

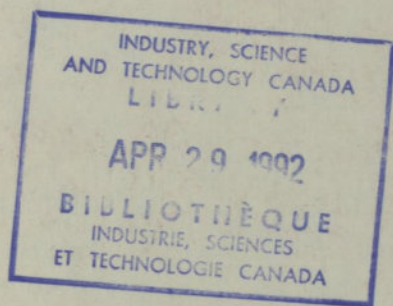
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subsidiary  
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Regional  
Economic  
Expansion

Expansion  
Économique  
Régionale



CANADA/NEW BRUNSWICK

PLANNING



DECEMBER 16, 1975

# subsidiary agreement

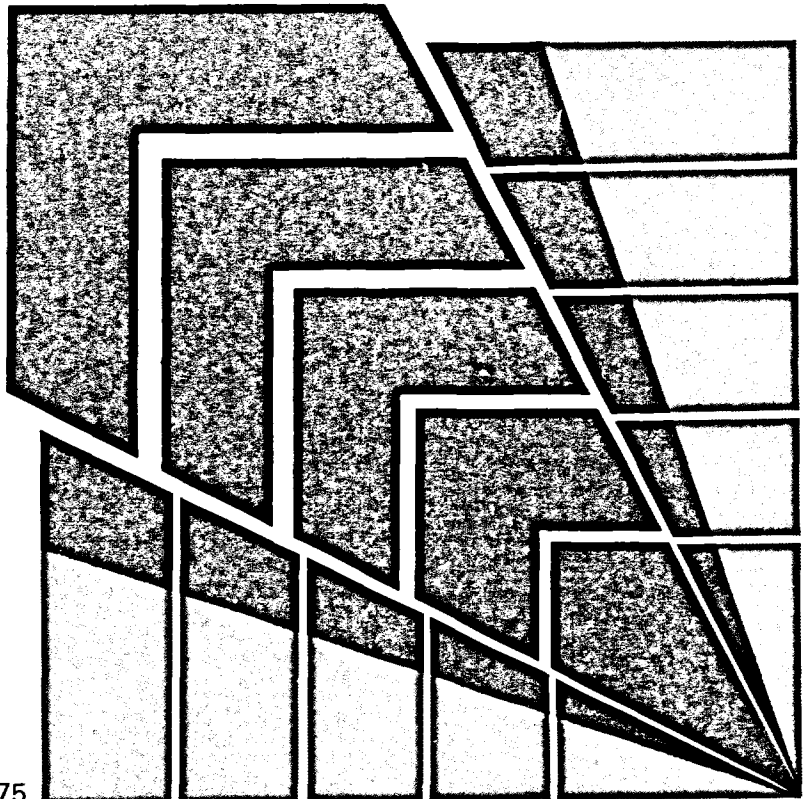


Regional  
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CANADA/NEW BRUNSWICK

PLANNING



DECEMBER 16, 1975

CANADA - NEW BRUNSWICK  
SUBSIDIARY AGREEMENT  
PLANNING

THIS AGREEMENT made this 16th day of December, 1975

BETWEEN:

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

OF THE FIRST PART,

AND:

THE GOVERNMENT OF THE PROVINCE OF NEW BRUNSWICK (hereinafter referred to as "the Province"), represented herein by the Premier of New Brunswick,

OF THE SECOND PART.

WHEREAS Canada and the Province signed a General Development Agreement dated April 23, 1974, (hereinafter referred to as "the GDA"), to achieve the objectives stated in section 3 thereof;

AND WHEREAS in pursuit of these objectives, Canada and the Province have agreed to seek to achieve a coordinated application of relevant federal and provincial policies and programs through the process of analyzing and reviewing the economic and social circumstances of New Brunswick and New Brunswick's relationship to the regional and national economy, and of identifying developmental opportunities and assisting in their realization;

AND WHEREAS Canada and the Province have agreed that additional resources are required to facilitate a process of identifying, analyzing, developing and implementing joint economic and socioeconomic development opportunities;

AND WHEREAS Canada and the Province are prepared to contribute funds to provide for these resources on the terms and conditions set out in the Agreement for the purpose of enabling a more effective joint process;

AND WHEREAS the Governor in Council by Order in Council P.C. 1975-11/2912 of the 11th day of December, 1975, 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. 75-770 of the 22nd day of October, 1975, has authorized the Premier of New Brunswick to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

#### DEFINITIONS

1. In this Agreement:

- (a) "external staff" means professional and other staff who are not employees of provincial and/or federal 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 implementation of economic and socioeconomic opportunities;
- (b) "external services" means services and facilities that are required from outside provincial government departments or agencies in support of an activity under this Agreement and includes accommodation, office and support services and professional services;
- (c) "eligible cost" means those costs defined in section 4;
- (d) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized by him to act on his behalf;
- (e) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;
- (f) "initiative" means the subject matter of this Agreement and includes any program, project or other activity designed to implement the objectives of the GDA;
- (g) "Management Committee" means the Committee referred to in section 7;
- (h) "Ministers" means the Federal Minister and the Provincial Minister;

- (i) "program" means a series of specific, related, individual activities;
- (j) "project" means a specific activity forming a self-contained unit within a program; and
- (k) "Provincial Minister" means the Premier of New Brunswick and includes anyone authorized by him to act on his behalf.

