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subsidiary
Agreement

GOVERNMENT
OF CANADA
REGIONAL
ECONOMIC
EXPANSION



NOVA SCOTIA
DEPARTMENT
OF
TOURISM

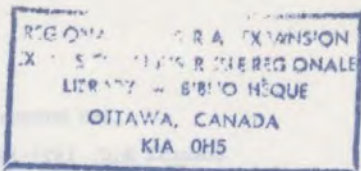


A CANADA — NOVA
SCOTIA SUB AGREEMENT
UNDER THE GENERAL
DEVELOPMENT AGREEMENT

TOURISM DEVELOPMENT CANADA/NOVA SCOTIA



THIS SUB AGREEMENT SIGNED 28 JUNE 1977
IS SUBJECT TO AMENDMENTS



CANADA - NOVA SCOTIA
SUBSIDIARY AGREEMENT
TOURISM DEVELOPMENT

THIS AGREEMENT made this 28th day of JUNE 1977.

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 identified
tourism development as a development opportunity which will
lead to the expansion, diversification and strengthening of
the provincial economy;

AND WHEREAS the Governor in Council by Order in Council P.C. 1977-1816 of the 27th day of JUNE, 1977, has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council No. 77-678 of the 14th day of JUNE, 1977 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 employed by provincial government departments but who enter into a contract with the Province by which they agree to undertake or participate in work related to implementation of this Agreement;
 - (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 jointly to undertake the implementation of the Tourism Development Opportunity described in subsection 4.1, in accordance with the strategy outlined in Schedule "A" to this Agreement.

2.2 The objective of this Agreement is to create employment opportunities and increase incomes from further developing the tourism industry in Nova Scotia.

SECTION 3 STRATEGY

3.1 The strategy outlined in Schedule "A" to this Agreement shall be reviewed annually and may be revised from time to time by the Ministers.

SECTION 4 SUBJECT MATTER

4.1 The two programs listed in Part I of Schedule "A" to this Agreement consist of the several projects to be pursued in the attainment of the development opportunity agreed to by the Ministers.

4.2 The Province will undertake, either directly or through agencies of the Province, in accordance with an agreed schedule, to implement the several projects to be pursued in the attainment of the development opportunity.

4.3 The Province hereby agrees to indemnify and save Canada harmless against any and all liability, loss, damages, costs or expense which Canada may incur, suffer or be required to pay, as a result of the ownership, operation or maintenance of any project undertaken by the Province pursuant to this Agreement.

4.4 Subject to subsection 4.7, it is mutually understood and agreed that the Province shall engage the external staff and purchase external services, 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.

4.5 This Agreement shall have effect from April 1, 1977 and shall terminate on March 31, 1982 except that projects 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, 1983.

4.6 All projects 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, PROVIDED HOWEVER, that if the province, on or after the first day of April, 1977 commenced to implement a project which would otherwise be eligible for cost-sharing under this Agreement, the Management Committee may approve such a project in the same manner as it approves other projects under this Agreement.

4.7 Each project proposed 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.

4.8 The Province hereby undertakes to ensure that any applicable environmental laws of Canada or the Province are complied with in all projects implemented 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 Canada and the Province agree to provide the Management Committee with all information necessary for the performance of its functions.

5.3 The signatures 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 Provincial Minister and another represents the Federal Minister.

5.4 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 Canada shall contribute eighty per cent (80%) of the eligible costs and the Province shall contribute twenty per cent (20%) of the eligible costs of any project approved under subsections 6.4 and 6.5.

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 \$11,000,000.

6.4 Subject to subsection 6.6, the eligible costs of capital projects to be implemented under this Agreement, consist of all direct costs including public information costs, which, in the opinion of the Management Committee, have been reasonably and properly incurred by the Province for the purpose of implementing the capital projects, plus 10 percent of such direct costs. Eligible costs shall in no circumstances include administrative, survey, engineering, or architectural costs. Without restricting the generality of the meaning of the foregoing, breakdowns of eligible costs may be found in Part II of Schedule "A" to this Agreement. In no case shall any provision in this Agreement be relied upon as authority to include either administrative, survey, engineering, or architectural costs as eligible costs under this Agreement.

