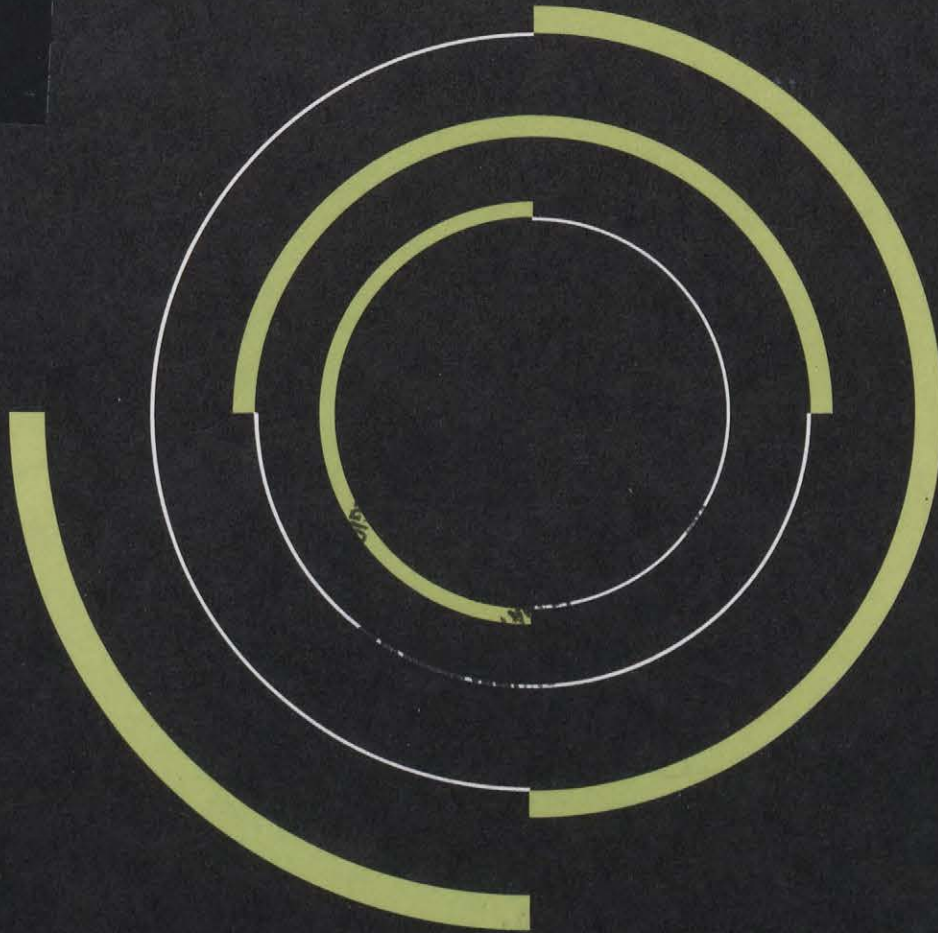


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# CANADA / MANITOBA

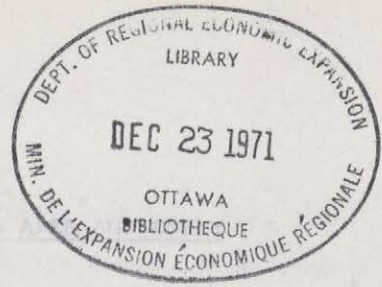
Second Special Area  
Agreement  
August 26, 1971

 REGIONAL ECONOMIC EXPANSION CANADA  
EXPANSION ECONOMIQUE REGIONALE CANADA





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MANITOBA  
SECOND FEDERAL-PROVINCIAL SPECIAL

Canada. Dept. of



REGIONAL ECONOMIC EXPANSION, CANADA  
EXPANSION ÉCONOMIQUE RÉGIONALE CANADA

THE GOVERNMENT OF CANADA, hereinafter  
called "Canada",

OF THE FIRST PART,

AND:

THE GOVERNMENT OF THE PROVINCE OF  
MANITOBA, hereinafter called "the

# SECOND SPECIAL AREA AGREEMENT

THIS AGREEMENT was entered into on behalf of Canada by  
the Minister of Regional Economic Expansion and on behalf of the  
Province by the Minister of Mines, Resources and Environmental  
Management.

WHEREAS Canada and the Province have identified measures  
to facilitate a joint strategy for achieving economic expansion and  
social adjustment in Manitoba, the object of which will be to create  
new employment opportunities in the Manitoba economy; and

## GOVERNMENT OF CANADA and GOVERNMENT OF THE PROVINCE OF MANITOBA

HEREBY pursuant to section 24 of the Government  
Organization Act, 1969 of Canada, the Governor in Council, after  
consultation with the Province, has by Order in Council (P.C. 1970-412)  
of the 8th day of April, 1970, designated, for the period of April 1,  
1970 to June 30, 1972, the area in the Province of Manitoba described  
in Schedule "A" hereto attached, as a special area requiring special  
measures to facilitate economic expansion and social adjustment.

MANITOBA  
SECOND FEDERAL-PROVINCIAL SPECIAL AREA AGREEMENT

THIS AGREEMENT made this 26th day of August , 1971

BETWEEN:

THE GOVERNMENT OF CANADA, (hereinafter  
called "Canada"),

OF THE FIRST PART,

AND:

THE GOVERNMENT OF THE PROVINCE OF  
MANITOBA, (hereinafter called "the  
Province"),

OF THE SECOND PART.

THIS AGREEMENT is entered into on behalf of Canada by the Minister of Regional Economic Expansion and on behalf of the Province by the Minister of Mines, Resources and Environmental Management.

WHEREAS Canada and the Province have identified measures to facilitate a joint strategy for achieving economic expansion and social adjustment in Manitoba, the object of which will be to create new employment opportunities in the Manitoba economy; modernize and rationalize the capital and manpower structure of secondary industries in the Province; rationalize the primary industries, with particular attention being paid to the human resources involved; assist the development and growth of the emerging pattern of regional service centres in agricultural Manitoba; and improve the access of disadvantaged people of native ancestry to employment opportunities;

AND WHEREAS pursuant to section 24 of the Government Organization Act, 1969 of Canada, the Governor in Council, after consultation with the Province, has by Order in Council P.C. 1970-613 of the 8th day of April, 1970, designated, for the period of April 1, 1970 to June 30, 1972, the area in the Province of Manitoba described in Schedule "A" hereto attached, as a special area requiring special measures to facilitate economic expansion and social adjustment;

...