OBJECTIVE, PURPOSE AND SUBJECT MATTER

- 2. (1) The objective of this Agreement is to provide federal and provincial funds required to acquire external staff and services to undertake studies and to carry out planning activities required to identify and analyze economic and socioeconomic development needs and opportunities in New Brunswick and to develop and implement strategies, programs and subsidiary agreements pursuant to those needs and opportunities.
- (2) Schedule "A" attached to and forming part of this Agreement contains details of the program identified for implementation.
- 3. No project shall be approved after March 31, 1980, under this Agreement and Canada shall not be responsible for any costs incurred after this date nor will it pay any claim which is not received by March 31, 1981.
- 4. (1) The eligible costs of the program or projects to be financed or shared under this Agreement in respect of the program or projects or portions thereof listed in Schedule "A" are all costs reasonably and properly incurred by the Province under all contracts approved by the Management Committee and 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.
- (2) With respect to eligible costs incurred for jointly approved activities during the term of this Agreement, Canada shall contribute fifty per cent (50%) and the Province fifty per cent (50%).
- (3) This Agreement shall commence on April 1, 1975.
- 5. Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement shall not exceed \$2 437 500.
- 6. (1) Unless otherwise agreed by the Ministers, the eligible costs shall be limited to the estimated total costs specified in Schedule "A".

- (2) If, at any stage of a program or 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.
  - (3) 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 if adjustments in program or project costs are required.
7. (1) Canada and the Province shall through the Ministers appoint a Management Committee consisting of an equal number of representatives of each party.
- (2) The Management Committee shall be responsible for the overall management of this Agreement and, in particular, for the following:
- (a) approval of the program and all projects necessary for the implementation of this Agreement;
  - (b) submission for the approval of the Ministers annually, and no later than September 1, of the projected budget required for the subsequent fiscal year;
  - (c) coordination of the cost-shared program and all projects under this Agreement;
  - (d) modifications necessary in the course of the fiscal year within the annual budget, following its approval by Canada and the Province;
  - (e) reporting to the Ministers its evaluation of the progress of this Agreement and its recommendations with respect to the progress of implementation;
  - (f) establishing at its discretion, in order to facilitate implementation, advisory, coordinating or steering committees consisting of representatives of the departments and agencies of Canada and the Province involved in the implementation of the program and all projects under this Agreement;
  - (g) applying the procedures specified in section 10;
  - (h) recommending to the Ministers amendments to be made to this Agreement;

- (i) performing any other functions that may be assigned to it by the parties hereto; and
  - (j) providing to the officials designated under subsection 9.2 of the GDA such information and advice as they may determine to be necessary for the performance of the functions assigned to them under the GDA by the Ministers designated therein.
- (3) (a) Except as otherwise specified in this Agreement or agreed by the Management Committee, the Province shall be responsible for operational program and project development and, under the overall supervision of the Management Committee, for implementing the cost-shared program and all projects under this Agreement, and shall also ensure the provision of the staff and administrative machinery for the implementation of the program and all projects under this Agreement assigned to the Province.
- (b) The Province, through its representation on the Management Committee, shall be responsible for liaison and program coordination with the agencies of the Province administering the program or whose activities affect the implementation of this Agreement.
- (4) The Department of Regional Economic Expansion, through its representation on the Management Committee, shall be responsible for liaison and program coordination with any agencies of Canada concerned with the program or whose activities affect the implementation of this Agreement.

#### PAYMENT PROCEDURES

8. Subject to section 9, payments by Canada shall be made promptly to the Province on the basis of provincially audited progress claims setting out the eligible costs incurred and paid for the project, submitted in a form and verified in a manner satisfactory to the Federal Minister.
9. (1) In order to assist with the interim financing of the program and projects, Canada may, if the Province so requests, make interim payments to the Province of 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.
- (2) The Province shall account for each interim payment by submitting to Canada, within ninety (90) days after such payment by Canada, a detailed statement of the actual costs 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.