6.5 Subject to subsection 6.6, the eligible costs of non capital projects to be implemented under this Agreement consist of all costs actually incurred by the Province pursuant to a contract entered into in accordance with this Agreement, with any person or corporation, for the performance of work, the supply of goods or the rendering of services for the implementation of a non capital project, but do not include any cost in respect of the services of any regular employee of the Province or its agencies.

6.6 Neither the cost of land nor the cost of acquiring land or any interest therein shall be considered to be an eligible cost under this Agreement.

6.7 This Agreement, and Schedule "A" thereof, may be amended in writing as agreed from time to time by the Ministers. Each 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 and any amendment to the two programs in Part I of Schedule "A" 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 the Agreement during any fiscal year; provided, however, that such adjustments do not increase the total cost 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 public 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 expenditures 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 programs, 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 60 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 9.1 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

Witness

Minister of
Industry, Trade and Commerce

GOVERNMENT OF THE
PROVINCE OF NOVA SCOTIA

Witness

Minister of Development

Witness

Minister of Tourism

CANADA/NOVA SCOTIA

SUBSIDIARY AGREEMENT FOR TOURISM DEVELOPMENT

SCHEDULE "A", PART II

A. OBJECTIVE

The objective of this Agreement is to create employment opportunities and increase incomes from further developing the tourism industry in Nova Scotia.

B. BACKGROUND

The task of encouraging and creating new employment opportunities in the less developed areas of Canada is substantial. One sector which does have potential employment opportunities for non-urban areas, however, is the travel industry.

The Royal Commission on Canada's Economic Prospects made the following observation about the relation of the travel industry to economic development: "The tourist business is of special importance as a possible avenue of economic development for so-called problem areas. Many parts of Canada that are the least promising agriculturally, industrially, or in terms of, say, mineral resource possibilities, are the most promising for recreational development."

Several changing socio-economic factors imply that the travel industry will continue to be a growth industry. Increasing population, increasing disposable income, rapid urbanization, increased leisure time consequent on the reduction of the work day, work week, and work life; more advanced education; and increased ownership of complementary goods such as automobiles all imply that the demand for travel will continue to increase. Although the proportion of the total population taking vacation trips has increased, there is still a large untapped market. In 1975 only 63% of all Canadian adults took a vacation trip while in the Atlantic Provinces only 57% of all adults took a vacation trip. (1)

The travel industry is made up of two basic elements; "extra muros" travel which is a product of the travel of people from outside the region (i.e. Nova Scotia) and "intra muros" travel which results from travel within the region by residents of the region. Extra muros travel results in an injection of money into the economy of a region while intra muros travel has an import substitution effect. The travel industry, particularly as an export industry, can contribute significantly to raising the level of output, income and employment in Nova Scotia.

The total direct value of expenditures on travel in Nova Scotia in 1975 was approximately \$300 million. Of this amount, approximately \$48 million was spent on accommodation; \$85 million on food and beverages; \$108 million on transportation; \$9 million on entertainment and recreation; and \$49 million on other goods and services. Total travel

(1) Canadian Government Office of Tourism, "Vacation Trends by Canadians".

expenditures in Nova Scotia in 1975 directly created \$27.6 million in provincial tax revenue; \$5.6 million in municipal tax revenue; and \$26.5 million in federal tax revenue. These expenditures created approximately 12,000 direct full-time job equivalents and approximately 13,000 indirect and induced full-time job equivalents in Nova Scotia. Travel industry related employment accounted for approximately 9% of total employment in Nova Scotia in 1975.

Value added in the travel industry (wages and salaries, supplementary labour income and return on investment, interest and rent) in 1975 was \$100 million. Compared to the goods producing industries, the travel industry ranks behind the manufacturing and construction industries but ahead of the resource industries of agriculture, fishing, forestry and mining.