AND WHEREAS pursuant to section 26 of the said Act, the Minister of Regional Economic Expansion has, in co-operation with the Province, formulated a plan for economic expansion and social adjustment for the said special area, which has been approved by the Governor in Council by Order in Council P.C. 1970-613 of the 8th day of April, 1970;

AND WHEREAS Canada and the Province entered into an Agreement dated the 11th day of May, 1970 (hereinafter referred to as the "First Special Area Agreement") to facilitate priority action which could be commenced in 1970 for the implementation of the said plan;

AND WHEREAS the Governor in Council has by Order in Council P.C. 1971-1200 of the 15th day of June, 1971 extended to March 31, 1975 the period of designation of the said special area and the period of application of the said plan, and this Agreement is intended to replace the First Special Area Agreement and to provide for the further implementation of the said plan during the period April 1, 1971 to March 31, 1975;

AND WHEREAS the Governor in Council by Order in Council P.C. 1971-1603 of the 3rd day of August 1971 has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant-Governor in Council has by Order in Council 908/71 of the 19th day of August 1971, authorized the Minister of Mines, Resources and Environmental Management to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

1. In this Agreement:
  - (a) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
  - (b) "Provincial Minister" means the Minister of Mines, Resources and Environmental Management of the

- Province, or such other Minister as may be authorized by the Lieutenant-Governor in Council, and includes anyone authorized to act on his behalf;
- (c) "Ministers" means the Federal Minister and the Provincial Minister;
  - (d) "First Special Area Agreement" means the above-mentioned Federal-Provincial Agreement of May 11, 1970;
  - (e) "Joint Planning Committee" means the Committee referred to in section 29 of this Agreement;
  - (f) "Liaison Committee" means the Committee referred to in section 11 of this Agreement;
  - (g) "municipality" includes any local authority within the Province approved for the purposes of this Agreement by the Ministers;
  - (h) "present special area" means the area described in Schedule "A" attached hereto;
  - (i) "term of this Agreement" means the period April 1, 1971 to March 31, 1975 inclusive.

SUBJECT MATTER

2. The Schedules attached to and forming part of this Agreement are:

Schedule "A": A map and legal description of the present special area.

Schedule "B": A list of projects and programs that the Province will endeavour to have carried out under this Agreement, based on contributions and loans made by Canada through the Department of Regional Economic Expansion.

Part I thereof consists of projects that were included in the First Special Area Agreement and have been transferred to this Agreement.

Part II consists of new projects.

Part III consists of programs for social adjustment.

Part IV consists of feasibility investigation and preliminary design projects.

Schedule "C": A General Program Outline, designed to explain the background to and the approach of this Agreement.

3. Canada will finance the projects and programs listed in Schedule "B" by contributions and loans to the extent and in the manner specified in the said Schedule.

4. The Province anticipates that the Provincial and municipal expenditures on capital works in the present special area apart from and in addition to the expenditures on projects in Schedule "B" attached hereto will amount to approximately \$3.8 million in the period April 1, 1971 to March 31, 1972.

5. (1) Subject to sub-section (4) the Province will undertake either directly or through agencies of the Province, or will endeavour to arrange for the municipalities concerned to undertake, during the term of this Agreement, the projects and programs listed in Schedule "B".

(2) The Province or the municipality concerned, as the case may be, will acquire all lands and interests in lands that are required for the projects.

(3) The financing by Canada of the projects and programs provided for by this Agreement does not confer upon Canada any proprietary interest in the physical assets constructed or acquired pursuant to this Agreement, which shall be and remain the property of the Province or the municipality, as the case may be, which will take over each physical asset on completion of the project or program and will thereafter accept full responsibility for its operation, maintenance and repair, except where other Federal-Provincial arrangements may apply.

(4) Although the Province or the municipality concerned will let any contracts that may be necessary for the projects listed

in Part IV of Schedule "B", the arrangements for the work shall require the prior approval of the Joint Planning Committee, as provided for in section 19(3) and performance of the work shall be under the general direction of the sub-committee of Federal and Provincial officials appointed jointly by the Co-Chairmen of the Joint Planning Committee and the Liaison Committee. When such a project has been completed, it will be the function of the Joint Planning Committee, in its annual review of Schedule "B" as mentioned in section 29, to recommend to the Ministers what, if any, construction project should be added to Part II of Schedule "B". In the event that construction thereof is accepted for implementation under this Agreement, the ten per cent allowance provided for by section 8(1)(a)(ii) shall be reduced by the amount of the contribution made by Canada in respect of the cost of the feasibility investigation and preliminary design of the project. It is understood and agreed that nothing in this sub-section shall be deemed to imply any obligation by Canada or the Province to accept any such project for implementation.

6. It is understood and agreed that where a project or program mentioned in this Agreement is to be undertaken by a municipality, the Province will make such arrangements with the municipality as are necessary to enable the Province to implement its undertakings under this Agreement.

7. The Province will commence, or will endeavour to arrange for the municipalities concerned to commence, actual implementation during the term of this Agreement of all projects and programs listed in Schedule "B" that have not already been commenced. Unless the Federal Minister on the recommendation of the Liaison Committee otherwise agrees, Canada will not be responsible for any expenditures incurred after the deadline specified in Schedule "B" for the project or program concerned, nor will Canada pay any claim which is not received within twelve months after the said deadline.

8. (1) Subject to sub-sections (2) and (3), the costs to be financed or shared under this Agreement by Canada are:

- (a) in respect of the projects, or portions thereof,  
listed in Parts I and II of Schedule "B":

...

- (i) all direct costs, except administrative, survey, engineering and architecture costs, that in the opinion of the Liaison Committee have been reasonably and properly incurred after March 31, 1971 for the implementation of the projects by the Province or the municipality concerned, as the case may be;  
and
  - (ii) ten per cent (10%) of the costs payable pursuant to clause (i) of this paragraph (a) as an allowance towards all other costs, one-half of which allowance, based on the estimated cost of the project in Schedule "B", may be paid when the Liaison Committee has approved the preliminary design of the project, and the adjusted remainder of which shall be paid with the final payment in respect of the implementation of the project; provided however, that in the application of this clause (ii) to the projects listed in Part I of Schedule "B", each project shall be taken as a whole, and costs incurred under the First Special Area Agreement and amounts paid by Canada under paragraph (b) of subsection (1) of section 8 of that Agreement shall, for the purpose of calculating the amount payable by Canada in respect of such project under this clause (ii), be taken into account as if they had been incurred or paid under this Agreement.
- (b) in respect of the programs listed in Part III and the projects listed in Part IV of Schedule "B", the costs that, in the opinion of the Liaison Committee in the case of Part III and that of the Joint Planning Committee in the case of Part IV, have been directly, reasonably and properly incurred after March 31, 1971



for the implementation of the projects and programs by the Province or the municipality concerned, as the case may be, including, without limiting the generality of the foregoing, the salaries and travelling expenses of temporary and permanent employees of the Province or the municipality concerned, as the case may be, while directly engaged in the performance of the projects and programs.

