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INDUSTRY, SCIENCE  
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# INDUSTRIAL DEVELOPMENT CANADA/NOVA SCOTIA



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CANADA - NOVA SCOTIA  
SUBSIDIARY AGREEMENT  
INDUSTRIAL DEVELOPMENT

THIS AGREEMENT made this 22<sup>nd</sup> day of June, 1976

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 NOVA SCOTIA (hereinafter referred to as "the Province"), represented by the Minister of Development,

OF THE SECOND PART.

WHEREAS Canada and the Province signed a General Development Agreement dated September 12, 1974 (hereinafter referred to as "the GDA"), to achieve the objectives set forth in section 3 thereof;

AND WHEREAS a strategy is provided for in Schedule "A" to the GDA which includes the development of new or expanded employment opportunities throughout Nova Scotia by the identification of appropriate development opportunities;

AND WHEREAS in pursuit of these objectives Canada and the Province have agreed to seek a coordinated application of relevant federal and provincial programs and activities in order to assist in the realization of identified opportunities;

AND WHEREAS Canada and the Province have agreed that industrial development will lead to the expansion, diversification and strengthening of the provincial economy;

AND WHEREAS the Governor in Council by Order in Council P.C. 1976-9/1479 of the 15th day of June, 1976, has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council No. 76-178 of the 17th day of February, 1976, has authorized the Minister of Development to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

SECTION 1 - DEFINITIONS

1. In this Agreement:

- (a) "capital project" means any specific project, as determined by the Management Committee, in which construction or activities related to construction are involved;
- (b) "eligible costs" means those costs defined in subsections 6.4 and 6.5;
- (c) "external staff" means professional and other staff who are not employees of provincial government departments but who enter into a contract with the Province by which they agree to undertake or participate in work related to the identification, analysis, development and/or implementation of economic and socioeconomic opportunities;
- (d) "external services" means services and facilities that are required from outside the federal and provincial governments in support of an activity under this Agreement and includes accommodation, equipment, office and support services, and professional services;
- (e) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
- (f) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;
- (g) "Management Committee" means the officials designated pursuant to subsection 5.1;
- (h) "Ministers" means the Federal Minister and the Provincial Minister;

- (i) "program" means the subject matter specified in subsection 4.1;
- (j) "project" means a subdivision of a program as defined by the Management Committee; and
- (k) "Provincial Minister" means the Minister of Development and includes anyone authorized to act on his behalf.

## SECTION 2 - PURPOSE AND OBJECTIVES

- 2.1 The purpose of this Agreement is to enable Canada and the Province to jointly undertake programs to develop industry in Nova Scotia according to the strategy outlined in Schedule "A" of this Agreement.
- 2.2 The objectives of this Agreement are:
  - (a) to support the development of new employment opportunities in Nova Scotia in the secondary and tertiary sectors of the economy;
  - (b) to encourage the development, expansion and efficiency of indigenous enterprises in Nova Scotia; and
  - (c) to increase the variety of employment opportunities available, with particular emphasis on higher skill and higher wage employment, and with particular emphasis on certain intermediate-sized communities in Nova Scotia.

## SECTION 3 - STRATEGY

- 3.1 The broad strategy to be followed in this Agreement is outlined in detail in Schedule "A" to this Agreement, which strategy shall be considered annually and which may be revised from time to time by the Ministers.

SECTION 4 - SUBJECT MATTER

- 4.1 Schedule "A" attached to and forming part of this Agreement consists of the following list of programs that the Province shall arrange to have carried out under this Agreement:
- (a) Opportunity Identification, Analysis and Promotion;
  - (b) Industrial Parks and Related Infrastructure;
  - (c) Industrial Infrastructure; and
  - (d) Public Information and Evaluation.
- 4.2 The Province will undertake, either directly or through agencies of the Province, in accordance with an agreed schedule, the program items listed in Schedule "A".
- 4.3 Pursuant to the objectives stated in subsection 2.2, and subject to the terms and conditions of this Agreement, contributions may be made for the purpose of engaging external staff and purchasing external services.
- 4.4 The Province or its agencies shall take over, or arrange to be taken over on completion, each capital project undertaken under this Agreement and shall accept full responsibility for its operation, maintenance and repair.
- 4.5 Subject to subsection 4.7, it is mutually understood and agreed that the Province shall engage the external staff and purchase external services referred to in subsection 4.3, and that such staff or services may be engaged or purchased by such provincial department or agency as may be appropriate having regard to the subject matter of the work being undertaken.
- 4.6 This Agreement shall terminate on March 31, 1981, except that activities approved and commitments made in writing prior to this date shall continue in force until completion. However, Canada shall not pay any claim received after March 31, 1982.

- 4.7 All activities to be undertaken under this Agreement are to be consistent with the objectives and intent stated herein and, before being implemented, shall require joint approval by Canada and the Province through the Management Committee. If such joint approval is not obtainable, the activity or activities in question may nevertheless be approved by the Ministers.
- 4.8 Each activity to be undertaken under this Agreement shall be described in an appropriate document in sufficient detail to allow proper consideration and approval by the Management Committee.
- 4.9 Canada and the Province agree that the environmental requirements of both governments will be adhered to in all projects undertaken under this Agreement.

#### SECTION 5 - ADMINISTRATION AND MANAGEMENT

- 5.1 Each of the Ministers shall designate one or more senior officials in equal numbers to be responsible for the administration of this Agreement. These officials shall constitute the Management Committee whose function it shall be to oversee the planning and implementation of the programs specified in subsection 4.1 and to fulfill responsibilities identified for the Management Committee elsewhere in this Agreement. In the event of any disagreement in the Management Committee, the relevant matter shall be referred to the Ministers whose decision shall be final.
- 5.2 The Management Committee shall submit for the approval of the Ministers annually, and not later than September 1 of each year, an assessment of the progress made in implementing the Agreement, the effectiveness to date in achieving the objectives intended and the continuing relevance of the objectives themselves, together with the projected budget required for the subsequent fiscal year.
- 5.3 Canada and the Province agree to provide the Management Committee with all information necessary for the performance of its functions.