Recognizing the importance of the travel industry to Nova Scotia, the provincial Department of Tourism adopted a policy and strategy for developing the tourism industry of Nova Scotia in 1975. This Agreement is intended to facilitate implementation of certain elements of this policy, largely those related to generating income and employment opportunities. Other elements of the provincial policy and strategy will be undertaken by the Department of Tourism on its own or in cooperation with other provincial departments.

STRATEGY

This Agreement is aimed at maximizing the income and employment benefits to the Nova Scotia economy from further developing the tourism industry. Tourism is defined as travel by residents and non-residents, at a distance of 25 miles or more, for pleasure, education, and certain types of business. An arbitrary distance of 25 miles has been used to distinguish tourism from recreation. In the case of business travel, tourism includes incentive* and conference travel, but not commercial travel. The most prevalent mode of travel at present is private motor vehicle. However, with increasing fuel costs, group travel is becoming more important. Consequently, this Agreement aims at deriving maximum possible benefits from pleasure, business and educational travel with increasing emphasis on group travel.

The creation of employment and income opportunities is mainly the role of private enterprise. The role of government is to create a favourable environment for private enterprise to invest in facilities which generate these income and employment opportunities resulting from tourist expenditures. This Agreement, therefore, is designed to assist the Province in its efforts to stimulate development of the tourist industry by the private sector.

Attractions, both natural and man-made, and facilities are an integral part of a tourism strategy. Consequently, many of the projects included in this Agreement are aimed at creating new attractions, and supplementing existing ones. The mechanism by which this strategy element will be implemented is primarily through the development of destination areas. Destination areas are subdivisions of tourist regions which are "significant enough to require at least an overnight stay if not an extended visit, and therefore attractive to private investment in tourist amenities."

* Incentive business travel is the trips taken by businessmen, usually on a group basis, as a result of meeting or exceeding company sales objectives.

Six destination areas will be supported under this Agreement. They are: Annapolis Basin, Lunenburg County, the Eastern Shore, Pictou County, Louisbourg, and Bras d'Or. These destination areas have been selected on the basis of potential for development and need of the area for income and employment opportunities.

In order to increase income and employment opportunities, it is necessary to increase the level of tourist expenditures within the province and particularly within the designated destination areas. Ways by which tourist expenditures can be increased are discussed below. Although the primary aim of this Agreement is to induce tourists to spend more money in Nova Scotia, it is recognized that tourist development must be consistent with the preservation and improvement of social, cultural and environmental qualities so that the province will continue to be attractive to visitors. In addition, it is also recognized that improvement in the quality of life of Nova Scotians is an important development aim. With respect to this Agreement, this aim will be met largely through the provision of attractions which can be used for recreational purposes by residents as well as by tourists.

In many areas of the province better use of attractions and facilities which already exist is as important to tourism development as creating new attractions or facilities. At present, tourists concentrate in the Halifax/Dartmouth Metropolitan area and the Cabot Trail. In order for the rural areas of the province to benefit from the tourism industry, tourists must be encouraged to visit other parts of the province in addition to the Metro region and the Cabot Trail. In this regard, the Department of Tourism has established seven tourist regions, each with its own travelway system. Each region has unique, natural, historic or cultural appeal offering a variety of vacation experiences. This Agreement focuses on developing destination areas, within five of these regions, in order to more evenly distribute expenditures of tourists throughout the province. In this way, tourism, along with the resource industries of fishing, farming, forestry, and mining, becomes an integral part of an overall development strategy for the rural areas of Nova Scotia.

Largely in response to demand by commercial travellers, accommodation and restaurants have in the past located in towns where, with the exception of Halifax/Dartmouth, there are few attractions. In areas of the Province where attractions exist, facilities catering to travellers are frequently limited. Visitors enjoy the attractions of the rural areas and smaller communities, but patronize urban facilities, thereby contributing little to income and employment in the rural areas. Existing rural-based facilities tend to be small, seasonal and without supplementary attractions and, therefore, unable to meet the increasing demand for services of bus and group travellers. In communities where a facility base already exists, additional attractions are required.