(2) Costs incurred under the First Special Area Agreement before April 1, 1971 that have not been reimbursed by Canada by April 30, 1971 shall be reimbursed under this Agreement.

(3) The costs to be financed by Canada do not include any costs relating to the acquisition of lands or interests in lands, except where otherwise specified in Schedule "B", in which case the financing by Canada shall be entirely on a loan basis.

9. (1) Canada's obligation with respect to the financing of each project and program shall be limited to the estimated cost specified for such project or program in Schedule "B", unless the Federal Minister agrees, on the recommendation of the Liaison Committee, that a higher cost is reasonable and warranted, and that funds are available.

(2) If at any stage of a project or program it appears to the Province that the cost thereof will exceed the estimated cost specified for such project or program in Schedule "B", the Province shall promptly so inform the Liaison Committee and state the reasons for such increase.

10. Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement shall not exceed:

- (a) with respect to the projects listed in Part I of Schedule "B" the amount of \$2,691,900 for contributions and the amount of \$2,885,000 for loans, less the amounts paid by Canada to April 30, 1971 under the First Special Area Agreement;
- (b) with respect to the projects listed in Part II of Schedule "B", the total of the amounts listed in

said Part II plus 15 per cent, that is to say, for contributions the amount of \$1,196,000 and for loans the amount of \$1,311,000;

- (c) with respect to the programs listed in Part III of Schedule "B", the amount of \$2,150,000 for contributions; and
- (d) with respect to the projects listed in Part IV of Schedule "B", the amount of \$114,000 for contributions.

LIAISON COMMITTEE

11. (1) The Liaison Committee established under the First Special Area Agreement and composed of an equal number of representatives of each party will be continued in existence under this Agreement to fulfil the responsibilities identified for it in this Agreement and to monitor and report on all stages of the planning, design and construction or implementation of the projects and programs listed in Schedule "B", except those listed in Part IV thereof, including matters related to the award of contracts at all stages.

(2) Canada and the Province agree to provide the said Liaison Committee with all information necessary for the performance of its functions.

LOANS

12. (1) Where financing by Canada of a project is wholly or partly on a loan basis, the Province will repay the loan to Canada, with interest, over the period specified for such loan in Schedule "B", which period (hereinafter referred to as the "amortization period"), shall in each case commence on the 31st day of March of the fiscal year in which the project is completed, such repayment to be made as follows:

- (a) interest with respect to all payments made by Canada shall be calculated from, but not including the date

of each payment, at the rate applicable at the time each payment is made, as determined by the Minister of Finance of Canada from time to time in respect of advances of funds provided to Crown Corporations by the Department of Finance; and interest not paid but accrued to the date of commencement of the amortization period shall be capitalized as at said date and shall be added to the principal amount of each payment, and the total amount shall be deemed to be principal for the purposes of paragraphs (c) and (d);

- (b) interest on the accrued interest as provided for in (a) above shall be calculated from the date of commencement of the amortization period at the rate applicable at the date of commencement of the amortization period, as determined by the Minister of Finance in respect of advances to Crown Corporations by the Department of Finance;
- (c) the principal amount of each payment, including the accrued interest, shall be treated as a single sum and amortized at a rate of interest computed as a weighted average of all the rates borne by the said principal amounts including the accrued interest; and
- (d) at the end of each year of the amortization period, interest at the rate prescribed by paragraph (c) shall be payable on the unrepaid principal amount of the loan, together with such part of the unrepaid principal amount as will result in repayment of the principal amount and interest in equal annual instalments over the amortization period; provided, however, that the Province may repay the loan at any earlier time, without notice or bonus, by paying to Canada the unrepaid principal amount of the loan together with accrued interest to the date of such repayment.

(2) For the purpose of this Agreement, the date of completion of a construction project means the date when the Province or the municipality, as the case may be, accepts the project from the

contractor; in all other cases the date of completion of a project or program shall be that determined by the Liaison Committee, but unless the Federal Minister otherwise agrees, shall not be later than the deadline specified in Schedule "B" for the project or program concerned.

13. Where the financing of a project by Canada is partly by way of contribution and partly by way of loan, each payment by Canada shall be deemed to be part contribution and part loan in the same ratio as specified for that project in Schedule "B", and interest on the loan portion shall be computed in accordance with section 12.

#### PAYMENT PROCEDURE

14. (1) Subject to section 15, 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 or program, submitted in a form and verified in a manner satisfactory to the Federal Minister.

(2) Although the costs for the programs listed in Part III of Schedule "B" are to be shared equally between Canada and the Province, Canada will make payments to the Province in respect of such costs incurred for each program in respect of each 25 per cent of the estimated cost of the program, as follows: 80 per cent of the first 25 per cent; 60 per cent of the second 25 per cent; 40 per cent of the third 25 per cent; and 20 per cent of the fourth 25 per cent. At the end of the four-year period ending March 31, 1975 or when a program is terminated, whichever occurs first, a financial adjustment will be made between Canada and the Province so as to cause the total shareable cost of each program to be shared equally between Canada and the Province.

15. (1) In order to assist with the interim financing of projects and programs, Canada may, if the Province so requests, make interim progress payments to the Province not exceeding 90 per cent of Canada's share of claims submitted, based on estimates of expendi-

tures actually incurred as certified by a senior officer of the Province or the municipality, as the case may be.

(2) The Province will account for each such interim progress payment by submitting to Canada, within the following quarter, a detailed statement of the actual expenditures concerned, verified in a manner satisfactory to the Federal Minister. Any discrepancy between the amounts paid by Canada by way of interim progress payments and the amounts actually payable by Canada shall be promptly adjusted between Canada and the Province.

(3) If so requested by the Province, the Federal Minister may, at his discretion following the award of a contract or the purchase or expropriation of land with respect to a project under Parts I or II of Schedule "B", authorize an advance payment by Canada to the Province in an amount not exceeding 75 per cent of Canada's share of the estimated amount payable under such contract, purchase or expropriation. Advances made under this sub-section will be accounted for by the Province by way of monthly progress claims submitted in the form and verified in the manner required under section 14.

(4) The Province shall remain obligated to account for interim progress payments or advance payments made by Canada under the First Special Area Agreement until all such payments have been fully accounted for.

16. The Province will make appropriate financial arrangements with the municipalities concerned in respect of payment for projects which it arranges for the municipalities to undertake.

#### RECORDS AND AUDIT

17. The Province will ensure that proper and accurate accounts and records relating to each project and program are maintained by the Province or the municipality, as the case may be, and the Province will be responsible for auditing and certifying the cost of the projects and programs for the purpose of progress claims in respect of projects and programs undertaken by municipalities.