- 5.4 The signature thereto of at least two members of the Management Committee shall be sufficient verification for the purpose of this Agreement of any recommendation or decision made, or approval given by the Management Committee, provided that at least one of the members represents the Province and another represents the Federal Minister.
- 5.5 The Management Committee may establish subcommittees to advise and assist it in its work, which subcommittees may include persons who are not members of the Management Committee. Subcommittees will prepare, as requested, submissions and recommendations to the Management Committee on all matters relating to the planning and implementation of the projects in Schedule "A". Progress reports on physical and financial details of projects will be presented to the Management Committee with recommendations for any necessary action consistent with the development strategy adopted. .

#### SECTION 6 - FINANCIAL PROVISIONS

- 6.1 For costs incurred for jointly approved projects during the term of this Agreement, Canada shall contribute eighty per cent (80%) and the Province twenty per cent (20%).
- 6.2 The provision of financing by Canada and the Province for the implementation of this Agreement is subject to the Parliament of Canada and the Legislative Assembly of the Province of Nova Scotia having provided funds for such financing for the fiscal year in which such financing is required.
- 6.3 Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement shall not exceed \$13,031,200 over the term of this Agreement.
- 6.4 Subject to subsection 6.6, the eligible costs of capital projects to be financed or shared under this Agreement in respect of the capital projects or portions thereof listed in Schedule "A" are all direct costs, including those relating to public information, but excluding

administrative, survey, engineering and architectural costs, that in the opinion of the Management Committee have been reasonably and properly incurred by the Province for the implementation of the capital projects; plus ten per cent (10%) of these costs as an allowance towards the exclusions specified, except where other provisions are provided for or specified in Schedule "A".

- 6.5 Subject to subsection 6.6, the eligible costs of non-capital projects to be financed or shared under this Agreement in respect of projects or portions thereof listed in Schedule "A" are all costs reasonably and properly incurred by the Province under all contracts entered into in accordance with this Agreement by the Province with any person or corporation for the acquisition of equipment or the performance of work or services for the execution of the project but excluding any cost in respect of the services of any regular employee of the Province.
- 6.6 The costs to be shared by Canada do not include any costs relating to the acquisition of lands or interests in lands, or costs arising from conditions of acquisition.
- 6.7 This Agreement, and Schedule "A" thereof, may be amended in writing as agreed from time to time by the Ministers. Each program or project item added to Schedule "A" shall form part of this Agreement and shall be governed by the terms thereof as fully and effectively as if it had originally been included in this Agreement. It is expressly understood and agreed, however, that any amendment to subsections 6.1 and 6.3 shall require the approval of the Governor in Council.
- 6.8 The Management Committee may make adjustments in and between the projects of any program specified in Schedule "A" of this Agreement during any fiscal year; provided, however, that such adjustments do not increase the total amount of the relevant program.
- 6.9 If, at any stage of a program, it appears to the Province that the costs thereof will exceed the estimated costs specified for any program in Schedule "A", the Province shall promptly so inform the Management Committee and state the reasons for such increase.



- 6.10 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 action proposed to be taken.

#### SECTION 7 - CONTRACT PROCEDURES

- 7.1 All contracts for approved activities shall be awarded in accordance with procedures to be approved by the Management Committee, and, unless in its opinion it is impractical to do so, shall be let pursuant to tenders invited by public advertisement and awarded to the qualified and responsible tenderer submitting the lowest evaluated bid.
- 7.2 All contracts under this Agreement 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.
- 7.3 In the awarding of contracts pursuant to the recommendation of the Management Committee, the Province shall retain the services of Canadian firms or individuals where practical and consistent with economy and efficiency.
- 7.4 All announcements of contract awards shall be made jointly by Canada and the Province.

#### SECTION 8 - PAYMENT PROCEDURES

- 8.1 Subject to subsection 8.2, payments by Canada shall be promptly made to the Province on the basis of progress claims setting out the costs actually incurred and paid for the project, submitted in a form satisfactory to the Federal Minister.

8.2 In order to assist with the interim financing of activities, Canada may, if the Province so requests, make interim payments to the Province of up to one hundred per cent (100%) of Canada's share of claims submitted, based on estimates of costs actually incurred as certified by a senior officer of the Province.

8.3 The Province shall account for each interim payment by submitting to Canada within 120 days after such payment by Canada, a detailed statement of the actual expenses incurred and paid, verified in a manner satisfactory to the Federal Minister. Any discrepancy between the amounts paid by Canada by way of interim payments and the amounts actually paid by the Province shall be promptly adjusted between Canada and the Province.

#### SECTION 9 - RECORDS AND AUDIT

9.1 The Province shall maintain proper and accurate accounts and records relating to the cost of the program, and Canada may audit the amounts of all progress claims and payments and the provincial accounts and records relating thereto.

#### SECTION 10 - MONITORING

10.1 All substantive amendments to contracts shall require the prior approval of the Management Committee.

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

SECTION 11 - PUBLIC INFORMATION

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

- (a) during the course of construction of capital projects, a project sign or signs consistent with Federal-Provincial Identity graphics guidelines, and in both official languages, specifying that the relevant project is a Canada-Nova Scotia Regional Development Project, financed by contributions from the Department of Regional Economic Expansion of the Government of Canada (and any other Federal agency, where relevant), and the Government of the Province of Nova Scotia, 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).

11.2 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.

SECTION 12 - GENERAL

12.1 No member of the House of Commons of Canada or the Legislative Assembly of the Province of Nova Scotia shall be admitted to any part or share of payments made pursuant to this Agreement or to any benefits to arise therefrom, nor shall such member undertake or participate in any study or analysis pursuant to a contract as a result of which Canada may be required to pay any amounts pursuant to this Agreement.

12.2 With regard to the applicability of labour standards, the parties agree as follows:

- i) rates of pay shall be those prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation;
- ii) in building construction, the rates of pay for overtime shall be time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 48 per week;
- iii) in road and heavy construction, the rates of pay for overtime shall be time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 50 per week; and
- iv) labour conditions shall be specified in all tendering documents and shall be posted conspicuously in the work place;

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

12.3 The terms and conditions of the GDA shall apply to this Agreement.

#### SECTION 13 - EVALUATION

13.1 During this Agreement, Canada and the Province shall jointly effect an assessment of the programs listed in Schedule "A" with regard to the stated objectives. Annual progress reports shall be submitted by the Management Committee to the Ministers on or before the annual meeting of the Ministers as prescribed under subsection 0.1 and section 10 of the GDA. In addition, Canada and the Province shall also jointly effect an evaluation of this Agreement with respect to the general economic and socioeconomic development of Nova Scotia.

