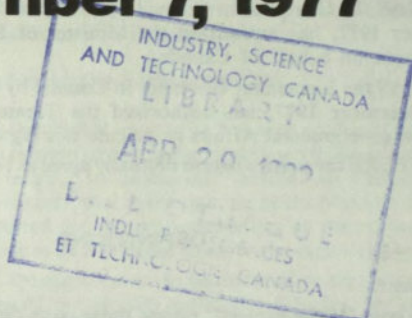


QUEEN
HC
117
.05
C5
1978

DREE - TORONTO
LIBRARY

Community and Rural Resource Development

signed December 7, 1977



**a subsidiary agreement to the
Canada-Ontario General Development Agreement**



Government
of Canada

Gouvernement
du Canada

Regional
Economic
Expansion

Expansion
Économique
Régionale



Ontario

COMMUNITY AND RURAL RESOURCE DEVELOPMENT

Canada-Ontario General Development Agreement

subsidiary agreement

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

OF THE FIRST PART,

AND: THE GOVERNMENT OF THE PROVINCE OF ONTARIO (hereinafter referred
to as "the Province"), represented by the Treasurer of Ontario and Minister of
Economics and Intergovernmental Affairs,

OF THE SECOND PART.

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

AND WHEREAS in pursuit of those objectives, Canada and the Province have agreed to
seek 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. 1977-13/2916 of the
13th day of October 1977, has authorized the Minister of Regional Economic Expansion to
execute this agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council O.C. 3323-77 of
the 2nd day of December 1977, has authorized the Treasurer of Ontario and Minister of
Economics and Intergovernmental Affairs to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

DEFINITIONS

1. In this Agreement:

- (a) "eligible costs of the project" means those costs defined in subsection 4 (1) and 4 (2);
- (b) "Federal Minister" means the Minister of Regional Economic Expansion of Canada
and includes anyone authorized to act on his behalf;
- (c) "fiscal year" means the period commencing on April 1 of any year and terminating on
March 31 of the immediately following year;
- (d) "initiative" means initiative as defined in clause (d) of section 1 of the GDA;
- (e) "Management Committee" means the committee referred to in subsection 5 (1);
- (f) "Ministers" means the Federal Minister and the Provincial Minister;
- (g) "project" means each numbered group of one or more activities as provided for in
Schedule 'A';
- (h) "Provincial Minister" means the Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs and includes anyone authorized to act on his behalf;
- (i) "Schedule 'A'" means the schedule attached hereto and marked 'A' which contains the
list of projects and costs;

(j) "Schedule 'B'" means the schedule attached hereto and marked 'B' which contains background information; and

(k) "Subsidiary Agreement" means an agreement made pursuant to section 6 of the GDA.

OBJECTIVES

2. The objectives of this Agreement, which are consistent with the provincial and sub-provincial objectives of the Ontario Design for Development and the Regional Priority Budget for Northern and Eastern Ontario, are:

(a) to strengthen the community structure of rural areas by encouraging residents to contribute to and participate in developing the social economic potential of the area,

(b) to improve the opportunities for productive long-term employment in such areas through the assessment and pursuit of identified economic opportunities related to the development of natural resources, and

(c) to strengthen and diversify the economic base of rural areas and related communities by encouraging the development of alternative secondary industry.

SUBJECT MATTER

3. (1) Canada and the Province agree to cooperate in the launching of the measures identified in Schedule 'A'.

(2) The Province shall arrange to have undertaken during the term of this Agreement the projects listed in Schedule 'A'. The Province shall arrange to have taken over all capital elements of the projects listed in Schedule 'A' on completion and shall arrange for their operation, maintenance and repair.

(3) Prior to the termination of this Agreement the Province shall arrange for the takeover and acquisition of all lands and interest in lands that are required for the said projects.

(4) It is understood and agreed that where a project under this agreement is in the opinion of the Management Committee to be undertaken by a municipality or an institution or agency under provincial jurisdiction, such arrangements as are necessary with respect to such undertakings shall be the responsibility of the Province.

(5) Subject to subsection 3 (2) unless the Ministers otherwise agree, neither party to this Agreement will be responsible for any expenditures incurred with respect to the projects listed in Schedule 'A' after the termination date of the Agreement, nor shall any claim be paid which was not received within twelve months after the said termination date.