18. Canada may audit the amounts of all progress claims, and the Provincial accounts and records relating thereto, including any progress claims made under the First Special Area Agreement that have not yet been audited by Canada, and any discrepancy between the amounts paid by Canada and the amounts actually payable by Canada under this Agreement or the First Special Area Agreement shall be promptly adjusted between Canada and the Province.

CONSTRUCTION AND IMPLEMENTATION PROCEDURE

19. (1) The financing by Canada of the projects listed in Parts I and II of Schedule "B" is conditional upon the observance of the following procedures:

- (a) the preliminary design, costs estimates and evidence of adherence to relevant construction standards must be approved by the Liaison Committee before working drawings are commenced;
- (b) final working drawings, specifications, final estimates and time schedules must be approved by the Liaison Committee;
- (c) the tender documents must be approved by the Liaison Committee before tenders are called;
- (d) a definition of the projects for the purpose of identifying the work to be financed by Canada must be approved by the Liaison Committee;
- (e) unless the Liaison Committee otherwise agrees, all construction, purchase and other contracts will be let pursuant to tenders invited by public advertisement;
- (f) the tender package and advertisement for tenders in respect of each project shall state that:  
"This is a Canada Regional Development Project.  
Its construction is financed by (grants and/or loans, as the case may be), by the Department

...



of Regional Economic Expansion of the Federal Government, and it will be carried out in co-operation with the Province of Manitoba" and (where relevant) "the municipality of \_\_\_\_\_", or such other wording to the like effect as may be agreed by the Ministers;

- (g) opening of all tenders shall be public and the Liaison Committee will 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 Liaison Committee or his representative to be present at all tender openings and to participate in the evaluation of tenders;
- (h) all awards of contracts shall require the approval of the Liaison Committee and shall, unless the Liaison Committee otherwise agrees, be awarded to the responsible and responsive tenderer who submitted the lowest evaluated tender;
- (i) all announcements of contract awards shall be made jointly by Canada and the Province or the municipality, as the case may be;
- (j) all amendments to contracts shall require the approval of the Liaison Committee;
- (k) any member of the Liaison Committee or his representative shall be permitted to inspect the 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;

provided however that paragraphs (e), (h) and (j) of this sub-section do not apply to contracts that involve only the administrative, survey, engineering or architecture costs referred to in section 8(1)(a)(i).

(2) The financing by Canada of the programs listed in Part III of Schedule "B" is conditional upon the observance of the following procedures:

...

- (a) a definition of the specific activities to be undertaken under each program must be approved by the Liaison Committee for the purpose of identifying and authorizing the expenditures to be cost-shared by Canada;
- (b) all awards of contracts and all amendments to contracts shall require the approval of the Liaison Committee;
- (c) members of the Liaison Committee and their representatives shall have the same rights of inspection as are provided for by paragraph (k) of sub-section (1); and
- (d) the provisions of paragraphs (f) and (i) of sub-section (1) shall be applied wherever in the opinion of the Liaison Committee it is practical and appropriate to do so.

(3) The financing by Canada of the projects listed in Part IV of Schedule "B" is conditional upon the prior approval by the Joint Planning Committee of the arrangements for the performance of the work.

(4) Contracts and purchases in respect of projects listed in Part I of Schedule "B" that have been made or approved under the First Special Area Agreement are hereby accepted as complying with the requirements of this section.

(5) Contracts and purchases made and work done prior to the date of this Agreement in respect of projects listed in Part II and programs listed in Part III of Schedule "B" are accepted as complying with the provisions of this section if they are approved in writing by the Federal Minister on the recommendation of the Liaison Committee.

20. Canada will supply, erect and maintain

- (a) during the course of construction of each construction project, a project sign or signs specifying that it is a Canada Regional Development Project financed by contributions and/or loans by the

Department of Regional Economic Expansion of the Government of Canada (and any other Federal agency where relevant) and carried out in co-operation with the Province and (where relevant) the municipality concerned, or such other wording to the like effect as may be agreed to by the Ministers; and

- (b) upon completion of each construction project, a permanent sign or plaque to the like effect.

21. Any official opening ceremony for each project will be arranged by the Federal Minister in co-operation with the Provincial Minister.

#### REGIONAL DEVELOPMENT INCENTIVES

22. The Federal Minister will utilize the authority of section 28 of the Government Organization Act, 1969, to make incentives available for any commercial undertaking to the full extent that in his opinion will contribute effectively to economic expansion in the special area.

#### AGRICULTURAL AND RURAL DEVELOPMENT ACT

23. Canada and the Province, in utilizing their 1970-75 Agreement under the Agricultural and Rural Development Act will give priority to objectives for social adjustment and resource development or rationalization in the Province generally. In their determination of programs and projects under the ARDA Agreement, the Province will give particular priority to those which will complement the purposes of this Special Area Agreement.

#### OTHER PROGRAMS FOR ECONOMIC EXPANSION AND SOCIAL ADJUSTMENT

24. Canada and the Province take note of their NewStart Agreement, their FRED Interlake Agreement, and of the Prairie Farm Rehabilitation Administration. Related programs of these organizations will be carried out in co-ordination with this Agreement.

25. Canada and the Province take note that the Prairie Farm Rehabilitation Administration and the Department of Indian Affairs and Northern Development are undertaking certain infrastructure on The Pas Indian Reserve No. 21, Block "E", as approved by Band Council Resolution dated July 4, 1968, during the term of this Agreement.

26. The Province or the municipality, as the case may be, will apply to Central Mortgage and Housing Corporation, under the provisions of the National Housing Act, for a loan for the construction of the sanitary sewer system referred to in Schedule "B" and the Province will assign priority to The Pas within the funds allocated by Central Mortgage and Housing Corporation for sewage treatment loans in the Province of Manitoba in 1971.

#### FUTURE ARRANGEMENTS

27. Canada and the Province agree to consider jointly further plans designed to facilitate the realization of the potential for economic expansion and social adjustment in the present special area and to consider jointly also possible plans with similar objectives for other areas that might from time to time be designated by the Governor in Council as special areas.

28. Canada will endeavour to provide to the Province financing for such Provincial and municipal works and facilities as are agreed to be beyond the financial resources of the Province and the municipalities concerned but necessary to the execution of such plans.

#### JOINT PLANNING COMMITTEE

29. (1) The Canada-Manitoba Joint Planning Committee established under the First Special Area Agreement and composed of representatives of Canada and the Province jointly agreed by the Ministers will be continued in existence under this Agreement to assist Canada and the Province in fulfilling their obligations

...

under this Agreement, including those mentioned in sections 27 and 28.