Low cost accommodation is required to serve the family market and those who prefer a relaxing vacation experience. Included in this type of accommodation are housekeeping cottages and apartments, farm and fisherman's home vacations and small inns. Provision of this type of accommodation will be encouraged under this Agreement, particularly in destination areas which have a low population density and whose main appeal is the natural environment.

Increased occupancy and a longer tourist season improve viability and encourage investment in the long term. Without adequate accommodation, however, it is difficult to increase the number of visitors, lengthen stays or extend the season. Facilities must be in place in order to balance supply and demand. Special incentives of one kind or another are required to stimulate private investment. Consequently, a program of financial assistance has been included in this Agreement to encourage private investment in facilities.

Many entrepreneurs have entered the tourist industry without an adequate background in the highly specialized control systems required to maximize profits. Training programs have to be developed to improve management efficiency and productivity and professional operating systems and cost control procedures are required to keep prices competitive.

Many industry employees did not have the advantage of pre-employment training and their training needs to be upgraded. As the emphasis of the Agreement is on providing income and employment to rural residents, local people will have to be trained as employment opportunities increase in the rural areas.

Adult training eligible for funding under the Canada Manpower Training Program is to be provided by that program as determined by the joint Federal-Provincial Manpower Needs Committee for Nova Scotia. Similarly, projects related to the development of training courses under the CMTF are to be provided by the Training Improvement Project, as determined by the Manpower Needs Committee.

At a time when travel promotion and marketing costs continue to increase rapidly, the importance of the return visit and word-of-mouth as a means of advertising is increasing. In 1974, 66% of Canadian and 43% of United States automobile visitors were return visitors. Only 18% of tour bus visitors were return visitors (1975). There is a need, from a marketing standpoint, to ensure that Nova Scotia's existing travel markets remain satisfied and that tourists continue to be interested in taking Nova Scotia vacations.

Furthermore, the influence which these existing travel markets have with respect to potential travellers in Nova Scotia should not be underestimated. Effective word-of-mouth advertising accounted as an information contact for 7% of Canadian automobile visitors and 13% of United States automobile visitors travelling to Nova Scotia in 1974. The 28% of parties visiting friends and relatives are Nova Scotia's most enthusiastic promoters.

This part of the strategy depends a great deal on customer satisfaction. Efforts to increase the length of stay in each region and an information program that will make visitors aware of the attractions of other areas will increase the desire to return to the province and to tell others about it.

Nova Scotia's image as a travel destination in Atlantic Canada is relatively strong at the present time. However, all provinces including the other Atlantic Provinces are stepping up their planning, development and promotional activities. External pressures such as inflation, energy shortages, major events in United States or Canada all have negative effects on the number of visitors to the province (e.g. Expo '67, Olympics, and Bicentennial in 1976, low cost of European travel). Efforts, consequently, will be concentrated on providing better attractions and facilities that can be packaged in a way that will make them saleable by travel agents and tour wholesalers. Individual attractions and destination areas must be significant enough that they will be identified with Nova Scotia in the same way the Cabot Trail now is.

In order to increase the amount of money spent by tourists and hence create income and employment opportunities in the Nova Scotia economy, it is necessary to:

- (1) Increase the length of the tourist season;
- (2) Extend the stay of travellers who come to Nova Scotia;
- (3) Increase the amount of money spent per traveller per day;
- (4) Distribute travel expenditures geographically according to opportunities for profitable investment and the need of areas for income and employment opportunities;
- (5) Increase the total number of visitors.

(1) Increase the Length of the Tourist Season

Traditionally, the tourist season in Nova Scotia has been viewed by visitors and residents alike as embracing only the months of July and August. Past efforts to promote a longer season have met with only modest success. Psychologically, people are conditioned to think of summer as ending on Labour Day when in fact the Maritimes enjoy relatively warm weather well into the autumn. To increase the length of the tourist season requires, among other things, the keeping of seasonal accommodation and tourist attractions open for a longer period, the provision of new attractions, events and entertainment at suitable locations, provision of indoor activities to meet off-seasonal weather conditions, and the coordination of advertising, marketing and other efforts designed to create bus tour, group business and individual packages for the extended season.