FINANCIAL PROVISIONS

4. (1) Subject to subsection 4 (3), the eligible costs to be financed or shared under this Agreement by Canada in respect of the capital portion of any projects outlined in Schedule 'A' shall consist of all direct costs, including those relating to public information but excluding administration, survey, engineering and architecture costs, that in the opinion of the Management Committee have been reasonably and properly incurred for the implementation of the projects by the Province, plus ten per cent (10%) of these costs as an allowance towards the exclusions specified.

(2) Subject to subsection 4 (3), the eligible costs to be financed or shared under this Agreement in respect of the non-capital portion of any projects outlined in Schedule 'A' shall include all costs reasonably and properly incurred by the Province under all contracts entered into in accordance with this Agreement by the Province with any person, municipality 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, did not occur prior to the date of this Agreement, and result from hiring contract staff by the Province for the specific purpose of carrying out the said project; it being expressly understood and 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 by Canada do not include any costs relating to the acquisition of lands or interests in lands, or costs arising from the conditions of acquisition.

(4) Funding by other federal government departments, federal crown corporations or federal crown agencies with regard to the cost of projects identified in Schedule 'A' will be considered as part of the federal contribution and will be included in calculating the federal share of eligible costs payable under this Agreement.

(5) Unless otherwise agreed by the Ministers, the eligible costs of each project shall be limited to the estimated costs specified in Schedule 'A'.

(6) If, at any stage of a project, it appears to the Province that the costs thereof will exceed the estimated costs specified in Schedule 'A', the Province shall promptly so inform the Management Committee and state the reasons for such increase.

(7) Upon being so informed, the Management Committee shall consider the circumstances which have contributed to the increase in the estimated costs and shall prepare and present a report and recommendations to the Ministers in respect of the proposed action to be taken. The report of the Management Committee shall include the following:

(a) a statement of the amount by which the estimated costs are exceeded,

(b) a statement of the reasons why the estimated costs are exceeded,

(c) a recommendation as to whether or not the amount by which the estimated costs are exceeded should be adjusted between the parties 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 made, and

(e) such further information or recommendations as may be necessary to determine the proposed action to be taken.

(8) Notwithstanding anything in this Agreement, the amount payable by Canada with respect to the projects listed in Schedule 'A' shall be fifty per cent (50%) of the total eligible costs up to the amount of \$662,000, which amount includes a contingency allowance of fifteen per cent (15%).

ADMINISTRATION AND MANAGEMENT

5. (1) Each of the Ministers shall designate one or more senior representatives to be responsible for the administration of this Agreement. These representatives shall constitute the Management Committee. There shall be an equal number of representatives from each of the two parties to this Agreement on the Management Committee. The functions of this committee shall be to establish a definition of each project specified in Schedule 'A' to oversee the implementation of the projects, and to fulfill the responsibilities identified for the Management Committee elsewhere in this Agreement. The Federal Minister and the Provincial Minister respectively shall appoint one federal and one provincial officer from the members of the Management Committee to act as co-chairman.

(2) The Management Committee shall submit for the approval of the Ministers at or before each of the Ministers' annual meetings, as prescribed under subsection 9.1 of the GDA, an assessment of the progress being made in implementing this Agreement, the continuing relevance of the projects listed in Schedule 'A' in achieving the specified objectives, and the budget estimates for the subsequent fiscal year.

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

PAYMENT PROCEDURES

6. (1) Subject to subsection 6 (2), payments by Canada shall be made to the Province promptly on the basis of progress claims setting out the eligible costs incurred and paid by the Province, such claims to be certified by a senior officer of the Province, to bear a provincial audit certificate and to be submitted in a form satisfactory to the Federal Minister.

(2) In order to assist with the interim financing of projects, Canada may, from time to time, if the Province so requests, make interim payments to the Province to an amount not exceeding Canada's share of interim claims submitted for work completed on a project and certified by a senior officer of the Province.

(3) The Province shall account for each interim payment by submitting to Canada within 90 days after such payment by Canada, a detailed statement of the costs actually incurred and paid, certified, audited and submitted as set out in subsection (1). Any discrepancy between the amount paid to the Province and the amount actually payable, shall be promptly adjusted between Canada and the Province.

(4) No interim payment shall be made in a new fiscal year until all interim payments, made in the preceding fiscal year, and outstanding for a period of 90 days or more have been accounted for as provided in subsection (3) and until any discrepancy has been adjusted.

TERMINATION

7. This Agreement shall terminate on March 31, 1980. All projects shall be completed on or before such date.

TENDERS AND CONTRACT AWARDS

8. (1) Unless the Management Committee otherwise agrees, all construction, purchase and other contracts shall be let pursuant to tenders invited by public advertisement.