(2) In addition to the functions specified elsewhere in this Agreement, the functions of the Committee will be to advise the Ministers on, but not exclusively, the following:

- (a) the identification of measures to facilitate economic expansion and social adjustment in the Province generally;
- (b) the identification of possible special areas or the modification of the present special area, within the context of the development of the provincial economy;
- (c) the need for, appropriate means, progress and results of consultations with the people of the special area or areas and with appropriate groups and agencies including federal and provincial departments and agencies that will facilitate the preparation and implementation of development plans, programs and projects;
- (d) the preparation of development plans for the special area or areas and the identification and definition of measures, programs and projects necessary for the execution of plans in special areas; and
- (e) to conduct an annual review of Schedule "B" for the purpose of considering and recommending to the Ministers whether any new projects or programs should be added thereto or any other revisions thereof should be made.

(3) The Committee shall be composed of representatives of the Province and Canada jointly agreed by the Ministers.

GENERAL

30. Canada and the Province will from time to time during the term of this Agreement conduct joint evaluations under arrange-

ments to be agreed to by the Ministers, for the purpose of assessing the extent to which the programs and projects being carried out under this Agreement are contributing to economic expansion and social adjustment; for the purposes of such evaluations each party will make available all relevant information.

31. The Province will indemnify and save harmless Canada from any and all claims and demands of third parties in any way arising out of the financing by Canada of the projects and programs, except as such claims or demands relate to injury or loss attributable to the act or negligence of any officer, employee or agent of Canada.

32. All construction work for the projects shall be subject to and carried out in accordance with labour conditions and standards to be agreed to by Canada and the Province.

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

- (a) recruiting of labour shall be conducted through the Canada Manpower Centres, unless the Liaison Committee considers that the service cannot reasonably be provided;
- (b) in the employment of persons on a program or project there shall be no discrimination by reason of race, sex, religion or political affiliation, but preference will be given to the recruitment of people resident in the special area.

34. In respect of all projects carried out under this Agreement, Canadian material and manpower will be used to the full extent to which it is procurable, consistent with proper economy and the expeditious carrying out of the project.

35. In the event of any dispute between the parties hereto on any question of law or fact arising out of this Agreement or the performance thereof, it shall be submitted to and determined by the Federal Court of Canada pursuant to the Federal Court Act of Canada.



36. The provision of financing by Canada and the Province under this Agreement is subject to Parliament and the Legislative Assembly of Manitoba having provided funds for such financing in the fiscal year in which financing is to be provided.

AMENDMENTS

37. This Agreement, including the Schedules thereto, may be amended from time to time by the agreement of the Ministers expressed in writing, except that any amendment to the total amounts of \$6,151,900 for contributions and \$4,196,000 for loans specified in section 10 requires the approval of the Governor in Council and any amendment to Schedule "A" may be made only in consequence of a change of special area designation made by the Governor in Council.

REVOCATION

38. The First Special Area Agreement, as amended, is hereby revoked and replaced by this Agreement, effective the date of 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 Minister of Mines, Resources and Environmental Management in the presence of

GOVERNMENT OF CANADA

Witness

Minister of  
Regional Economic Expansion

GOVERNMENT OF MANITOBA

Witness

Minister of  
Mines, Resources and Environmental  
Management

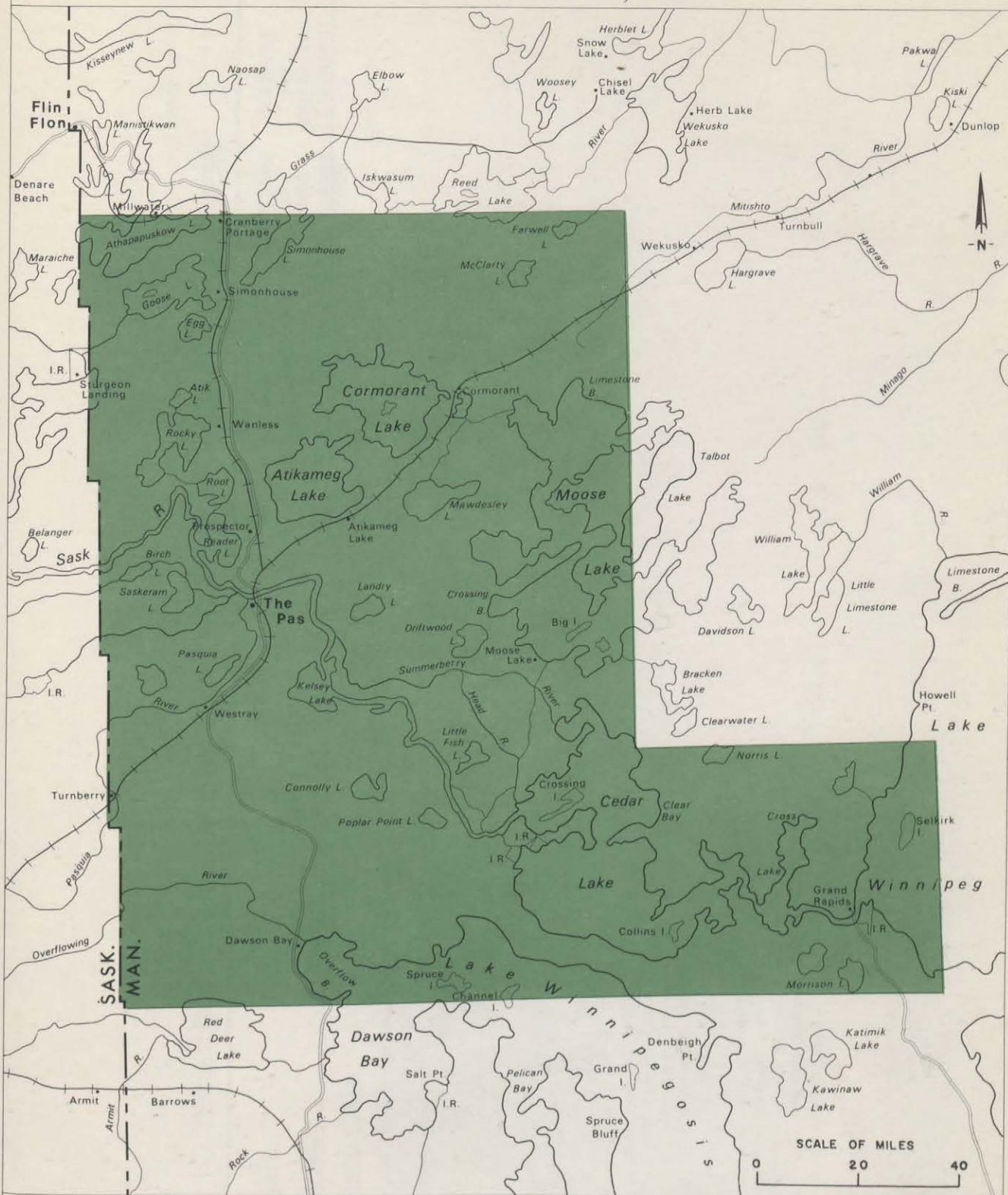
SCHEDULE "A"

LEGAL DESCRIPTION OF "THE PAS SPECIAL AREA"

That part of Manitoba bounded as follows:

commencing at the intersection of 53 degrees north latitude and the Manitoba-Saskatchewan boundary; thence due east along the 53 degrees north latitude to 99 degrees west longitude; thence due north to 53 degrees 30 minutes north latitude; thence due west to 100 degrees west longitude; thence due north to the 17th base line; thence westerly along the 17th base line to the Manitoba-Saskatchewan boundary; thence south along the Manitoba-Saskatchewan boundary to the point of commencement.