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 Minister of Development.

In the Presence of:

GOVERNMENT OF CANADA

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of  
Regional Economic Expansion

GOVERNMENT OF THE  
PROVINCE OF NOVA SCOTIA

\_\_\_\_\_  
Witness

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Minister of Development

CANADA-NOVA SCOTIA  
SUBSIDIARY AGREEMENT  
INDUSTRIAL DEVELOPMENT

SCHEDULE "A"

A. SCOPE AND COVERAGE OF AGREEMENT

This Agreement is intended to encourage and facilitate increased employment and incomes in specific areas of the province's economy. It is directed towards secondary manufacturing and selected service industries. Some of the program elements are directed towards relatively small, indigenous firms. It is expected that the major impact of these programs will be felt in medium-sized communities rather than in major urban centres or rural areas.

This Agreement is not directed towards the major or large scale economic opportunities within Nova Scotia. While some of the programs in this Agreement are applicable throughout Nova Scotia, the opportunities of metropolitan Halifax-Dartmouth and the Strait of Canso area are the subject of other agreements and the major industrial opportunities of Cape Breton are more likely to be pursued successfully under other specific subsidiary agreements and by the Cape Breton Development Corporation (DEVCO). Finally, this Agreement is not aimed at resource extraction.

This Subsidiary Agreement will provide programs to maintain and accelerate the improved rate of employment growth achieved in recent years, particularly in secondary industry. The Province, through the Department of Development and Industrial Estates Limited, has undertaken promotional activities and provides support services to industry. These programs are regularly reviewed and updated based on past experience and new ideas. At the same time, the Regional Development Incentives Act program of DREE has been very active; Special Areas funds have assisted in the provision of infrastructure; and ARDA programs have assisted the resource sectors and rural-based industries which may also receive assistance from proposed resource subsidiary agreements. As well, the ongoing programs of the Federal Business Development Bank, the Department of Industry, Trade and Commerce, and the Department of Manpower and Immigration have been instrumental in encouraging development in Nova Scotia. The activities to be undertaken under this Agreement are incremental to these ongoing activities.

B. BACKGROUND

This section will focus mainly on trends within manufacturing. However, as noted earlier, some of the provisions of this Subsidiary Agreement, particularly the opportunity identification program and the Province's assistance to the local enterprise program, will also help to facilitate growth in the service industries of the Nova Scotia economy. Many of these industries rank among the highest growth sectors in Nova Scotia over the last few years, including construction, wholesale trade and distribution, finance, insurance and real estate, and business and personal services, while others could be of critical importance in the years ahead, including transportation and related activities as part of the "Gateway" concept. Still, the expectation is that the majority of the assistance under this Subsidiary Agreement will likely be directed towards manufacturing (particularly secondary manufacturing); thus, this sector provides the focus for the present discussion.

Through most of the 1960's, the manufacturing sector in Nova Scotia displayed relatively little growth, particularly in terms of employment, which constrained growth of the Nova Scotia economy. Some important structural adjustments did occur, however, as illustrated in the lessening role of some resource-based and other traditional activities and the growing importance of a few secondary industries, some in the higher technology areas. The upshot was that, while <sup>1</sup> output showed fairly substantial gains from 1961 to 1970 manufacturing employment grew at the very low rate of 1.5 per cent per annum. Among the ten Canadian provinces, only Quebec and Saskatchewan experienced smaller employment gains over this period. All in all, then, manufacturing in Nova Scotia during the sixties failed to play the "growth engine" role prescribed to it by regional economic theory.

However, from about 1970 on, an important reversal occurred in the fortunes of the Nova Scotia manufacturing sector. From 1970 to 1974, employment in Nova Scotia manufacturing displayed an average yearly increase of 4.7 per cent compared with about 3.0 per cent at the national level, while the province's gains in terms of output were equally impressive. About 6,500 jobs were added to the Nova Scotia manufacturing sector over this period. Clearly, manufacturing has played

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<sup>1</sup> For example, manufacturing value added in Nova Scotia experienced year over year growth of 7.3 per cent between 1961 and 1970 or not too far below the national average of 7.8 per cent per annum.

a substantial and perhaps even a leadership role in the recent surge experienced by the Nova Scotia economy. This takes on added weight when it is remembered that many of the "peripheral activities" that were once handled internally by manufacturing establishments are now being contracted out to service firms. The implication is that the service sector multipliers associated with manufacturing growth are now much larger than they were a few years ago, further pointing out the significance of recent manufacturing gains to the total Nova Scotia economy.

The start-up or expansion of larger facilities played a major role in this turn-around. Included here is the start-up of the Gulf Oil refinery and the heavy water plant at the Strait of Canso, and recovery of the Trenton car works and the shipbuilding yard at Halifax. Just as importantly, this manufacturing growth was a function of the establishment or expansion of a wide range of smaller manufacturing firms often locally owned, serving the provincial or Maritime region markets. The Nova Scotia and Maritimes markets are now of sufficient size and concentration to support the manufacture of product lines that were previously produced and imported from central Canada. This "import substitution" activity, combined with the growth in export oriented firms, provided Nova Scotia with its strongest gains in secondary manufacturing activity since the Second World War.

Productivity trends in Nova Scotia manufacturing have also been encouraging, suggesting that the structural adjustments identified from 1961 to 1970 have been continuing over the more recent period. These favourable trends are illustrated in part by trends in average weekly wages in manufacturing which have increased from \$115.50 to \$160.17, or in relative terms from 80.5 to 87.2 per cent of the Canadian average, from July 1971 to July 1974.

An analysis of individual industry trends shows that a wide range of activities have contributed to the recent upturn in the Nova Scotia manufacturing sector. Among the industrial activities showing impressive percentage increases are the production of: pulp and paper, rubber products, ships and boats, railroad rolling stock, motor vehicles, petroleum products, carpet, mat and rug, other furniture, fabricated and structural metal, electronic communications equipment, truck body and trailer manufactures, miscellaneous machinery and equipment, electric wire, and industrial chemicals. The gains realized by these industries more than offset the losses experienced by some of the more traditional activities,



including fish processing, and sawmilling. These individual industry trends further serve to point out: (1) the substantial contribution made by both export oriented and import substitution activities to the recent growth in Nova Scotia manufacturing; (2) the continuing adjustment from lower to higher productivity activities.