(2) The opening of all tenders shall be public, and the Management Committee shall be supplied with copies of each advertisement for tender, together with notice of the time and place for tender opening, in sufficient time to enable any member of the Management Committee or his representatives to be present at all tender openings and to participate in the evaluation of tenders.

(3) All contracts shall be awarded to the responsible and responsive tenderer who submitted the lowest evaluated bid unless otherwise agreed by the Management Committee.

(4) All contracts for professional services shall be supervised in accordance with procedures to be approved by the Management Committee, and reports produced by consultants or resulting from such contracts shall become the property of both parties to this Agreement.

(5) All announcements of contract awards shall be made jointly by Canada and the Province.

(6) Canadian material, machinery and equipment and consulting and other professional services shall be used in respect of the projects carried out under this Agreement to the extent to which these items are procurable and consistent with economy and efficiency under the tendering procedure agreed upon by the Management Committee.

IMPLEMENTATION

9. (1) All substantive amendments to contracts shall require the prior approval of the Management Committee.

(2) Any member of the Management Committee or his representative shall be permitted to inspect any project and the records relating thereto at all reasonable times for the purpose of verifying progress claims and obtaining any other information concerning the project which may be required by the Federal Minister or the Provincial Minister.

(3) The final plans and specifications must be agreed to by the Management Committee before tenders are called.

(4) The Management Committee shall define and give direction as to what constitutes a "major" purchase. Any "major" purchase of external services and the related selection procedure shall be approved by the Management Committee.

(5) The Province shall ensure that proper and accurate accounts and records relating to each project are maintained and shall be responsible for auditing and certifying the costs of each project for the purpose of progress claims in respect of projects undertaken.

(6) The Province shall forward to the Management Committee reports as to the progress of the work done under Schedule 'A' of this Agreement in such detail and at such times as may be required by the Management Committee.

(7) The Province shall forward to the Management Committee all reports related to studies and assessments undertaken under Schedule 'A' of this Agreement as soon as they are received.

PUBLIC INFORMATION

10. (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 capital 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 Regional 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 Government of the Province of Ontario, or such other wording to the like effect as may be agreed upon by the Ministers; and

(b) where relevant upon completion of each project, a permanent sign or plaque to the effect set forth in (a).

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

CONDITIONS OF EMPLOYMENT

11. The following conditions relevant to employment and the award of contracts shall apply in respect to all projects carried out under this Agreement:

(a) recruiting of labour shall be conducted through the Canada Manpower Centres unless the Management Committee decides otherwise, in which case it shall give approval to the recruitment procedures 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, religion 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 area of employment for each classification of work, subject to the minimum wage specified in provincial legislation,

(ii) in building construction, the rates of pay for overtime shall be time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 48 per week,

(iii) in road and heavy construction, the 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

12. Upon execution of this Agreement, Canada and the Province shall commence a joint evaluation of the projects listed in Schedule 'A' in accordance with section 12 of the GDA and having regard to the objectives of both this Agreement and the GDA. An interim evaluation report shall be submitted through the Management Committee to the Ministers on or before the date of their annual meetings as prescribed in subsection 9.1 of the GDA. The evaluation process shall be completed within twelve months of the termination date specified in section 7 of this Agreement.

AMENDMENTS

13. This Agreement, and Schedule 'A' and 'B' hereto, may be amended from time to time by the Ministers in writing. It is expressly understood and agreed, however, that any amendment to subsection 4 (8) shall require the approval of the Governor in Council.

GENERAL

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

15. 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 on behalf of the Province by the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs.

DATED this 7th day of December, 1977.

[Signed on behalf of CANADA by the Hon. Marcel Lessard, Minister of Regional Economic Expansion; and on behalf of

the PROVINCE OF ONTARIO by the Hon. Darcy McKeough, Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs.]

**CANADA-ONTARIO SUBSIDIARY AGREEMENT
COMMUNITY AND RURAL RESOURCE DEVELOPMENT**

SCHEDULE 'A'

