principal Ministers changes in the financial limits now specified in Schedule 'A' for each program identified therein;
 - (i) appointing two coordinators, one federal and one provincial, who shall assist with the overall liaison and coordination of initiatives under this Agreement and shall undertake the preparation of all necessary documentation for consideration by the Management Committee;
and
 - (j) performing any other functions that may be assigned to it by the parties to this Agreement.
- (5) Except where otherwise specified in this Agreement and expressly specified under section 4(6) or

agreed to by the Management Committee, the Province shall be responsible for all operational program and project development and, under the overall supervision of the Management Committee, the Province shall be responsible for:

- (a) implementing or otherwise arranging for the proper implementation of all projects undertaken within the terms of the programs identified in Schedule 'A' of this Agreement;
 - (b) providing the staff and appropriate administrative machinery for the implementation of projects assigned under this Agreement to the Province;
 - (c) coordinating the activities of agencies of the Province implementing projects under this Agreement and the activities of agencies of the Province whose program activities directly affect projects assigned under this Agreement to the Province;
 - (d) providing that proper and accurate accounts and records relating to each program and project are maintained, and auditing and certifying the costs of each project, for the purpose of claims in respect of projects undertaken;
 - (e) forwarding to the Management Committee reports as to the progress of work done under Schedule 'A' of this Agreement in such detail and at such times as may be required by the Management Committee;
- and
- (f) providing to the Management Committee all reports related to studies and assessments undertaken under Schedule 'A' of this Agreement.

(6) Except where otherwise specified in this Agreement or agreed to by the Management Committee, Canada shall be responsible for all operational programs and project development relating to projects primarily involving or benefiting Status Indians and, under the overall supervision of the Management Committee, Canada shall be responsible for:

(a) implementing, or otherwise arranging for the proper implementation of, any projects undertaken within the terms of the programs identified in Schedule 'A' of this Agreement which are intended to primarily involve or benefit Status Indians;

and

(b) accepting all other implementation responsibilities related to the projects specified in section 4(6) that would otherwise normally be assigned to the Province.

(7) Where the responsibility for the implementation of a project is unclear, the Management Committee will assign such responsibility to the most appropriate implementation agency and will ensure that all related requirements will be fulfilled before it approves the project.

FINANCIAL PROVISIONS

5. (1) Subject to section 5(3), the eligible costs of public projects to be financed or shared under this Agreement in respect to the programs identified in Schedule 'A' include:

- (a) all direct costs, including those relating to public information and program evaluation, that in the opinion of the Management Committee have been reasonably and properly incurred by either Canada or the Province for the implementation of the public projects, but excluding administrative, survey, design, engineering and architecture costs;
and
 - (b) an additional ten percent (10%) of these costs as an allowance towards the exclusions specified in section 5(1)(a).
- (2) Subject to section 5(3), the eligible costs to be financed or shared under this Agreement in respect of any assistance projects shall include all costs reasonably and properly incurred under all contracts and agreements entered into in accordance with this Agreement by the implementing agency with any person or corporation for the acquisition of equipment or the performance of work or services for the execution of the project, provided that such costs, as determined by the Management Committee, were not incurred prior to the date of this Agreement, and in the case of personal services, arose from hiring contract staff by the implementing agency for the specific purpose of carrying out the said project. It is agreed that costs for accommodation and related services in provincially owned buildings, including costs of telephone and other utility systems shall be excluded, except as otherwise agreed by the Management Committee.

- (3) The costs to be financed or shared by Canada do not include any costs relating to the acquisition of lands or interests in lands or costs arising from conditions of acquisition, except where such costs are directly related to projects primarily involving or benefiting Status Indians or projects under the Agricultural Development program in Schedule 'A'. The costs to be financed or shared by the Province do not include any costs relating to the acquisition of lands or interests in lands or costs arising from the conditions of acquisition where such costs are directly related to projects primarily involving or benefiting Status Indians.
- (4) If at any stage of a program, it appears that the costs thereof will exceed the costs specified in Schedule 'A', the party to this Agreement responsible for implementation of most projects within that program shall promptly so inform the Management Committee and state the reasons for the anticipated increase.
- (5) Upon being so informed, the Management Committee shall consider the circumstances which have contributed to the increase in the estimated costs and shall prepare and present a report and recommendation to the Federal Ministers and the Principal Provincial Minister in respect of the proposed action to be taken. The report of the Management Committee shall include:

- (a) a statement of the amount by which the estimated costs are exceeded;
 - (b) a statement of the reasons why the estimated costs are being exceeded;
 - (c) a recommendation as to whether or not the amount by which the estimated costs are exceeded should be adjusted between the parties to this Agreement;
 - (d) a recommendation as to the amount or the proportion of the total amount to be paid by each party where an adjustment is to be made; and
 - (e) such further information or recommendations as may be necessary to determine the proposed action to be undertaken.
- (6) (a) The Province's share of the eligible costs of any approved project shall not exceed fifty percent (50%) of the total eligible costs, within the terms of the programs and funding levels identified in Schedule 'A'; and
- (b) where the project is intended to primarily involve or benefit Status Indians living on Indian reserves, Canada shall pay one hundred percent (100%) of the costs attributable to such primary involvement or benefit.
- (7) Notwithstanding anything in this Agreement, the amounts payable by Canada pursuant to this Agreement shall be as follows:

- (a) the Minister of Regional Economic Expansion shall contribute fifty percent (50%) of the total eligible project costs within the terms of the programs and funding levels identified in Schedule 'A' up to the amount of \$8,500,000; and
- (b) the Minister of Regional Economic Expansion and the Minister of Indian Affairs and Northern Development may, in addition, each contribute up to the amount of \$750,000, for a combined total contribution of up to \$1,500,000, towards those eligible projects which are consistent with the objectives of the programs identified in Schedule 'A' of this Agreement and which are intended to primarily involve or benefit Status Indians, provided that, of the total eligible project costs to be financed or shared, in no case shall the amount which is to be contributed by the Minister of Regional Economic Expansion exceed fifty percent (50%) thereof.

PAYMENT PROCEDURES

- 6. (1) Subject to section 7, the following payment procedures shall apply:
 - (a) payments by Canada for those projects being implemented by a ministry or agency of the Province shall be made promptly to the Province on the basis of progress claims setting out the eligible costs incurred and paid by the Province, submitted in a form and verified in a manner satisfactory to the Principal Federal Minister;

- (b) payments by the Province for those projects being implemented by a department or agency of Canada shall be made promptly to Canada on the basis of progress claims setting out the eligible costs incurred and paid by Canada, submitted in a form and verified in a manner satisfactory to the Principal Provincial Minister;
- and
- (c) payments by the federal Department of Regional Economic Expansion or the federal Department of Indian Affairs and Northern Development for those projects being implemented by a department or agency of Canada shall be made promptly to the implementing department or agency on the basis of progress claims setting out the eligible costs incurred and paid by that implementing department or agency, submitted in a form and verified in a manner satisfactory to the Minister whose department receives such claims or to the agency which receives such claims.
- (2) (a) In order to assist with the interim financing of programs and projects, Canada may, if the Province so requests, make interim payments to the Province of one hundred percent (100%) of Canada's share of claims submitted based on estimates of costs incurred for work completed, and certified by a senior officer of the Province.

- (b) In order to assist with the interim financing of programs and projects, the Province may, if Canada so requests, make interim payments to Canada of one hundred percent (100%) of the Province's share of claims submitted based on estimates of costs incurred for work completed, and certified by a senior officer of Canada.
- (3) (a) The Province shall account for each interim payment by submitting to Canada, within 120 days after such payment by Canada, a statement of actual costs incurred and paid, verified in a manner satisfactory to the Principal Federal Minister. Any discrepancy between the amounts paid by Canada by way of interim payments and the amounts actually payable shall be promptly adjusted between Canada and the Province.
- (b) Canada shall account for each interim payment by submitting to the Province, within 120 days after such payment by the Province, a statement of actual costs incurred and paid, verified in a manner satisfactory to the Principal Provincial Minister. Any discrepancy between the amounts paid by the Province by way of interim payments and the amounts actually payable shall be promptly adjusted between the Province and Canada.
- (4) No interim payments shall be made in a new fiscal year until all interim payments made in the preceding fiscal year have been accounted for as provided in section 6(3), and until any discrepancy arising therefrom has been adjusted.