# THE PAS SPECIAL AREA, MANITOBA ZONE SPÉCIALE DE LE PAS, MANITOBA



Appendice-A

Publiée 1971  
 Sous - section de la Cartographie  
 Division de l'information  
 Ministère de l'Expansion économique régionale

Published 1971  
 Cartographic Unit  
 Public Information Division,  
 Department of Regional Economic Expansion

Schedule-A

SCHEDULE "B"

(Page 1 of 6)

PART I - PROJECTS FINANCED BY CANADA AND TRANSFERRED FROM THE FIRST SPECIAL AREA AGREEMENT

Project Description	Total Esti- mated Cost* (\$'000)	DREE Ratio of Contri- butions to Loans	Expected DREE Payments 1970-71			Maximum DREE Funding 1971-72			Balance of DREE Funding (\$'000)	Deadline for Completion of Project	Amorti- zation Period (Years)
			Contri- butions	Loans	Total	Contri- butions	Loans	Total			
THE PAS SPECIAL AREA											
1. <u>Sanitary Sewer System</u>											

The design and construction of sewage treatment and distribution facilities to complement and upgrade the present system to support a population of 15,000 people in the Town of The Pas. The project will involve (approximately) a 254,000 square foot partially equipped aerated lagoon located east of town, 2,800 feet of 24 inch, 2,000 feet of 30 inch, 2,400 feet of 36 inch gravity line, a pumping station with 3 or 4 pumps, and 2,900 feet of 12 inch force main to service the Indian Reserve Development Corporation land in the southwestern part of town, The Pas Annex subdivision in the southeast and the existing built-up area of The Pas. Federal financing for approximately two-thirds of the project will be a loan from CMHC. The amount shown represents the DREE share only.

228	100:0	188.5	-	188.5	39.5	-	39.5	-	Oct. 31/71
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2. Storm Sewer System

The design and construction of a storm sewer system on the west side of the CNR tracks between the Saskatchewan River on the north

SCHEDULE "B"

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PART I - PROJECTS FINANCED BY CANADA AND TRANSFERRED FROM THE FIRST SPECIAL AREA AGREEMENT

Project Description	Total Esti- mated Cost* (\$'000)	DREE Ratio of Contri- butions to Loans	Expected DREE Payments 1970-71			Maximum DREE Funding 1971-72			Balance of DREE Funding (\$'000)	Deadline for Completion of Project	Amorti- zation Period (Years)
			Contri- butions (\$'000)	Loans (\$'000)	Total	Contri- butions (\$'000)	Loans (\$'000)	Total			
THE PAS SPECIAL AREA											
and Eighth Street on the south; to- gether with sewers for that portion of the area on the east side of the CNR tracks which is bounded by Eighth Street on the south, Stewart Street on the north, and Cathedral Avenue on the east. This storm sewer system will consist of approximately 7,600 feet of 12 inch, 2,525 feet of 15 inch, 3,765 feet of 18 inch, 1,635 feet of 24 inch, 3,000 feet of 30 inch, 985 feet of 36 inch and 1,600 feet of 42 inch dia- meter pipe.	472	100:0	203	-	203	269	-	269	-	Dec. 31/71	

3. Water System

The design and construction of water supply and distribution facilities to complement and upgrade the present water system in The Pas to serve approximately 12,000 people. This project will consist of the design and construction of a 240,000 gallon water storage reservoir and water treatment plant with necessary equipment to produce 2.25 million gallons per day, and the extension of the feeder main from Bell Avenue via Paffard Street to Seventh Street and along Seventh and Centennial

SCHEDULE "B"

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PART I - PROJECTS FINANCED BY CANADA AND TRANSFERRED FROM THE FIRST SPECIAL AREA AGREEMENT

Project Description	Total Esti- mated Cost* (\$'000)	DREE Ratio of Contri- butions to Loans	Expected			Maximum			Balance of DREE Funding (\$'000)	Deadline for Completion of Project	Amorti- zation Period (Years)
			DREE Payments 1970-71	Contri-		DREE Funding 1971-72	Contri-				
THE PAS SPECIAL AREA			Contributions	Loans	Total	Contributions	Loans	Total			
Streets to the junction of Dufferin Street installing approximately 3,950 feet of 10 inch pipe and appurtenances in order to complete a network to service The Pas Annex Subdivision, the Indian Reserve Development Corporation land and the existing built-up portion of The Pas.	1,190	100:0	744	-	744	296	-	296	150	June 30/72	
<u>4. Fire-Fighting Equipment</u>											
The purchase of such fire-fighting equipment as three new fire trucks, communications equipment, breathing apparatus and hoses and nozzles.	89	0:100	-	33	33	-	21	21	35	Dec. 31/72	5
<u>5. Margaret Barbour Collegiate</u>											
The design, construction and equipment for an addition of approximately 26,700 square feet of gross space to the existing Margaret Barbour Collegiate. The addition includes instructional areas, corridors and other space required for related utilitarian purposes. A swimming pool is to be included in the contract for this work, however, this phase of the work is to be funded privately with costs separated and is not considered as part of this project.	600	0:100	-	322	322	-	228	228	50	Nov. 30/72	20





SCHEDULE "B"

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PART I - PROJECTS FINANCED BY CANADA AND TRANSFERRED FROM THE FIRST SPECIAL AREA AGREEMENT