PROJECT DESCRIPTION	COST (\$'000)
PHASE I — UPPER OTTAWA VALLEY	
1. RESOURCE DEVELOPMENT	
(a) FOREST RESOURCE ASSESSMENT	
Including updating of the 1958 forest resource inventory; a reconnaissance inventory related to the allocation and volume of available raw materials, including private woodlots and Forest and Mill Utilization surveys related to the efficiency of wood supply and wood consumption.	145
(b) MINERAL RESOURCE ASSESSMENT	
Including Geological surveys involving precambrian structures and compilation and mapping known geological, geophysical, geochemical and mineral deposit data; a mineral deposit assessment of the area's potential and analytical, cartography and production work involved in printing maps and reports identifying potential development opportunities.	491
2. INDUSTRIAL LAND DEVELOPMENT STUDIES	
Including plant-scale testing of nutrient removal procedures related to the expansion of the sewage treatment plant and a design study related to construction of a new water filtration plant.	315
3. REGIONAL ECONOMIC DEVELOPMENT ASSISTANCE	
Assistance to establish an effective city/county-wide organization capable of area promotion, identifying and pursuing local development opportunities, and local planning.	200
Total	1,151

**CANADA-ONTARIO SUBSIDIARY AGREEMENT
COMMUNITY AND RURAL RESOURCE DEVELOPMENT**

SCHEDULE 'B'

PURPOSE

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.

BACKGROUND

Although Ontario ranks among the most prosperous of the ten provinces from the standpoint of aggregate indicators of economic wealth, such measures fail to reflect the significance of disparities in socioeconomic terms among the various Ontario planning regions. Large parts of northern and eastern Ontario have not kept pace with the province or with Canada generally from a development point of view.

Through the signing of the General Development Agreement in February 1974, the Governments of Canada and Ontario mutually agree to cooperate in the implementation of measures designed to improve income and employment opportunities in the Northern and Eastern regions of Ontario.

To date, the governments have responded to development opportunities in Northern Ontario through subsidiary agreements pertaining to Northwestern Ontario, Northeastern Ontario, Ontario Northlands and Single Industry Resource Communities. In Eastern Ontario measures have been directed towards the stimulation of employment and income opportunities in the Cornwall area.

The list of activities proposed in Schedule 'A' is not in any way meant to be exclusive or limiting: other development opportunities in Northern and Eastern Ontario which are consistent with the objectives of this Subsidiary Agreement are expected to be identified during its duration. It is the intention of the Ministers to seek approval to amend this agreement from time to time for the purpose of launching similar programs and projects relevant to Northern and Eastern Ontario.

PHASE I: UPPER OTTAWA VALLEY

Renfrew County, located in the Eastern Ontario Planning Region, has been identified as an area requiring 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.

Renfrew County's economic development problems are closely related to its industrial structure. Employment in the resources and manufacturing sectors has declined steadily during the twenty years between 1951 and 1971, and although service sector employment rose between 1961 and 1971, there are indications that it has reached its peak. Public sector employment declined between 1961 and 1971 and there is no reason to assume that employment in this sector will increase greatly in the foreseeable future. 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 to growth in the service sector and the public sector, resource and manufacturing industries must be relied upon to a large extent to bring about employment growth and income improvement. Stimulation of these sectors will require special measures directed not only to the economic sectors themselves, but also to overcoming constraints in the area's infrastructure.

The projects specified in Schedule 'A' are intended as a first step in a longer process of reaching these development objectives in Renfrew County. It is intended that these measures will be followed up with more concrete development assistance as proves appropriate as a result of the assessments to be carried out as identified here and in Schedule 'A'.

PROJECT DETAILS

1. RESOURCE DEVELOPMENT

As an initial step in developing Renfrew County's resource base, it is necessary to obtain a clear understanding of the area's present resource endowment. For this reason, a complete assessment

of the forest and mineral resource base is to be carried out. These assessments will identify development potential in these key sectors, and will also help determine the follow-up action required by both the public and private sectors to ensure the potential is realized.

(a) FOREST RESOURCE ASSESSMENT

The proposed forest industry initiative has been designed to accelerate and broaden the current Ontario Ministry of Natural Resources (MNR) inventory program to include an assessment of wood utilization, and will allow detailed planning with respect to the Renfrew area forest industry to proceed without the time and budget constraints currently forecast by MNR.

Major components of the project include:

(i) FOREST RESOURCE INVENTORY

Development of up-to-date quantitative information on the forest resource including the magnitude of the raw material potential. The present data based on an inventory conducted in 1958 are inadequate for planning purposes.

(ii) RECONNAISSANCE INVENTORY

Development of reliable qualitative information on the volume of raw material available for allocation to industries dependent upon the specific resource. This assessment will include an inventory of the extensive private woodlots upon which the area's forest industry is heavily dependent.

(iii) FOREST AND MILL UTILIZATION SURVEYS

Analysis of the efficiency and existing level of timber consumption in Renfrew County. Two related assessments are to be carried out. The first will examine wood consumption by mills and production efficiencies along with degree of raw material upgrading, shipping modes and patterns to markets, and market locations. Mill residue utilization will also be examined.