#### IMPLEMENTATION PROCEDURES

10. The financing by Canada of the program and all projects listed in Schedule "A" is conditional upon the following procedures being observed in the implementation of the program and each of the projects:
- (1) Definition
- The Management Committee shall establish a definition of the project for the purpose of identifying the work to be financed, outlining the work program, method of implementation, types of services to be employed, equipment and materials required and estimates of cost.
- (2) Implementation
- (a) All contracts for professional services shall be awarded and supervised in accordance with procedures to be established by the Management Committee;
- (b) reports produced by consultants or resulting from projects under this Agreement shall become the property of both parties hereto; and
- (c) the Province shall forward to the Management Committee a report as to the progress of the work, in such detail and at such time as may be required by the Management Committee.
11. Subject to the express provisions of subsection 4(3), contracts and purchases made and work done prior to the date of this Agreement in respect of projects listed in Schedule "A" may be accepted as complying with the provisions of this Agreement if they are consistent with the provisions of the GDA and if they are approved in writing by the Federal Minister on the recommendation of the Management Committee.

#### Public information

12. 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.



GENERAL

13. (1) The provision of financing by Canada and the Province for the implementation of the program under this Agreement is subject to the Parliament of Canada and the Province having provided funds for such financing for the fiscal year in which such financing is required.
- (2) No member of the House of Commons of Canada or of the Legislative Assembly of New Brunswick 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.
- (3) With respect to the implementation of the program or a project, the Province shall indemnify and save Canada harmless against all claims and demands of third parties in any way arising out of the implementation of such program or project, except as such claims or demands relate to the act or negligence of any officer, employee or agent of Canada.
- (4) This Agreement shall terminate on March 31, 1980.
- (5) Subject to the terms and conditions of section 14 of the GDA, this Agreement may be renewed for any further period agreed upon by the parties hereto, but such renewal shall be subject to the approval of the Governor in Council and Lieutenant Governor in Council.
- (6) The following conditions relevant to employment and the award of contracts shall apply in respect to the program and all projects carried out under this Agreement:
- (a) recruiting of labour shall be conducted through the Canada Manpower Centres unless the Management Committee considers that this service cannot reasonably be provided;
  - (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; it being agreed, however, that the foregoing shall not prevent the implementation of special measures designed to benefit native people or disadvantaged groups;
  - (c) the provisions of the Labour Standards Arrangement proposed by the Federal Department of Labour in 1970 shall be applicable to this Agreement, it being understood and agreed that to the extent that there are higher provincial standards applicable to particular occupations or regions, these higher provincial standards shall apply. In the aforesaid Labour Standards Arrangement the following provisions are regarded as minimum requirements:

- i) rates of pay prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation,
    - ii) Labour conditions to be specified in all tendering documents and to be posted conspicuously in the work place; and
  - (d) Canadian material and manpower shall be used in respect of the program and all projects to the extent to which it is procurable and consistent with proper economy and the expeditious performance of the initiatives.
- (7) In addition to the activities covered under this Agreement, Canada and the Province may independently undertake analyses and studies related to the identification and analysis of developmental opportunities in New Brunswick. The cost of such studies shall be borne by the party undertaking the study and shall not be eligible for cost-sharing under this Agreement.

#### EVALUATION

14. During this Agreement, Canada and the Province shall jointly effect an assessment of the program shown 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 9.1 of the GDA. In addition, Canada and the Province shall also jointly effect an evaluation of the program with respect to the general economic and socioeconomic development objectives of this Agreement.

#### AMENDMENTS

15. (1) This Agreement, and Schedule "A" thereof, may be amended as agreed from time to time by the Ministers, any relevant amendments to be made by the two Ministers in writing. Each project 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 section 5 shall require the approval of the Governor in Council.
- (2) Subject to subsection (1), the Management Committee may make adjustments to any project provided, however, that such adjustments do not increase the total amount of Schedule "A" nor conflict with the objectives of this Agreement.
16. The terms and conditions of the GDA shall apply to this Agreement.

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 Premier of New Brunswick.

IN THE PRESENCE OF:

GOVERNMENT OF CANADA

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Witness

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Minister of  
Regional Economic Expansion

GOVERNMENT OF THE PROVINCE  
OF NEW BRUNSWICK

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Witness

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Premier of New Brunswick

CANADA - NEW BRUNSWICK  
SUBSIDIARY AGREEMENT  
PLANNING

SCHEDULE "A"

In order to achieve the development objectives of Canada and the Province set out in Schedule "A" of the GDA, it is essential that the capability in the Province for planning and coordinating economic development measures be adequate. Other subsidiary agreements provide assistance for the planning of activities in various sectors and for specific development initiatives. This subsidiary Agreement will supplement the resources available to Canada and the Province to meet planning and coordination requirements which are beyond the scope of other subsidiary agreements. Such requirements include:

- (1) general development planning to determine best allocation of resources under the GDA,
- (2) research and studies to investigate potential opportunities prior to their consideration as subjects for subsidiary agreements;
- (3) planning of physical development to accommodate development and economic change in an orderly manner; and
- (4) coordination of the activities under each subsidiary agreement to permit reaction to changing circumstances and adjustment of program priorities where necessary.

<u>Program Description</u>	<u>Estimated Cost</u>	<u>Federal Share</u>
Provision of external professional staff and services to support development planning and coordination.	\$4 875 000	\$2 437 500