The broad based nature of recent growth in Nova Scotia manufacturing is further indicated by an industry analysis of jobs supported under the RDIA program. Rubber products and fish products are the leaders in this regard with expected jobs under RDIA of over 1,000 in each industry which, in the case of fish processing, prevented employment losses from being higher than they might have been. Four other industries show expected jobs in the 600-900 range; namely, carpet, mat and rug, sash, door and other millwork, household furniture and fixtures, and communications equipment, while job support of between 100 and 300 is indicated for five others: miscellaneous food industries, sawmills, the fabricated structural metal industry, and miscellaneous machinery and equipment. On balance, RDIA activity in Nova Scotia has been provided to a broader range of industrial activities than in the other three provinces in the Atlantic region. For the program as a whole from inception to April 1975, the number of net accepted offers in Nova Scotia under the RDIA have totalled a little over 200 involving incentives of about \$52 million and total jobs (including authorized and ineligible) of approximately 8,000. This level of job support averages out to about 1,400 per annum since the inception of RDIA, or about 4 per cent per year of base year (1969) manufacturing employment of 33,200.

Sub-provincial manufacturing data is not available past 1971, but other evidence suggests that most of the recent manufacturing gains have been concentrated in the central part of the province, and particularly in Halifax-Dartmouth plus such "medium-sized" centers as Amherst, Truro, Bridgewater, and the centers included in "Industrial Pictou". Indications are that nearly 1,000 jobs have been added to the Halifax-Dartmouth manufacturing sector over the last four years. Moreover, the smaller centers listed above have all shown substantial total employment gains over the past four years. Current evidence is that manufacturing has been the major factor in each urban center. This is further substantiated by an analysis of the spatial concentration of RDIA activity in Nova Scotia, which indicates that about 80 per cent of jobs supported under the program have been concentrated in the six counties of the province comprising central Nova Scotia: Halifax, Lunenburg, Hants, Pictou,

Cumberland and Colchester.<sup>1</sup>

Moreover, in the remaining counties, most RDIA incentives have been provided to the more traditional, resource-based activities, indicating that support to secondary manufacturing has been even more highly concentrated in the six "central corridor" counties. Within this broad region, most of the higher technology industries (e.g. electrical communications equipment) have favoured Halifax-Dartmouth as a location, while activity in the remaining five counties (the major exceptions being the grants to Michelin) has been largely concentrated on medium-wage activities, particularly those serving the provincial and Maritime region markets.

To sum up, our analysis indicates that a dramatic reversal has occurred in the growth of manufacturing in Nova Scotia over the past four years. For the first time in many years, secondary manufacturing in particular has played a leadership role in the upward trend of the Nova Scotia economy. Most of these manufacturing gains have been concentrated in the central counties of the province, and in particular Halifax-Dartmouth, Truro and Amherst. This has combined with the urban bias of most of the "high-growth" service activities to make the central corridor of Nova Scotia one of the more rapidly expanding areas of Canada over the last five years.

The medium-sized urban centers of Nova Scotia have thus displayed a strong capability for generating secondary manufacturing activity over the past few years. These favourable trends are expected to continue in the years ahead. Thus, secondary manufacturing will continue to play a leadership role behind the future expansion of the intermediate-sized centers. Efforts are required, however, to accommodate and accelerate this growth in secondary manufacturing and to ensure it provides the maximum possible benefits to the residents of these centers and to Nova Scotians generally.

#### C. OBJECTIVES AND STRATEGY

The BACKGROUND section of this document has outlined the importance of the growth in secondary manufacturing and the service sector to the performance of the Nova Scotia economy. As noted earlier, this Agreement is intended to accommodate and facilitate that growth. To have an industrial

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<sup>1</sup> This compares with a population share of about 57 per cent for these six "central corridor" counties.

structure with a growth dynamic of its own and with opportunities for Nova Scotians of all skill and educational levels, Nova Scotia needs to develop its indigenous industry to the full. Finally, it is recognized that if Nova Scotians are to continue to improve their incomes, and if Nova Scotia firms are to remain competitive in world markets, they must continue to improve their efficiency and productivity.

These considerations give rise to the following set of objectives for this Agreement:

- (a) to support the development of new employment opportunities in Nova Scotia in the secondary and tertiary sectors of the economy;
- (b) to encourage the development, expansion and efficiency of indigenous enterprise in the province;
- (c) to increase the variety of employment opportunities available, with particular emphasis on higher skill and higher wage employment, and with particular emphasis on certain intermediate-sized communities of the province.

The programs which are intended to achieve these objectives are described below. This section will be limited to outlining the broad strategy which underlies these programs.

The first element of this strategy involves improving and refining the industrial opportunity identification and developmental efforts of the Province in cooperation with the Department of Regional Economic Expansion. In order to make development efforts more effective, it is necessary to take a more analytical approach, identifying opportunities and undertaking research on various factors relevant to a new industry, particularly analysis of financial and market feasibility, and determination of infrastructure requirements. Development efforts within the province have been moving in this direction, with some success, and a more substantial and organized effort will pay considerable dividends in terms of the effectiveness of ongoing promotional efforts.

The analytical approach will thus lead to the refining of developmental efforts towards specific targets. Moreover, it will assist in identifying industries that meet the needs of the province.

This work will identify the industries which would be suitable for Nova Scotia, undertake analysis of their viability, and provide for special promotional efforts. It will also cover studies of special industrial infrastructure requirements and the development of an industrial information system in the Department of Development.

The work will enable the promotional efforts of the Province to relate to identified opportunities, and thus increase the chances of success. Dissemination of information of these opportunities will also encourage local investors.

The second element of the strategy involves providing support to local enterprise. The prime thrust is to help Nova Scotian businesses, many of them small businesses, to develop, grow and prosper.

Experience with small business has shown that many problems are related to the lack of specific management skills. Managers of small businesses typically are capable in some areas, but lack necessary skills and experience in other areas which are fundamental to long-term success.

It is felt that assistance in the areas of management generally and marketing in particular would help Nova Scotia business to become firmly established and to keep abreast of new markets and new techniques, thus maintaining a strong competitive position. Moreover, the skills and tools learned during this process would assist smaller firms to "stand on their own feet" and thus lessen the need for government assistance over the longer term.