The second study will be concerned with the forest resource base and amalgamation of the information collected through the preceding surveys. This study will focus on the efficiency of timber supply and mill location, road access, the fibre delivery systems, the volume of timber trade with Quebec and the United States, an overall annual timber surplus/depletion evaluation for industrial development and resource assessment for potential economic development.

(b) MINERAL RESOURCE ASSESSMENT

The Renfrew County area is characterized by a unique geology favourable to the occurrence of uranium, base metals, industrial rocks and minerals, and construction aggregates.

The proposed mineral development initiative has been designed to accelerate the current MNR work program and will enable a mineral resource inventory to be completed within approximately 3 years.

Major components of the proposed project include:

(i) PRECAMBRIAN GEOLOGICAL SURVEYS

A large part of Renfrew County remains to be adequately surveyed. These surveys will provide data on rock types, structures and geological history in unmapped parts of the region. The data will be integrated with available regional stratigraphic and structural geological data (geophysical, geochemical, and mineral deposit data) as the basis for predicting potential mineral occurrences in the area.

AMENDMENT NO. 1

Canada-Ontario General Development Agreement

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

OF THE FIRST PART,

AND: THE GOVERNMENT OF THE PROVINCE OF ONTARIO (Hereinafter
referred to as "the Province"), represented by the Treasurer of Ontario and
Minister of Economics and Inter-governmental Affairs, and the Minister of
Natural Resources,

OF THE SECOND PART.

Whereas the Government of Ontario has requested that the Minister of Natural Resources of Ontario be added as one of the parties of the Second Part hereto, as the subject matter of the amendment is also within his jurisdiction.

Pursuant to section 13 of the Canada-Ontario Subsidiary Agreement for Community and Rural Resource Development dated the 7th day of December, 1977, and as authorized by Governor in Council by Order in Council P.C. 1978-13/1685 of the 18th day of May, 1978, and Lieutenant Governor in Council by Order in Council O.C. 934/78 of the 5th day of April 1978, the said Agreement is hereby amended this 19th day of June 1978, as follows:

AMEND:

1. Section 1, Definitions.

AMENDMENT(S):

REVISE clause (j): delete "and" at end of line three.

REVISE clause (k) to read clause "(l)".

ADD clause (k): "'shareable revenue' means income accruing to or collected by the Province from any cost-shared program or project authorized under this Agreement; and".

2. Section 4, Financial Provisions

Subsection (3):

DELETE the period.

ADD the following words, "except as regards the 100 acres of land required for the hybrid poplar nursery as specified in Schedule 'A'."

3. Section 4

Subsection (8):

DELETE "\$662,000" in the fourth line.

SUBSTITUTE "\$3,410,325."

4. Section 4

ADD subsection (9): "Any shareable revenue from any project to which this Agreement relates shall be divided between Canada and the Province during the term of this Agreement in the same proportions as the respective shared costs of Canada and the Province in that particular project."

5. Section 4

ADD subsection (10): "When any lands acquired or works constructed by the Province for any purpose specified under this Agreement are sold within twenty years after such acquisition or construction, the proceeds from such sale shall be divided between Canada and the Province in

the same proportions as the respective shared costs of Canada and the Province in that particular project."

6. Section 4

ADD subsection (11): "When any lands acquired or works constructed by the Province for any purpose specified under this Agreement, are changed within twenty years to a use incompatible with the intent of this Agreement, the Province shall pay Canada an amount equal to the original contribution by Canada to these lands or works."

7. Section 7, Termination

DELETE: "This Agreement shall terminate on March 31, 1980."

SUBSTITUTE: "This Agreement shall terminate on March 31, 1983."

8. Schedule 'A'

DELETE:

"Total 1,151."

SUBSTITUTE:

"Subtotal 1,151."

9. Schedule 'A'

ADD page 2 thereto in the terms of Appendix 'A' to this Amendment.

10. Schedule 'B'

ADD pages 5 to 7 thereto in the terms of Appendix 'B' to this Amendment.

Appendix 'A' and 'B' hereto annexed constitute an integral part of this amending Agreement. The Amendments herein contained will come into force as of the date hereof.

DATED this 19th Day of June 1978.