(2) Extend the Stay of Travellers who Come to Nova Scotia

Tourists often do not stay in Nova Scotia as long as could be wished, even though the average length of stay has increased slightly since 1971. The development of regional destination areas and improvements in the travelway system should have the effect not only of dispersing visitors more evenly throughout the province but also of persuading them to stay longer. The provision of better quality accommodation and food services and of increased activities throughout an extended season should also help extend the stay of travellers and disperse them more evenly.

(3) Increase the Amount of Money Spent per Traveller Per Day

The percentage of the tourist dollar spent on purchases and entertainment in Nova Scotia is less than one would expect on the basis of experience elsewhere. Whatever the cause, one result is that the multiplier effect of tourism is lower than it could be. Research of visitor preferences suggests that next to sight-seeing, shopping is the most popular activity, and that low spending is the result primarily of lack of spending opportunities. Clearly there is a need to improve the number and distribution of entertainment and recreational facilities and of suitable retail outlets for handcrafts and other items of interest to visitors.

(4) Distribute Travel Expenditures Geographically According to Opportunities for Profitable Investment and the Need of Areas for Income and Employment Opportunities

Geographical distribution of tourists throughout the province has tended to be very uneven, with some areas experiencing an overflow in peak season and others too few to be of real economic benefit. Some areas have not developed their attractions sufficiently to generate investment in accommodation and facilities and, therefore, benefit very little from visitors passing through. The rural areas, unfortunately, have suffered the most in this respect.

A more even diffusion of visitors throughout the province will facilitate more equitable distribution of the economic benefits associated with the travel industry. Specifically, this Agreement will attempt to stimulate increased tourist expenditures at designated areas within rural Nova Scotia.

(5) Increase the Total Number of Visitors

Obviously, an increase in the total number of visitors to Nova Scotia is an important element of a tourism strategy. This is, however, but one element which must be carefully planned. An increase in the number of visitors during peak periods or in areas which have already reached the saturation point can create problems. The aim, therefore, is to increase the number of visitors in those areas which can accommodate more tourists and at a time of the year when occupancy rates are low. Consequently, this part of the strategy is closely related to the geographical distribution of tourists and to increasing the length of the tourist season.

D. PROGRAMS

I. Two programs have been included in this Agreement. The first program encompasses various province-wide projects aimed at promoting the tourist industry within Nova Scotia, improving the efficiency of the industry, expanding the industry where possible and desirable, and extending the tourist season. The second program relates directly to the development of designated destination areas through projects designed to construct or expand major attractions, provide suitable attractions for day trips, and coordinate planning, promotion and implementation efforts within the destination areas.

I. TOURISM DEVELOPMENT - GENERAL

(a) Hospitality Industry Development

This project is designed to implement uniform accounting and cost control systems in hotel and food service establishments. Efforts under this project will be supplemented by improved training and educational programs worked out in cooperation with the federal Department of Manpower, the provincial Departments of Education and Labour and educational institutions.

Many establishments in the province which are now too small to be viable could expand if the owner had the capability of making the transition from "operating" to "managing". Larger and better managed establishments could provide more services and employ more people.

The system to be put in place under this project enables a manager to detect and correct breakdowns in his operations before they have a serious effect on the financial return of the business. Uniformity of the system permits comparisons with similar establishments. In addition, the system permits an operator to determine the potential for expansion and to prepare pro forma statements.

Management and cost-control systems and manuals will be developed by consultants under the direction of the Department of Tourism. This project provides assistance to owners/operators of individual restaurant and accommodation facilities to purchase these cost-control systems and manuals. Use of an acceptable system will be a condition for any financial assistance received under the Incentives Project. Seminars will be held throughout the province to explain the value of the system and the requirements for implementation in individual establishments.

Funds under this project will be used to develop the cost-control systems and manuals and to assist owners/operators of accommodation and restaurant facilities to purchase the cost-control system and operating manuals.