Accordingly, the Province has already initiated a program along these lines. The program is designed to ensure that Nova Scotia firms are aware of and have access to all federal and provincial programs of assistance to management and to supplement these where necessary. Where assistance is not otherwise available, the program when fully operational will offer the following:

- (a) assistance to a new enterprise in preparing a business plan, to ensure that the business is viable and gets started properly. This would provide financial assistance for engaging consultants, finalizing markets and licenses, and arranging for patents and other key elements in the establishment of a new enterprise. This program takes over where the opportunity identification program leaves off and will help to bridge the gap between the opportunity identification and commercial

production stages of a new enterprise;

- (b) assistance to a firm in hiring management consultants to review company operations, and identify changes or improvements for any or all aspects of the firm's procedures;
- (c) direct advisory assistance from the Business Advisory Services Branch of the Department of Development. This would be limited, as it is not intended to develop a large internal staff when expertise is available locally in the private sector;
- (d) assistance to small firms in hiring professionally qualified management personnel;
- (e) assistance with travel expenses of managers and supervisors to courses (thus equalizing access for all Nova Scotian business), plus assistance towards tuition fees for courses costing over \$200.

In addition, assistance is being provided to firms in specific areas of marketing, in terms of participation in trade fairs and exhibits in Canada (and working with the Department of Industry, Trade and Commerce on external fairs), market research and market training.

The cost of this second element over the next five years, to be borne entirely by the Province, could reach \$2,000,000.

Work in this area is of particular importance for smaller towns and villages in the province, which depend to a large extent on small firms, and are not of sufficient size to support a large, incoming industry.

The third major element of the strategy is the spatial element. Growth, and the developmental effort which prompts or encourages it, has three important characteristics: what takes place; how quickly it takes place; and where it takes place. The first two elements of the strategy have dealt by and large with the first and second of these characteristics, what happens and how quickly; the third element of the strategy deals with the question of where things happen.

The BACKGROUND section of this document points out that much of the growth experienced recently in Nova Scotia has taken place in medium-sized communities, particularly in the central

corridor of the province. Essentially, this Agreement is aimed at reinforcing and stimulating this growth.

The programs for opportunity identification and assistance to local enterprise apply across the province. It is expected, however, that they will be most important to firms located outside the major urban centers. While the programs will have their greatest impact outside the major centers, it is expected that they will be generally less important to the genuinely rural areas of the province than will resource sector subsidiary agreements. The sectoral target groups of this Agreement (secondary manufacturing, warehousing, distribution, etc.) are not generally significantly represented in rural areas or in the small communities which service these areas.

In the provision of serviced industrial land the strategy is one of reinforcing growth patterns. This is demonstrated by the location of the top priority industrial parks. Amherst and Debert are in the high growth section of the province while Kentville, Stellarton and Windsor are peripheral to this high growth region. Kentville in particular may have real potential for growth based on agriculture related activities.

This outline of the spatial strategy provides an excellent introduction to the fourth element of the strategy, which is to facilitate and accommodate industrial expansion through providing serviced industrial land and other basic infrastructure. Access to suitable serviced land at reasonable cost can be an important factor in attracting a firm to an area or in facilitating the expansion of an existing firm. Lack of serviced land, on the other hand, can discourage new firms, delay expansion plans, and could even cause an area to lose industry.

Industrial parks, then, provide serviced land to accommodate industrial growth. In doing so, they also serve other purposes. By concentrating industry they can maximize the impact of industrial growth by providing the necessary economies of scale for some business oriented service industries. In addition, by attracting industrial growth to a limited number of centers, they act as a development control device, reducing the tendency towards such inefficient growth patterns as ribbon development.

The cost of developing a properly serviced park is high. Municipalities do establish industrial parks, but they generally do not have the necessary financial capacity to enable them to assemble and service land in anticipation of demand and in advance of the revenues generated by sales, taxes, etc. The Province has undertaken to aid in the financing of industrial parks, but it too is faced by real financial constraints.

In support of this Agreement, the Province and Canada agree to use the full weight of government programs including RDIA and the programs of Industrial Estates Limited (IEL) to ensure that, where at all practical, industries locating in the regions served by the industrial parks will locate in the industrial parks.

Some industries and developments with particular requirements, however, may not be suited to industrial park locations and may generate demands for support infrastructure. An important factor, therefore, in attracting these industries is the ability of the public sector to provide the necessary infrastructure, and to do so quickly after an analysis indicates that they are economically and socially beneficial and financially viable. Accordingly, the emphasis in this element of the strategy is on quick response rather than on the expenditure of large amounts of money. Large investments requiring large infrastructure inputs are more properly dealt with under specific subsidiary agreements.

There is a fifth element in the strategy which, while it leads to no program under this Agreement and to no specific funding, does require some attention here. This is the manpower aspect of industrial development. The literature on industrial location, supported by recent surveys that have been undertaken, indicate that the availability of skilled manpower is one of the most important, if not the single most important, factors in determining industrial location. In addition, skilled manpower has higher productivity and can earn higher wages, and so it is of broad benefit to the Nova Scotia economy and to the Nova Scotian labour force that it become more skilled. Finally, the average skill level of employees is intimately related to the overall efficiency, competitiveness and productivity of industry.

With changing development opportunities, particularly in the service industries, and with increasing demands for skilled labour, some particular efforts are required with respect to manpower. The major action initiatives will be undertaken through the Manpower Needs Committee. However, based on the particular thrusts of development efforts in the province, examination will be made of particular needs in terms of manpower training efforts. The emphasis will be on skill upgrading in existing employment and the provision of comprehensive manpower assistance to major new industries. The potential for labour force availability and growth in the corridor appears adequate.

D. COORDINATION WITH ONGOING PROGRAMS

This Subsidiary Agreement provides an ideal vehicle for coordinating the ongoing programs of both federal and provincial governments and for better focussing these programs on the opportunities and real needs in the Nova Scotia economy. The formal mechanism for this coordination function will be the Management Committee established to supervise the implementation of the Agreement, but in a broader sense this function should be the concern of all people involved with industrial development in Nova Scotia.

Examples of ongoing programs would include the business development programs of IT&C and DOD, the industrial assistance activities of DREE and IEL, and the manpower training programs of Manpower and Immigration. One function of the Management Committee would be to keep the responsible officers informed of the progress of the Agreement and to point out how their programs might be implemented in order to achieve the objectives of this Agreement and to realize maximum benefit from industrial development in Nova Scotia. To cite one concrete example, the Management Committee will inform the Nova Scotia Manpower Needs Committee regarding the manpower training implications of the implementation of this Agreement. Similarly, the industrial assistance activities under IEL and DREE should be implemented in accordance with the objectives and the underlying spatial and industrial strategies of this Agreement.