(signed on behalf of CANADA by the Hon. Marcel Lessard, Minister of Regional Economic Expansion, and the Hon. Leonard Marchand, Minister of State (Environment); and on behalf of

the PROVINCE OF ONTARIO by the Hon. Darcy McKeough, Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs, and by the Hon. Frank Miller, Minister of Natural Resources)

APPENDIX "A" amendment no. 1

CANADA-ONTARIO SUBSIDIARY AGREEMENT COMMUNITY AND RURAL RESOURCE DEVELOPMENT

SCHEDULE 'A'

PROJECT DESCRIPTION	COST (S'000)
NEW FORESTS IN EASTERN ONTARIO	
1. HYBRID POPLAR DEVELOPMENT	
(a) TECHNICAL DEVELOPMENT	
Including over a period of 5 years, soil surveys involving approximately 5000 acres, site preparation, planting and tending involving approximately 3000 acres, testing trials involving 1 to 20 acres per year, Insect and disease control of plantations, data collection, assessment and publication of information and the development of specialized equipment.	2010
(b) HYBRID POPLAR NURSERY	
Including the acquisition of 100 acres of land in or adjacent to the Grenville portion of the United Counties of Leeds and Grenville in eastern Ontario, the development of the land, the purchase of specialized equipment and the related land production costs involving planting, tending, harvesting, storing, shipping, etc.	870
2. HARDWOOD FOREST RENEWAL	
Including the improvement and development of a potential market for local hardwoods in eastern Ontario.	1350
3. FORESTRY AND AGRICULTURE RESOURCE INVENTORY	
Including the identification of the amount and location of idle and under-utilized land in 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.	240
4. HYBRID POPLAR RESEARCH	
Including gene pool plantations, clonal development, site adaptability, nutrient requirements, volume and yield tables.	310
Sub-total	4,780
Total	5,931

APPENDIX "B" amendment no. 1

CANADA-ONTARIO SUBSIDIARY AGREEMENT COMMUNITY AND RURAL RESOURCE DEVELOPMENT SCHEDULE 'B'

NEW FORESTS IN EASTERN ONTARIO

The forestry sector in Eastern Ontario is currently 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 acreages of non-productive land currently held by small landowners could be put to productive use resulting in significant additional income for the area as a result of this project.

The New Forests in Eastern Ontario program, involving projects outlined in Schedules 'A' and developed by the Ontario Ministry of Natural Resources, is a first step in a longer process of improving economic development opportunities in eastern Ontario. The proposed measures reflect the activities required to meet the program's goals and objectives based on current information and data. It is intended, however, that this Agreement be reviewed from time to time as additional information is developed, in order to reflect necessary changes to the program's goals and objectives as well as related project activities.

PROJECT DETAILS

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. The program is designed to solve technical and operational problems during the period 1978-83 which are hindering an expanded program for future years, and develop an operational program suitable for private lands, industrial lands and Crown lands during the five-year period following this Agreement. It is proposed that the hybrid poplar planting program in Eastern Ontario concentrate on research, development and testing for the next 5 years (1978-83) at an annual level of approximately 600 acres per year in preparation for a major expansion.

(b) HYBRID POPLAR NURSERY

The success of the hybrid poplar program in Ontario depends very heavily on having a continuous supply of good quality cuttings in large quantities, available early each spring. In order to grow these, it is necessary to have good quality nursery land adjacent to an abundant water supply.

In addition the land must be close to the existing G. Howard Ferguson Nursery at Kemptville Ontario, from which guidance and direction will be provided. The existing nursery is designed primarily for the production of conifers and has insufficient high quality land suitable for hybrid poplar production.

2. HARDWOOD FOREST RENEWAL

In Ontario's eastern planning region there are approximately 1,846,590 acres of existing forest. Approximately 44% or 812,499 acres of this forest consists of low quality hardwood stands. While some markets exist for low quality timber they are some distance from the wood supply. Because of the high operating and transportation costs compared to the value at millside it cannot be harvested at even a minimum profit. In addition, these defective, inferior stems are occupying land which is capable of producing high quality hardwood saw timber, for which a ready market exists.

This project will permit 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.

In addition to upgrading the quality of the stands and providing much needed wood fibre for Eastern Ontario mills, other benefits will also be achieved including the stimulation of local

economies in the small rural communities adjacent to the forest. Also, an example will be set for small private forest operators to follow if it can be demonstrated that a profit can be made when these low grade stands are improved.

Considerable income could be generated by this project. Any shareable revenue from the project during the term of this Agreement shall be divided between Canada and the Province in the same proportion as the respective shared costs of Canada and the Province related to this project.