Project Description	Total Esti- mated Cost*	DREE Ratio of Contri- butions to Loans	Expected DREE Payments 1970-71			Maximum DREE Funding 1971-72			Balance of DREE Funding	Deadline for Completion of Project	Amorti- zation Period (Years)
			Contri- butions	Loans	Total	Contri- butions	Loans	Total			
	(\$'000)		(\$'000)			(\$'000)			(\$'000)		
<u>9. The Pas Friendship Centre</u>											
The design, construction and equipping of a 5,284 square foot building as a Friendship Centre in The Pas to enhance the process of social adjustment and to serve as a communication centre for the several cultural groups in the Special Area. The building will include offices, meeting and seminar rooms, and kitchen facilities.	170	100:0	123	-	123	47	-	47	-	Dec. 31/71	
<u>10. Housing Rationalization</u>											
The acquisition and demolition of approximately 10 substandard houses as alternative acceptable housing becomes available.	22	100:0	8	-	8	14	-	14	-	Dec. 31/71	
<u>11. Mobile Homes</u>											
The purchase of a variety of mobile housing units, up to 24 in number at a total cost of \$220,000 to fill housing needs of people directly affected by projects mounted under or in association with the Special Area Agreement to include, among others, individuals who must relocate while participating in training in centres in the Special Area and residents requiring temporary housing due to the removal of their existing homes.	220	0:100	-	-	-	-	146	146	74	Dec. 31/72	10

SCHEDULE "B"

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PART I - PROJECTS FINANCED BY CANADA AND TRANSFERRED FROM THE FIRST SPECIAL AREA AGREEMENT

Project Description	Total Esti- mated Cost* (\$'000)	DREE Ratio of Contri- butions to Loans	Expected DREE Payments 1970-71			Maximum DREE Funding 1971-72			Balance of DREE Funding (\$'000)	Deadline for Completion of Project	Amorti- zation Period (Years)
			Contri- butions	Loans	Total	Contri- butions	Loans	Total			
<u>12. Portable Training Facilities</u>											
The purchase and equipping of three winterized and self-contained portable facilities for vocational training, academic upgrading, basic life skills and communications programs with each capable of training 20 to 30 people.	66	100:0	-	-	-	52	-	52	14	Dec. 31/72	

\* Estimated cost of projects include (a) direct costs, (b) 10% allowance, and (c) loans for purchase of land where relevant.

SCHEDULE "B"

(Page 1 of 4)

PART II - PROJECTS TO BE FINANCED BY CANADA AND STARTED IN 1971-72

Project Description	Estimated Total Cost of Project Including: (a) direct cost (b) 10% allowance (c) loans for purchase of land where relevant (\$'000)	DREE Ratio of Contributions to Loans	Maximum DREE Funding 1971-72 (\$'000)			Balance of DREE Funding (\$'000)	Deadline For Completion of Project	Amortization Period (Years)
			Contributions	Loans	Total			
<u>THE PAS SPECIAL AREA</u>								
1. <u>Storm Sewer System (North-east)</u>								
The design and construction of a storm sewer system in the northeast portion of the Town of The Pas to complement the northwest storm sewer system now under construction. The system will consist of approximately 2 miles of sewer pipe and will have a capacity to drain approximately 135 acres of residential land.	300	100:0	300	-	300	-	Mar. 31/72	
2. <u>Keewatin Community College - Mechanics Shop</u>								
The design, construction and equipping of a steel frame building of approximately 6,000 square feet, to serve as a heavy duty mechanics shop to be located on the Keewatin Community College Campus.	200	0:100	-	200	200	-	Mar. 31/72	20

SCHEDULE "B"

(Page 2 of 4)

PART II - PROJECTS TO BE FINANCED BY CANADA AND STARTED IN 1971-72

Project Description	Estimated Total Cost of Project Including: (a) direct cost (b) 10% allowance (c) loans for purchase of land where relevant (\$'000)	DREE Ratio of Contri- butions to Loans	Maximum DREE Funding 1971-72 (\$'000)			Balance of DREE Funding (\$'000)	Deadline For Completion of Project	Amorti- zation Period (Years)
			Contri- butions	Loans	Total			
<u>3. Mary Duncan Elementary School</u>								
The design, construction and equipping of approximately 27,300 square feet of classroom and related facilities to be located in the northeast part of the town to accommodate existing and anticipated enrolment in this area.	400	10:90	20	180	200	200	Dec. 31/72	20
<u>4. Emergency Water Supply for Fire Protection</u>								
The design and construction of a deep well system with a capacity of 2,000 gpm for emergency fire fighting purposes. The system will be located in the southern area of the Town of The Pas and will be linked to the existing municipal water distribution system.	200	100:0	200	-	200	-	Mar. 31/72	

SCHEDULE "B"

(Page 3 of 4)

PART II - PROJECTS TO BE FINANCED BY CANADA AND STARTED IN 1971-72

Project Description	Estimated Total Cost of Project Including: (a) direct cost (b) 10% allowance (c) loans for purchase of land where relevant (\$'000)	DREE Ratio of Contributions to Loans	Maximum DREE Funding 1971-72 (\$'000)			Balance of DREE Funding (\$'000)	Deadline For Completion of Project	Amortization Period (Years)
			Contributions	Loans	Total			
<u>5. Industrial Park for Light Industry</u>								
The design and construction of sanitary sewer and water services from the existing municipal systems to the boundary of an industrial park site of approximately 100 acres to be situated within the town limits. The design and construction are dependent upon evidence of a firm intent by an enterprise to locate in the park.	190	0:100	-	180	180	10	Sept. 30/72	20
<u>6. Civic Services Complex Completion</u>								
(a) The design and construction of a building of approximately 11,090 square feet to accommodate council chambers and municipal offices to include the provision of adjacent, surface, open, paved, parking facilities to accommodate approximately 40 cars and the landscaping of the total complex.	350	100:0	315	-	315	35	Aug. 31/72	

SCHEDULE "B"

(Page 4 of 4)

PART II - PROJECTS TO BE FINANCED BY CANADA AND STARTED IN 1971-72

Project Description	Estimated Total Cost of Project Including: (a) direct cost (b) 10% allowance (c) loans for purchase of land where relevant (\$'000)	DREE Ratio of Contri- butions to Loans	Maximum DREE Funding 1971-72 (\$'000)			Balance of DREE Funding (\$'000)	Deadline For Completion of Project	Amorti- zation Period (Years)
			Contri- butions	Loans	Total			
<u>THE PAS SPECIAL AREA</u>								
(b) The design and construction of a steel frame building of approximately 6,750 square feet to be used for the service and storage of town equipment. The facility will include offices for supervisory personnel and a fenced yard of approximately 5 acres, of which 1½ acres will be gravelled, for storage of equipment.	150	100:0	150	-	150	-	Mar. 31/72	
<u>7. Cormorant Road</u>								
The survey, design, and construction of a 10 mile road from Cormorant to Budd, where existing Provincial Road #287 now terminates. The road will be built to specifications of a No. 9 (Pioneer) road under the Manitoba road classification system.	390	0:100	-	200	200	190	Dec. 31/72	20

SCHEDULE "B"

(Page 1 of 1)