- (5) Nothing in this Agreement shall prevent the party implementing a project from advancing money on that project, whether or not costs have been incurred or work completed on such project; provided that the other party shall not be obliged to make any payment on such projects until such time as such costs have been incurred and work has been completed.
- (6) (a) The Province agrees to present to Canada, at least once in each fiscal year, an audit report for all projects implemented by the Province on which claims have been presented and paid, with an appropriate audit certificate, signed by an auditor on behalf of the Province, certifying the eligible costs incurred and paid by the Province for work carried out.
- (b) Canada agrees to present to the Province, at least once in each fiscal year, an audit report for all projects implemented by Canada on which claims have been presented and paid, with an appropriate audit certificate, signed by an auditor on behalf of Canada, certifying the eligible costs incurred and paid by Canada for work carried out.
- (c) Such audit reports and accompanying certificates shall identify those costs incurred and paid to the end of each fiscal year in respect of each project.

TERMINATION

7. This Agreement shall terminate on March 31, 1984.

Implementation of the programs identified in Schedule 'A', if approved in writing prior to the above termination date, may continue until completion. Eligible costs in respect of projects to be undertaken within the terms of approved programs identified in Schedule 'A' may be incurred after the above termination date; however, neither Canada nor the Province shall be responsible for, nor will they pay, any claim in respect of such projects or parts thereof unless it is received on or before March 31, 1986.

IMPLEMENTATION PROCEDURES

8. (1) The eligibility of public project costs incurred with respect to the programs identified in Schedule 'A' is conditional upon the following procedures being observed by the implementing agencies:
- (a) the Management Committee shall establish criteria for defining and identifying public projects, and for the purpose of specifying the work to be financed under this Agreement;
 - (b) unless otherwise agreed by the Management Committee, all construction, major purchases and other contracts shall be let pursuant to tenders invited by public advertisement, acknowledging the financial participation of the parties to this Agreement;

- (c) the opening of each tender shall be public and the Management Committee shall be supplied with copies of each advertisement for tender, together with notice of the time and place for tender opening, in sufficient time to enable members of the Management Committee or their designates, if they so desire, to be present at all openings and to participate in the evaluation of each tender;
- (d) unless otherwise agreed by the Management Committee, all contracts shall be awarded to the responsible and responsive tenderer who submitted the lowest evaluated bid;
- (e) all final plans and specifications must be agreed to by the Management Committee before tenders are called;
- (f) Canadian material, machinery and equipment and consulting and other professional services shall be used in respect of the projects to be carried out under this Agreement to the extent to which such items are procurable and consistent with economy and efficiency under the tendering procedure agreed upon by the Management Committee;
- (g) all announcements of contract awards shall be subject to the prior approval of the Management Committee and shall be made jointly by Canada and the Province;
- (h) the implementing agency shall forward to the Management Committee reports as to the progress of work to be performed, in such detail and at such times as may be required by the Management Committee;

- (i) members of the Management Committee, or their designates, shall be permitted to inspect any project and the records relating thereto at all reasonable times for the purpose of verifying progress claims or obtaining any other information concerning the project which may be required by the Principal Ministers;
and
 - (j) all significant amendments to contracts shall require the prior approval of the Management Committee.
- (2) The eligibility of assistance project costs incurred with respect to the programs identified in Schedule 'A' is conditional upon the following procedures being observed by the implementing agencies:
- (a) the Management Committee shall establish criteria for defining and identifying assistance projects and shall set out guidelines for the implementing agencies with respect to the specific nature of the terms and conditions of such assistance;
 - (b) where it is deemed necessary and appropriate, and having due regard for coordination with other federal, provincial or joint programs, the Management Committee may determine that assistance be provided for:
 - (i) the establishment, acquisition, expansion or modernization of any commercial undertaking engaged in the utilization of natural resources, in processing, in manufacturing, or in the provision of services, which will

increase income and alternative employment opportunities for residents of rural areas of Northern Ontario;