3. FORESTRY AND AGRICULTURAL RESOURCE INVENTORY

A resource inventory of the present land use, agricultural, forest and woodlot cover and other uses, within the study area will be conducted. The study area being 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. This will be an inventory of the use being made of the land at the present time. Further study of specific areas, identified as a result of this initial study, may be needed in order to identify soil problems, drainage and economic viability of alternative uses. The aim of the inventory will be to provide the resource data upon which recommendations would be based for the optimization of agricultural and forestry production in eastern Ontario.

The inventory program will be administered by the Ministry of Agriculture and Food. The Ministry of Natural Resources will co-operate in the implementation of this survey by providing guidance and expertise in the implementation of the forestry component. At the present time under the Employment Incentive Program an inventory of municipal and farm drainage is being prepared from municipal records.

This inventory will be carried out as a data gathering program related to two projects: the South Nation project and the Hybrid Poplar project.

4. HYBRID POPLAR RESEARCH

The objective of 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.

AMENDMENT NO. 2

Canada-Ontario General Development Agreement

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

OF THE FIRST PART,

AND: THE GOVERNMENT OF THE PROVINCE OF ONTARIO (hereinafter referred
to as "the Province"), represented by the Treasurer of Ontario and Minister of
Economics, the Minister of Natural Resources and the Minister of Northern
Affairs.

OF THE SECOND PART.

Whereas the Government of Ontario has requested that the Minister of Northern Affairs be added as one of the parties of the Second Part hereto, as the subject matter of the amendment is also within his jurisdiction.

Pursuant to section 13 of the Canada-Ontario Subsidiary Agreement for Community and Rural Resource Development dated the 7th day of December, 1977, and as authorized by Governor in Council by Order in Council P.C. 1978-19/3021 of the 27th day of September 1978, and Lieutenant Governor in Council by Order in Council O.C. 2410-78 of the 16th day of August 1978, the said Agreement is hereby amended this 25th day of October 1978 as follows:

AMEND:

1. Section 4 (8)
2. Schedule 'A'
3. Schedule 'A'
4. Schedule 'B'

AMENDMENTS:

DELETE: "\$3,410,325" in the fourth line.

SUBSTITUTE: "\$4,728,325."

DELETE: "Total 5,931."

Add pages 3 and 4 thereto in the terms of Appendix 'A' to this Amendment.

Add page 8 thereto in the terms of Appendix 'B' to this Amendment.

Appendix 'A' and 'B' hereto annexed constitute an integral part of this amending Agreement. The Amendments herein contained will come into force as of the date hereof.

Dated this 25th day of October, 1978.

(signed on behalf of CANADA by the Hon. Marcel Lessard, Minister of Regional Economic Expansion; and, on behalf of

the PROVINCE OF ONTARIO by the Hon. Frank Miller, Treasurer of Ontario and Minister of Economics, the Hon. J. A. C. Auld, Minister of Natural Resources and the Hon. Leo Bernier, Minister of Northern Affairs)

APPENDIX "A" amendment no. 2

CANADA-ONTARIO SUBSIDIARY AGREEMENT COMMUNITY AND RURAL RESOURCE DEVELOPMENT SCHEDULE 'A'

PROJECT DESCRIPTION
KIRKLAND LAKE AREA

PROJECT COST
(\$'000's)

1. PROGRAM OF GEOSCIENTIFIC SURVEYS

- (a) Precambrian Stratigraphic Mapping
 - (i) the identification and detailed mapping of Archean rock strata associated with precious metal deposits.
 - (ii) the location of favourable geological environments as a guide to exploration for valuable mineral deposits.
- (b) Airborne Geophysical Survey
 - (i) the identification and measurement of the magnetic and electrical properties of natural bedrock zones as an aid to the interpretation of the geological structure.
 - (ii) the location of natural zones of high electrical conductivity in the bedrock as indicators of potential ore structures.
- (c) Basal Till Sampling
 - (i) the identification and plotting of distribution of ore indicator minerals in the glacial overburden.
 - (ii) the interpretation of the geochemical data to determine bedrock sources and to identify exploration target areas.
- (d) Quaternary Geological Surveys
 - (i) the analysis and interpretation of glacial overburden with respect to the availability of aggregates and nature of the terrain for road building, water supply, waste disposal, etc.
- (e) Gold Deposit Surveys
 - (i) the analysis of the genetic and spatial relationships of area gold deposits and area rock structure.
- (f) Uranium Deposits Study
 - (i) the assessment of area rock formations re their potential for the discovery of uranium deposits.
 - (ii) the development of guidelines for uranium exploration.
- (g) Data Series Maps
 - (i) the collection and collation of exploration data on mineral deposits in the Kirkland Lake area.
 - (ii) the preparation of data maps to provide a visual display of exploration data.
- (h) Overburden — Lineament Study
 - (i) the identification of linear features in the overburden as a reflection of bedrock structures.
- (i) Technical Evaluation Services
 - (i) the technical evaluation of survey data base.
- (j) Public Information Services
 - (i) the dissemination of survey information to the public sector.