E. INDIVIDUAL INDUSTRIAL OPPORTUNITIES

The strategy embodied in this Agreement starts with the careful identification of specific industrial opportunities. It then follows through with preliminary feasibility studies to further verify their likely viability, followed by aggressive promotion, and programs to assure the availability of adequately serviced sites for industrial location. While it is not possible to produce an advance list of likely industrial opportunities, it is possible on the basis of preliminary analysis to cite a number of possibilities. The following suggestions indicate the types of industries that might receive early consideration under the industrial opportunity identification process recommended in this Agreement.

Included are industries aimed at serving local and regional markets, some having import substitution implications, and some directing their products towards export markets. In



some cases, the industry may be based on assembly operations utilizing imported components for sale on the Canadian and/or North American markets. Generally speaking, initial opportunity identification and promotion efforts will concentrate on higher-growth industries providing skilled jobs and higher-wage opportunities. Although the initial thrust is production-oriented, the extensive opportunities in warehousing and distribution services will not be overlooked, as such activities are both useful to existing industries and, at the same time, often lead to the establishment of further production facilities within the region.

Further utilization of indigenous resources will be considered as a source for new industrial activity. Examples include various forms of wood fabrication, as well as additional activities in the paper box and bag industry. The manufacture of various building materials, and certain lines of furniture and office fixtures, particularly those based on wood, could be considered.

A number of metal working industries (steel pipe, boiler and plate works, metal stampings, heating equipment, and metal office equipment) seem to suggest growth potential.

Significant opportunities may also exist in the higher technology industries based on the region's developing capability in such fields as oceanography, navigational and communication aids, and university research facilities.

Likewise, the potential for industries based on ocean-oriented activities and international transportation should receive early attention.

## F. PROGRAMS

### I. OPPORTUNITY IDENTIFICATION, ANALYSIS AND PROMOTION

This is the fundamental work required to focus the development efforts of the Province to where the greatest benefits can be obtained. The intent of this program is to allow the Province and DREE to be more specific in identifying the opportunities that exist; undertaking the necessary feasibility and market studies to define the opportunity more precisely and to analyse its economic viability; preparing special reports and promotional efforts; and undertaking any special studies that may be required to determine needed public infrastructure inputs such as water, roads, etc. This program can be considered in the following parts.

(a) Opportunity Identification

This activity will be conducted by the Department of Development and Industrial Estates Limited. Recently, a new listing of manufacturing opportunities, at the industry level, has been produced and examples are provided earlier in this document. This is very general work, and further detailing is required. The new listing is essentially an updating of the listing produced by the Joint Planning Committee Task Group on Secondary Manufacturing. That Task Group recommended that a number of areas required further study at the product level, as distinct from the industry level. Similarly, the JPC Task Group on Service Industries produced a report outlining particular opportunities in the service sector. This work needs to be updated and more specific opportunities need to be identified.

The major elements of this work are therefore as follows:

- (i) Investigation in further detail of the general opportunities both in manufacturing and in services, so that the opportunities can be precisely defined. This work would include updating the Joint Planning Committee Task Force Reports on Manufacturing and Services.
- (ii) Undertaking an examination of specific manufacturing and service industry opportunities which have been identified as being appropriate to Nova Scotia.

The funds provided under this program will pay the cost of outside consultants used in undertaking these investigations. Year one provides for investigations totalling \$20,000 and \$30,000 for updating the general identification reports. Year two provides for feasibility and market studies totalling \$100,000. In subsequent years it is expected that studies will amount to an average of \$100,000 per year.

Estimated Five Year Cost: \$450,000

(b) Feasibility and Market Studies

Once specific products or industries have been identified, it is necessary to demonstrate the basic viability of these opportunities for private investment. The work carried out under this element of the program will include fairly extensive market studies, and some detailed feasibility analysis, to determine projected returns on capital investment. It is intended that wherever appropriate these more detailed studies would be undertaken jointly with the private sector, if

development efforts prove successful based on the preliminary opportunity identification. This part of the Agreement provides an excellent mechanism for achieving early links between the federal and provincial governments and the private sector in order to realize an opportunity.

Once particular opportunities have been identified, and have been shown to be generally viable, it will be necessary in some cases to undertake special promotional efforts. This will not be necessary in all cases, as relatively straightforward efforts will suffice. However, it is anticipated that special efforts will be required in some of the cases involving:

- special reports and brochures outlining the nature of the opportunity and the profitability of investment;
- special promotional missions to visit firms or to contact financial institutions to inform them of these opportunities;
- special receptions or invitational visits for potential investors.

These efforts will be handled by the Province in cooperation with the Department of Industry, Trade and Commerce where appropriate.

As noted earlier, these special efforts will be used only in particular instances where the benefits clearly outweigh the costs involved. At later stages, once investors have shown general interest, it will be necessary to undertake special studies to look at major technical problems that may arise from the developments. These studies would look at the suitability of particular sites for necessary transportation facilities such as rail and road systems, the cost and availability of fresh water supply, the difficulty of site servicing, and other special factors that would clearly vary from industry to industry. Again, these studies will probably be undertaken in conjunction with the private sector, and would look at some of the more specific site selection factors of relevance to the industry.

The funds provided in this part of this Agreement cover the costs of hiring outside consultants. The amount was calculated on the basis of two major studies for the first year and an average of five per year thereafter, at an average cost of \$40,000, with smaller studies making up the balance. This, however, is obviously an artificially derived estimate since any single study could cost much more than \$100,000. On the other hand, it is highly probable that smaller opportunities

in greater numbers could be found and investigated.

Estimated Five Year Cost: \$2,200,000

(c) Industrial Information

The Department of Development will be establishing a computerized reference system on all enterprises in the province. Initially, this will only cover manufacturing enterprises, and will identify the location of their markets, the particular products that they produce, the nature of their prime inputs, the sources of their prime inputs, and the transportation constraints upon the firm. This will enable the Department to find local suppliers for new industries; to notify existing industries of particular market opportunities that become known either from other firms or through the Federal Trade Commissioner Service of the Department of Industry, Trade and Commerce, as well as providing all the information necessary to produce the Directory of Manufacturing, and to produce it more accurately and more frequently than has been possible in the past. The Province will take on all basic costs of operating the system, but assistance will be required in hiring outside agencies for design and testing of the computerized system. The estimated cost of this work is \$50,000.