- (ii) the development of supplementary or alternative primary-producing activities, including adequate provision for counselling and training, for the purpose of improving incomes in rural areas of Northern Ontario; and

- (c) generally, the types of public contributions to be made available under the terms of the programs identified in Schedule 'A' may be in the form of development incentives as determined by the Management Committee;

- (d) all forms of assistance under section 8(2) shall be based upon both the total value of the capital assets related to the project and the number of permanent new employment opportunities to be created by the project and shall in no case exceed fifty percent (50%) of the approved capital costs of the undertaking;

- (e) in order to be eligible, a project must be viable, owned by an individual, group, corporation or cooperative, located within a rural area of Northern Ontario or intended primarily for the benefit of residents of rural areas of Northern Ontario;
and

- (f) where the Management Committee approves the undertaking of an assistance project under programs outlined in Schedule 'A', the owner(s) or proposed owner(s) of the commercial enterprise

must provide equity at a level recommended by the implementing agency, which shall not be less than ten percent (10%) of the approved capital costs of the undertaking.

(3) Any assistance project under the terms of the programs identified in Schedule 'A' of this Agreement which involves a private-sector economic development activity eligible for contributions from other existing federal or provincial programs, may receive contributions under the terms of such existing programs and this Agreement, provided that the combined total of such contributions cannot exceed fifty percent (50%) of the approved capital costs of the undertaking unless otherwise approved by the Management Committee.

(4) The following conditions shall apply to research, study or pilot projects:

- (a) all contracts for professional services shall be awarded and supervised in accordance with procedures to be established by the Management Committee;
- (b) all reports produced by consultants or by any other external body that result from projects under this Agreement shall become the property of both parties to this Agreement;
and
- (c) the implementing agency shall forward to the Management Committee a report as to the progress of the work, in such detail and at such times as may be required by the Management Committee.

PUBLIC INFORMATION

9. (1) Canada and the Province agree to cooperate in the development and implementation of a program of public information respecting the implementation of projects under this Agreement, and further agree to supply, erect and maintain on the direction of the Management Committee:

- (a) during the course of construction of public projects, a project sign or signs consistent with federal-provincial identity graphics guidelines and in both official languages, specifying that the relevant project is a Canada-Ontario Northern Rural Development Project, financed by contributions from the Department of Regional Economic Expansion of the Government of Canada (and any other federal department or agency where relevant), and the Province, or such other similar wording as may be agreed upon by the Management Committee; and
- (b) where relevant upon completion of such project, a permanent sign or plaque to the effect set forth in section 9(1)(a).

(2) Any public announcement of the measures covered and of the products generated by this Agreement, as well as any official opening ceremony for any project under this Agreement, where such ceremony is indicated and appropriate, shall be arranged jointly by the Principal Ministers.

(3) Canada and the Province further agree to cooperate in the development and implementation of a program of public information with respect to any studies and assessments undertaken under this Agreement and agree that:

- (a) no public release of reports or information contained therein related to such studies and assessments will take place without prior consultation and agreement between Canada and the Province;
- and
- (b) any public announcement relating to such studies and assessments shall be made jointly in a form which is satisfactory to the Management Committee.

CONDITIONS OF EMPLOYMENT

10. The following conditions relevant to employment and the award of contracts shall apply in respect of all projects carried out under this Agreement, it being fully recognized and understood by all parties that this Agreement is generally directed towards the development of new or improved income and employment opportunities for residents of rural areas of Northern Ontario:

- (a) recruiting of labour shall be conducted through the Canada Employment and Immigration Commission unless the Management Committee decides otherwise, in which case it shall give prior approval to the recruitment procedures to be employed;

- (b) in the employment of persons on a project, there shall be no discrimination by reason of race, sex, age, marital status, national origin, colour, or religious or political affiliation; and
- (c) with regard to the applicability of labour standards, the parties agree as follows:
 - (i) rates of pay shall be those prevailing in the areas of employment for each classification of work, subject to the minimum wage specified in provincial legislation,
 - (ii) in building construction, the rates of pay for overtime shall be time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 48 per week,
 - (iii) in road and heavy construction, the rate of pay for overtime shall be time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 50 per week, and
 - (iv) labour conditions shall be specified in all tendering documents and shall be posted conspicuously in the work place;

it being expressly understood and agreed that to the extent to which there are higher provincial standards applicable to particular occupations or regions, these higher provincial standards shall apply.