Sub-total

2,292

Total

8,223

APPENDIX "B" amendment no. 2

CANADA-ONTARIO SUBSIDIARY AGREEMENT COMMUNITY AND RURAL RESOURCE DEVELOPMENT

SCHEDULE 'B'

KIRKLAND LAKE AREA

1. For the purpose of this Amendment the Kirkland Lake area embraces the Town of Kirkland Lake and the surrounding hinterland including 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.
2. Over the past few decades the Northeastern Region has experienced social and economic growth below the expectations of the provincial government. Such conditions are evident in the Kirkland Lake area where the local economy is stagnant and unemployment is at a high level.
3. The discovery of gold near Kirkland Lake at the turn of the century led to the development of a local economy based primarily on mining. Since World War II these mining activities have declined steadily depressing the local economy. Some alternate economic activities have been developed in forestry and service industry sectors, but such endeavours have fallen short of taking up the slack created by the mine closures.
4. The Ontario Ministry of Natural Resources has established that the underlying geology in the Kirkland Lake 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.
5. The objective of the Amendment is to attract private sector investment to the area in support of mineral exploration and development. The program of geoscientific surveys will broaden the geological data base of the area, and thereby help to confirm and identify the area's mineral potential.

AMENDMENT NO. 3

Canada-Ontario General Development Agreement

BETWEEN: THE GOVERNMENT OF CANADA (hereinafter referred to as "Canada"), represented by the Minister of Regional Economic Expansion and the Minister of State (Environment)

OF THE FIRST PART,

AND: THE GOVERNMENT OF THE PROVINCE OF ONTARIO (hereinafter referred to as "the Province"), represented by the Treasurer of Ontario and Minister of Economics, and the Minister of Natural Resources

OF THE SECOND PART.

Whereas the Government of Ontario has requested a change in the use of funds allocated to the New Forests in Eastern Ontario, Hybrid Poplar Nursery, from land acquisition to intensive land development.

Pursuant to Section 13 of the Canada-Ontario Subsidiary Agreement Community And Rural Resource Development dated the 7th day of December, 1977, the said Agreement is hereby amended this 8th day of December, 1978, as follows:

AMEND:

1. Section 4, Financial Provisions

2. Section 4

3. Section 4

4. SCHEDULE 'A'

1. (b) HYBRID POPLAR NURSERY

AMENDMENTS

Subsection (3):

DELETE the following words: "except as regards the 100 acres of land required for the hybrid poplar nursery as specified in Schedule 'A'."

ADD a period.

DELETE subsection (10): "When any lands acquired or works constructed by the Province for any purpose specified under this Agreement are sold within twenty years after such acquisition or construction, the proceeds from such sale shall be divided between Canada and the Province in the same proportions as the respective shared costs of Canada and the Province in that particular project."

DELETE subsection (11): "When any lands acquired or works constructed by the Province for any purpose specified under this Agreement, are changed within twenty years to a use incompatible with the intent of this Agreement, the Province shall pay Canada an amount equal to the original contribution by Canada to these lands or works."

DELETE the following words: "Including the acquisition of 100 acres of land in or adjacent to the Grenville portion of the United Counties of Leeds and Grenville in eastern Ontario, the development of the land,"

SUBSTITUTE the following words: "Including the clearing and intensive development of approximately 70 acres of Crown land adjacent to the G. Howard Ferguson Nursery at Kemptonville in eastern Ontario,"

DATED this 8th day of December, 1978.

(signed on behalf of CANADA by R. L. Carter, Director General, Regional Economic Expansion; and on behalf of

the PROVINCE OF ONTARIO by C. Peter Honey for the Treasurer of Ontario and Minister of Economics)

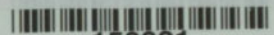
QUEEN HC 117 .05 C5 1978
Canada. Dept. of Regional Ec
Community and rural resource

DATE DUE
DATE DE RETOUR

DATE DUE DATE DE RETOUR	

CARR MCLEAN

38-296


159921