Work will also commence on a similar reference system for key service industries. This will involve breaking new ground since little has been done to date in gathering information about non-manufacturing firms, and it will thus be relatively expensive. The estimated cost of this work is \$150,000 for consultants, with most of the expenditure concentrated in the last three years of the Agreement.

Estimated Five Year Cost: \$200,000

Operational Factors

Since the formation of the Department of Development, the Province has made significant progress in coordinating the work of the various agencies involved in industrial development, planning and promotion.

For example, in addition to the representation of the Department of Development on the Board of Industrial Estates Limited, there are two committees operating.

1. A Liaison Committee, between IEL and the Department of Development. This is to prevent duplication of effort,

and ensure that each agency is informed of all activities in industrial promotion.

2. An Industrial Promotion Strategy Committee, involving IEL and several branches of the Department of Development, which has been looking at overall industrial promotion efforts, and has been particularly concerned with opportunity identification and analysis, and the preparation of opportunity reports on specific products, which have been used in promotion efforts.

Coordinating structures of this type with various interested agencies will be used to coordinate the implementation of this element of this Agreement. As well, the Province will work closely with the federal Departments of Regional Economic Expansion, and Industry, Trade and Commerce in identifying industrial opportunities, undertaking feasibility and market studies, and assessing industrial information.

## II. INDUSTRIAL PARKS AND RELATED INFRASTRUCTURE

### Industrial Parks

The following objectives have been adopted for the industrial parks program:

1. to ensure that serviced industrial land is available at competitive prices to accommodate and encourage industrial growth;
2. to develop industrial parks in Nova Scotia with a range of amenities such as lighting, paved roads, etc., which will be adequate to industrial requirements;
3. to encourage and facilitate orderly and efficient growth patterns in Nova Scotia by focussing industrial development at industrial parks.

### Strategic Approach

The greatest weight will be given in the program to those identified areas with promise of substantial growth in light manufacturing and warehousing - distribution activities. Emphasis will be placed on the creation or expansion of relatively large industrial parks serving reasonably large regions of the province.

As is indicated in the general strategy above, it is the intention of both signatory governments to support the growth of industrial parks receiving assistance under this program with the full weight of other government programs. In practice, this could involve denying government assistance to firms locating in the regions around these parks but not in the parks.

The programs will provide assistance to industrial commissions and to park associations in these industrial parks on the grounds that these organizations can be as important to the success of the parks as the land itself. The Province wishes to develop a series of attractive, well run, effectively promoted parks, and such local organizations appear to afford the best approach.

### Projects

#### (a) Assistance for Industrial Park Development

This Agreement provides funding for a full five year program of building and expanding certain industrial parks in Nova Scotia. Priority has been given to the areas where significant employment growth has been taking place, and where lack of serviced industrial land is or will be a serious development constraint. The following areas emerge as requiring immediate attention:

Amherst  
Debert  
Kentville  
Stellarton  
Windsor

The Province has established the following policies respecting industrial parks.

1. The Province will own all industrial parks covered under this Agreement.
2. While the Province will assume full responsibility for the development and management of the industrial parks, it may reach agreement with local agencies to actually carry out the administration and local aspects of promotion.
3. The Province will ensure that generally acceptable standards are adhered to in terms of basic architectural requirements and amenities provided.

4. A pricing policy will be adhered to for all industrial parks to ensure that there will be no land price competition between locations in Nova Scotia and in relation to other industrial parks in the Maritime provinces.

The industrial parks at Amherst and Kentville include industry-related services which are required directly by the industrial parks. The nature and extent of these services is described in the relevant appendices.

Estimated Total Five Year Cost: \$9,079,000

(b) Pilot Projects

The following are two proposed pilot projects. Others will be defined during the course of this Agreement.

Pilot Project # 1 - Park Associations

The project will support at least one Park Association as a pilot project during the first two years of operation. This support would cover 50 per cent of overhead costs, as well as some specific association projects. Examples might be park-run bus transportation, or recreational activities or facilities. This will be extended, if successful, in later years of this Agreement to other industrial parks supported in this Agreement.

Estimated Five Year Cost: \$50,000

Pilot Project # 2 - Industrial Buildings

Some experimentation with shell factories is planned on a pilot project basis, at parks supported under this Agreement.

Estimated Five Year Cost: \$800,000

(c) Assistance to Industrial Commissions

A program of assistance to industrial commissions is proposed with the cost estimated at \$350,000 over five years. This program would pay up to 50 per cent of approved administrative costs of industrial commissions which are charged with

responsibility for the local administration and/or promotion of industrial parks funded under this Agreement. They would be responsible for providing local contact for prospective investors, providing information on the area for investors or clients, and preparing brochures.

Costs are calculated on the basis of three commissions the first year and five thereafter.

Estimated Five Year Cost: \$350,000

### III. INDUSTRIAL INFRASTRUCTURE

This program will provide funds for industrial infrastructure where public sector investment is required in support of an identified industrial opportunity that will have significant benefits in terms of employment and incomes, but which, because of timing or special requirements, cannot be assisted under the RDIA Program, the Industrial Parks Program in this Agreement, or where a subsidiary agreement is impractical. It is anticipated that such assistance will only be required for a very small number of reasonably large projects, and that only those having specific requirements over and beyond those which could be assisted under the other programs would be considered.

Examples of the sort of expenditures that might be made under this project include:

- A new plant requiring extension to public wharf facilities, or expansion of water supply, or road facilities, which could not be provided under existing federal or provincial programs.
- A new plant requiring extensions from nearby municipal services, or a rail-spur extension.
- A new plant locating in a community without an industrial park requiring assistance in preparing its industrial site.

Operationally, this program requires some flexibility, as particular demands will arise as development proceeds and may not be easily foreseen. It is intended that prior approval of the Management Committee for this Agreement be obtained for all expenditures under this project. The following eligibility criteria must be met when providing assistance under this project.