PART III - PROGRAMS TO BE JOINTLY FINANCED BY CANADA AND MANITOBA AND STARTED IN 1971-72

Program Description	Estimated Total Cost of Program (\$'000)	Estimated DREE Contribution (\$'000)	Maximum DREE Contribution 1971-72	Contribution Balance (\$'000)	Deadline for Completion of Program
<u>THE PAS SPECIAL AREA</u>					
1. <u>Information-Communication Program</u>					
<p>The equipping, staffing and operation of an information-communication program to make residents of the special area aware, and better able to take advantage of, opportunities (jobs, training, housing, etc.) available to them. In addition, the program will communicate to public agencies the needs of local people. The program will be headquartered in The Pas and will use rotating field teams, video tape recordings and specially prepared written material as the principal means of implementing the program. Half the total program cost will be paid by the Province, in accordance with the payment procedure set out in section 14(2).</p>	1,000	500	200	300	Mar. 31/75
2. <u>Manpower Corps Program</u>					
<p>The equipping, staffing and operation of activities capable of providing on-site work experience and life and industrial skills training in commercial and infrastructural developments of the special area. The program will involve the identification, recruitment and counselling of persons with little or no previous work experience, supplemented by on-the-job and classroom training. Half the total program cost will be paid by the Province in accordance with the payment procedure set out in section 14(2).</p>	3,300	1,650	660	990	Mar. 31/75



SCHEDULE "B"

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PART IV - FEASIBILITY INVESTIGATION AND PRELIMINARY DESIGN PROJECTS TO BE JOINTLY FINANCED BY CANADA AND MANITOBA

Description of Project Investigation or Design	Estimated Total Cost of Investigation or Design	Estimated DREE Contribution	Maximum DREE Contribution 1971-72	Contribution Balance	Deadline for Completion of Investigation or Design
<b><u>THE PAS SPECIAL AREA</u></b>					
<b>1. <u>Street Reconstruction - The Town of The Pas</u></b>					
To prepare the preliminary design and cost estimates for major street reconstruction necessitated by sewer and water construction in The Pas central business area and essential business arteries as identified in the town plan. One-quarter of the total cost thereof will be paid by the Province.	48,000	36,000	36,000	-	February 29, 1972
<b>2. <u>Easterville Road</u></b>					
To prepare the preliminary design, and cost estimates for a No. 9 (Pioneer) road from Easterville to Povincial Trunk Highway #10. One-quarter of the total cost thereof will be paid by the Province.	68,000	51,000	40,000	11,000	June 30, 1972
<b>3. <u>Industrial Park for Light Industry</u></b>					
To prepare the preliminary design and cost estimates for a light industrial park of approximately 100 acres to be situated within the town limits. Preliminary design and cost estimation are dependent upon evidence of a firm intent by an enterprise to					

SCHEDULE "B"

(Page 2 of 2)

PART IV - FEASIBILITY INVESTIGATION AND PRELIMINARY DESIGN PROJECTS TO BE JOINTLY FINANCED BY CANADA AND MANITOBA

Description of Project Investigation or Design	Estimated Total Cost of Investigation or Design	Estimated DREE Contribution	Maximum DREE Contribution 1971-72	Contribution Balance	Deadline for Completion of Investigation or Design
<u>THE PAS SPECIAL AREA</u>					
locate in the park. One-quarter of the total cost thereof will be paid by the Province.	28,000	21,000	21,000	-	February 29, 1972
<u>4. Storm Sewer System - The Pas Annex and Indian Reserve Trailer Court Subdivisions</u>					
To prepare the preliminary design and cost estimates for a storm sewer system for The Pas Annex and Indian Reserve trailer court subdivisions. One-quarter of the total cost thereof will be paid by the Province.	8,000	6,000	6,000	-	January 31, 1972

## SCHEDULE "C"

### THE PAS SPECIAL AREA: GENERAL PROGRAM OUTLINE

#### Background

The Pas Special Area, like most of Northern Manitoba, relies on resource based industries for its economic progress. To date, this sector has provided only a moderate economic growth rate. However, the population of The Pas special area, which now stands at approximately 13,000, has grown rapidly and will probably continue to do so. Because the population growth rate has out-stripped the rate of job expansion, considerable unemployment has occurred. In addition, many people of working age are unsuited to those jobs which are emerging.

Future economic growth and new job opportunities will remain dependent upon resource based industries. Recently, an integrated forest industry complex has located near the Town of The Pas. This industrialization offers a chance to solve many problems associated with the area's previous modest growth rate.

The Town of The Pas (which by 1975 is expected to have a population of about 12,000), has in the past served as the distribution centre for the special area. Its growth has been determined largely by interaction between the town and its hinterland. The impact of the forest industry complex has caused major financial difficulties for The Pas as the town is expected to provide extensive additional services within a short period of time. Moreover, there are problems in providing occupational and social mobility for disadvantaged people in the area so that they may gain access to employment opportunities.

#### Outline

The people of the special area are widely dispersed but have traditionally looked to the Town of The Pas for social amenities, services and job opportunities. As the town is strengthened

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on these three fronts it will be able to cope, physically, with the rural-urban migrants. There remains a need to provide access to the town (by way of roads to presently isolated neighbouring communities), information on available employment, training and a means of helping migrants to adjust to their new life in an urban centre.

In recognition of the above requirements, Canada and the Province (through the Joint Planning Committee) have agreed that the desirable goals for the special area are two-fold. Firstly, the ability of the local people, groups, and communities to adapt and adjust to economic and social changes must be improved. Secondly, the well-being of the people in the area should be enhanced by improving their economic and social situation.

The Joint Planning Committee has further agreed these goals can best be attained through selected measures for social adjustment and economic expansion. The people in the area must be helped to adapt to industrialization and urbanization. This can be effected by encouraging social adjustment to permit individual and community problem-solving, and by strengthening the Town of The Pas in its role as a transitional centre for those who may in the future wish to seek employment elsewhere.

Increasing industrial activity at The Pas will place great strain on present infrastructure. Consequently, assistance is required for this urban centre to accommodate industries and the population which they attract. As far as possible, assistance should be given to the diversification of the area's economic base both to create jobs and to minimize the detrimental impact of economic or technological change.

To these ends, programs and projects outlined in Schedule "B" have been developed. Sewage and water facilities will be provided in those sections of the town undergoing rapid expansion. Facilities to accommodate industrial growth will be developed as

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the need arises. Provision has been made to expand existing educational and training facilities in the town. To enable the town to cope with its new and enlarged role, a civic service complex is being established.

As a first step towards providing greater access to The Pas for people of the surrounding area, a road will be completed between the town and Cormorant.

The process of social adjustment will be accelerated by the strengthening of a manpower corps program to provide work experience, and a program which would inform people of opportunities. Through the latter program, residents of the area will be better able to take advantage of available jobs, training, housing, etc., and public agencies will be able to discover the needs of local people.