EVALUATION

11. Upon the execution of this Agreement, Canada and the Province shall commence a joint evaluation based upon measurements of performance in terms of the programs identified in Schedule 'A' in accordance with section 12 of the GDA and having regard to the objectives of both this Agreement and the GDA. The evaluation process shall be completed within twelve months of the termination date specified in section 7 of this Agreement.

AMENDMENTS

12. (a) The Principal Ministers may approve, in writing, changes in the financial limits for each program identified in Schedule 'A';
and
(b) the Federal Ministers, the Principal Provincial Minister and the Treasurer of Ontario and Minister of Economics may approve, in writing, amendments to this Agreement and the attached Schedules 'A' and 'B'. However, it is expressly understood and agreed that any amendment to section 5(7) shall require the approval of the Governor in Council and the Lieutenant Governor in Council.

REVENUES

13. Where direct revenues accrue through the ownership and operation of a public project or through the sale, lease or otherwise of acquired and/or developed resources under this Agreement, such revenues shall not accrue to Canada and shall not form part of the calculation of shareable costs, except where:

- (a) experimental or demonstration equipment and machinery that has been jointly acquired is sold, the full recovered cost of such equipment or machinery shall be considered as revenue and shall be shared in the same proportion as the contributions by both parties to this Agreement, provided that the related sales are effected within three (3) years from the date of termination of this Agreement; and
- (b) where projects are intended to primarily involve or benefit Status Indians, the revenue shall be shared in the same proportion as the contributions to such projects by both parties to this Agreement.

ENVIRONMENTAL ASSESSMENT

14. All public projects or groups of public projects jointly funded under this Agreement will comply with the intent of the federal Environmental Assessment and Review Process, or the Ontario Environmental Assessment Act. The requirements of the Ontario Environmental Assessment Act will be complied with before the public projects are undertaken.

GENERAL

15. The provisions of the GDA shall apply to this Agreement.

16. Nothing in this Agreement, such as any financial contributions by Canada or by the Province in respect of Status Indians not living on Indian Reserves, shall be construed to affect the special status of Indians or of reserve lands under the provisions of the British North American Act, 1867, the Indian Act or existing Treaties. Any involvement by the Province in projects intended to primarily involve or benefit Status Indians shall in no manner constitute or be construed as an assumption of jurisdiction over, or responsibility for, Status Indians by the Province. *

17. It is agreed that no member of the House of Commons or the Legislative Assembly of Ontario shall be admitted to any share or part of any contract, agreement, or commission made pursuant to this Agreement, or to any benefit to arise therefrom.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of Regional Economic Expansion and the Minister of Indian Affairs and Northern Development, and on behalf of the Province by the Treasurer of Ontario and Minister of Economics, the Minister of Northern Affairs, the Minister of Agriculture and Food, the Minister of Natural Resources, the Minister of Industry and Tourism and the Minister of Intergovernmental Affairs.

In the Presence of:

GOVERNMENT OF CANADA

[Signature]
Witness
Darius P. Frith
Witness

[Signature]
Minister of Regional Economic Expansion
[Signature]
Minister of Indian Affairs and Northern Development

GOVERNMENT OF THE PROVINCE OF ONTARIO

[Signature]
Witness

[Signature]
Treasurer of Ontario and Minister of Economics

[Signature]
Witness

[Signature]
Minister of Northern Affairs

[Signature]
Witness

[Signature]
Minister of Agriculture and Food

[Signature]
Witness

[Signature]
Minister of Natural Resources

[Signature]
Witness

[Signature]
Minister of Industry and Tourism

[Signature]
Witness

[Signature]
Minister of Intergovernmental Affairs

Also in the Presence of:

[Signature]
Witness

Witness

J. Martin
Witness

Witness

Len Hopkins, M.P.
Witness

Witness

[Signature]
Witness

Witness

[Signature]
Witness

Witness

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CANADA-ONTARIO SUBSIDIARY AGREEMENT

NORTHERN RURAL DEVELOPMENT

SCHEDULE 'A'

<u>PROGRAM DESCRIPTION</u>	* <u>ESTIMATED COSTS</u> <u>(\$'000's)</u>
1. <u>Agricultural Development</u>	
(a) <u>Agricultural Technology Transfer</u> To assist farmers and agricultural service businesses to upgrade the level of applied technology through the demonstration and encouragement of new methods and practices aimed at improving the efficiency of agriculture.	
(b) <u>Farm Development and Marketing</u> To identify market opportunities, to support farm development for increased production, to facilitate farm rationalization through land consolidation, and to assist in establishing or expanding facilities for processing and marketing agricultural products.	4,700
2. <u>Natural Resource Development</u>	
(a) <u>Community-Based Geological Surveys</u> To complete the geoscientific data base in a number of specific areas with high mineral potential.	
(b) <u>Resource Base Diversification</u> To support small-scale projects that are designed to encourage the utilization of the natural resource base available in rural areas, by providing assistance for industrial minerals studies, aggregates mapping, resource inventories and research, and by providing incentives to increase natural resource harvesting, production and marketing.	
(c) <u>Rural Forest Production</u> To assist rural land owners to establish or expand woodlots by converting marginal agricultural land to long-term wood fibre production and related uses.	4,000

<u>PROGRAM DESCRIPTION</u>	* ESTIMATED COSTS (\$000's)
3. <u>Tourism Development</u>	
To provide tourism development incentives to the private sector for upgrading, expanding and diversifying facilities, services and activities, and to support studies for selected large-scale projects and tourist development zones.	3,000
4. <u>Rural Employment Incentives</u>	
To assist the development of small-scale rural industry and selected commercial activities, by providing support for manufacturing and processing enterprises, marketing facilities, sector-related repair facilities and other strategic commercial undertakings.	2,500
5. <u>Rural Industrial Infrastructure</u>	
To aid in the removal of specific physical constraints to the development of small-scale private sector projects, by providing support for selected elements, such as development-related mapping, basic water supply, waste disposal, site access roads, energy sourcing and other public services.	2,500
6. <u>Program Analysis and Review</u>	
To provide the research, technical and staff resources necessary to analyze, review and evaluate the effectiveness of programs implemented during the life of this Agreement.	200
7. <u>Public Information</u>	
To provide public information relating to the programs under this Agreement.	100
TOTAL	<u>\$17,000</u>

* Where a project is intended to primarily involve or benefit Status Indians, these estimated amounts exclude any additional contributions payable by Canada in respect to eligible project costs attributable to the involvement of or benefit to Status Indians.

CANADA-ONTARIO SUBSIDIARY AGREEMENT
NORTHERN RURAL DEVELOPMENT
SCHEDULE 'B'

PROGRAM STRATEGY

This Agreement is intended to sustain, expand and diversify the economic base of the rural areas of Northern Ontario through the provision of financial assistance in support of the development programs outlined in Schedule 'A'. The implementation of these programs will help to identify and encourage the establishment of new or expanded economic activities utilizing local resources and providing employment and increased income to local residents.

Canada and the Province of Ontario recognize the need to create a comprehensive rural development mechanism that can continue selected activities initiated under the Canada-Ontario Agricultural and Rural Development Agreement (ARDA) and pursue a wide range of other, small-scale program opportunities which can benefit from further federal and provincial support.

The programs provided through this Agreement respond to both long-standing needs and new opportunities associated with agriculture, forestry, mining, tourism and other natural resources in the rural areas of Northern Ontario. Public and private sector development projects will be eligible for assistance and the benefits of this Agreement will apply to all residents of the rural north. It is anticipated that program activity will help to stabilize and develop the rural economy, attract additional private investment, create or sustain job opportunities and raise the levels of earned income throughout the region.