1. It must be demonstrated that the proposed plant could not locate in an industrial park or other such area designated for industrial development.
2. All expenditures under this program must be consistent with the strategies outlined in other subsidiary agreements.
3. Decisions as to amount and extent of funding under this program must be made by the Management Committee.
4. Any financial participation under RDIA, or by other government departments, must be taken into consideration in determining the level of funding under this project.
5. The facility must be new and it must be determined that it will only go ahead if additional infrastructure is provided.
6. The facility must create at least 75 jobs and have a capital cost of not less than \$1.0 million.

While it is not possible to accurately predict the number of such projects, or their locations, it can be reasonably assumed that a small number of such projects will require assistance. Indeed, several such projects are currently in the preliminary stages of discussion. It might be reasonably assumed that three of these projects will develop within the five-year term of this Agreement, and that each may require funding of up to \$1 million in public support for special infrastructure requirements.

Estimated Five Year Cost: \$3,000,000

#### IV. PUBLIC INFORMATION AND EVALUATION

The various programs supported under this Agreement will require some continuing effort to inform the business community of their existence. This will require advertising and the preparation of informational literature.

As many of the approaches in this Agreement are new, evaluation is of critical importance. It is intended that a formal, objective evaluation be undertaken towards the end of the second year of operation of this Agreement. The output from this evaluation will be used to amend the programs as necessary for the next phase of this Agreement. It is also intended that a complete evaluation of the entire five year Agreement be undertaken at the expiry of this Agreement.

Estimated Five Year Cost: \$160,000

## MANAGEMENT

The basic management system for this Agreement will be very simple. The responsibility for project implementation will rest entirely with the Province, which may in the case of some projects employ sub-provincial agencies to actually carry out the work or handle local administration. Management direction and control over this implementation process will be through the Management Committee.

Reporting to the Management Committee will be a Coordinating Committee, which will consist of one federal and one provincial representative at the working level. This sub-committee will be responsible for the operation of the programs. It will prepare project briefs on all projects for approval by the Management Committee, prepare estimates of expenditure, recommend amendments to this Agreement where necessary and, in general, ensure that the work provided for in this Agreement proceeds on schedule and in a manner consistent with the terms of this Agreement.

It is understood that no project can be funded under this Agreement without a project brief agreed to and signed by two members of the Management Committee, at least one of whom shall represent the Province and another represent the Federal Minister. With respect to any given project, and in particular in relation to studies, the project brief will spell out the nature and extent of participation by both governments in the monitoring and management of the project. The Management Committee will also be responsible for approving terms of reference and selecting consultants for studies funded under this Agreement.

CANADA-NOVA SCOTIA SUBSIDIARY AGREEMENT  
INDUSTRIAL DEVELOPMENT

Page 1

(SCHEDULE "A")

(in \$000's)

<u>Program Description</u>	<u>Estimated Total Cost</u>	<u>DREE Share</u>	<u>Provincial Share</u>	<u>Sub-Project Detail Description</u>	<u>Estimated Total Cost</u>	<u>Cost Sharing</u>
<b>I. OPPORTUNITY IDENTIFICATION, ANALYSIS AND PROMOTION</b>	<u>2,850</u>	<u>2,280</u>	<u>570</u>	(A) Opportunity Identification	<u>450</u>	80:20
				(B) Feasibility and Market Studies	<u>2,200</u>	80:20
				(C) Industrial Information	<u>200</u>	80:20
<b>II. INDUSTRIAL PARKS AND RELATED INFRASTRUCTURE</b>	<u>10,279</u>	<u>8,223.2</u>	<u>2,055.8</u>	(A) Amherst		
				1. Industrial Park		
				(a) Phase I		
				- Completion of Tantrama Crescent		
				- 12" Water Main		
				- Storm Drainage Improvements	<u>262</u>	80:20
				(b) Phase II		
				- Completion of Storm Sewer System		
				- Curbs and Gutters		
				- Street Lighting	<u>1,581</u>	80:20
				(c) Phase III		
				- Extension of Water Main		
				- Completion of Storm Sewer		
				- Construction of Service Road	<u>356</u>	80:20

CANADA-NOVA SCOTIA SUBSIDIARY AGREEMENT  
INDUSTRIAL DEVELOPMENT

Page 2

(SCHEDULE "A")

(in \$000's)

<u>Program Description</u>	<u>Estimated Total Cost</u>	<u>DREE Share</u>	<u>Provincial Share</u>	<u>Sub-Project Detail Description</u>	<u>Estimated Total Cost</u>	<u>Cost Sharing</u>
II. INDUSTRIAL PARKS AND RELATED INFRASTRUCTURE (continued)				2. Related Infrastructure		
				- Sewage Treatment Plant		
				- Sanitary Sewer		
				- Access Road		
				- Water Supply	<u>1,470</u>	80:20
				(B) Debert		
				- Industrial Subdivision		
				- Extension of Water and Sewer		
				- Small Industry Subdivision		
				- Administration Building		
				- Park Signs		
				- Hangar Renovations	<u>1,520</u>	80:20
				(C) Kentville		
				- Design and Planning		
				- Brushing and Cleaning		
				- Water System		
				- Roads		
				- Rail Siding		
				- Lighting and Landscaping		
				- Sewage	<u>1,690</u>	80:20
				(D) Stellarton		
				- Clearing and Grading		
				- Roads		
				- Water		
				- Sewers		
				- Lighting	<u>1,000</u>	80:20

CANADA-NOVA SCOTIA SUBSIDIARY AGREEMENT  
INDUSTRIAL DEVELOPMENT

Page 3

(SCHEDULE "A")

(in \$000's)

<u>Program Description</u>	<u>Estimated Total Cost</u>	<u>DREE Share</u>	<u>Provincial Share</u>	<u>Sub-Project Detail Description</u>	<u>Estimated Total Cost</u>	<u>Cost Sharing</u>
II. INDUSTRIAL PARKS AND RELATED INFRASTRUCTURE (continued)				(E) Windsor - Clearing and Grading - Roads - Water Mains and Storage - Sewers - Lighting	<u>1,200</u>	80:20
				(F) Pilot Projects 1. Park Associations 2. Industrial Buildings	<u>850</u>	80:20
				(G) Assistance to Industrial Commissions	<u>350</u>	80:20
III. INDUSTRIAL INFRASTRUCTURE	<u>3,000</u>	<u>2,400</u>	<u>600</u>			80:20
IV. PUBLIC INFORMATION AND EVALUATION	<u>160</u>	<u>128</u>	<u>32</u>			80:20
TOTAL	16,289	13,031.2	3,257.8			