Estimated Cost \$200,000

(b) Reservation System

This project which is in three phases is designed to test and if feasible, to implement a computer reservation system by the end of the third phase. If the project is successful, the system will be fully operational and will require no further public funding. Funding under this project is included to establish the necessary hardware and software, train operators, pay for computer and storage time, and so on. This project will be co-ordinated with the Canadian Government Office of Tourism's review of a national reservation system.

Phase one of the project will test the feasibility of the system by establishing it in approximately twelve operations spread geographically across the Province. Phase two will increase the number of participating operators to approximately 30 and add the first "Destination Area" satellite operation. Phase three will open participation to all operators in the province and add "Destination Area" satellite operations as developed. The project will be evaluated at the end of each phase at which time a decision will be made on whether to continue with the project. Projected revenue generated by the system has been deducted so that cost estimates are net.

Estimated Cost \$400,000

(c) Incentives

Tourist operators in Nova Scotia have recently been faced with large increases in costs but with little or no corresponding increase in revenue. Price increases which are necessary to compensate for the increased costs are making Nova Scotia less competitive vis-a-vis competing tourist areas. This project is designed to enable tourist operators to provide improved services to tourists while at the same time maintaining prices as close to their present level as possible. A second objective of this project is to encourage facilities in areas of the province where they are most necessary and in destination areas being developed under this Agreement.

This project includes two sub-projects. The first provides interest rebates for modernization or expansion of existing tourist facilities or for construction of new ones. Any entrepreneur in the province who meets the specified criteria will be eligible to receive an interest rebate. The second sub-project is aimed at promoting facilities in the destination areas of the province which are being promoted under this Agreement and, for those facilities which can be demonstrated to be highly beneficial to the economy, in other areas of the province. This sub-project provides for grants to operations who meet the specified criteria.

(i) Interest Rebates

Operators of existing tourist facilities and entrepreneurs constructing new facilities anywhere in the province will be eligible to receive an interest rebate. Award of an interest rebate will be judged on the basis of the following criteria:

- (1) The facility must have long-term commercial viability. Included in this criterion is the prerequisite for installation of an acceptable operating system which will determine management capability, financial position and viability of the enterprise. This criterion also includes as a consideration the past loan repayment performance of the operator for existing establishments;
- (2) The facility must maintain or create employment;
- (3) The facility must not adversely affect the viability of existing operations in the area;
- (4) The facility must be consistent with the Province's strategy for distributing tourists within the province;
- (5) The facility must meet all relevant provincial standards and the plans and specifications must be approved by the Department of Tourism as required by the Hotel Regulation Act;
- (6) The facility must derive a significant proportion of its revenue from tourists;
- (7) No commitments for construction or purchase of materials and/or equipment can have been made at time of application.

An interest rebate may be offered to owners/operators or prospective owners/operators of hotels, motels, inns, restaurants, and tourist cottages and cabins. Eligible assets include water and sewerage systems, buildings and furnishings, equipment, roads and landscaping, and recreational facilities which are an integral part of a tourism operation.

A lower limit of \$10,000 of eligible assets will apply to modernizations, \$25,000 to expansions, and \$100,000 to new construction. Maximum assistance to any one project will be limited to \$250,000 of subsidized interest.

Under this sub-project, 100% of the first year's interest and 50% of the second year's interest on loans from a recognized commercial or public lending institution will be rebated to the operator/owner.

Estimated Cost \$1,500,000

(ii) Grants

This sub-project is designed to promote income and employment generating tourist facilities in destination areas being developed under this Agreement. Where a facility is deemed by the Management Committee of this Agreement to be particularly beneficial to the provincial tourism development strategy or will have a very significant economic impact on an area, the Management Committee will consider approving grants for operations in other areas of the province.

The following criteria will apply to assistance received under this sub-project:

- (1) The facility must be a new one or an expansion of an existing one;
- (2) The facility must not adversely affect the viability of existing operations in the area;
- (3) The facility must create employment opportunities;
- (4) The facility must be commercially viable with the grant. Included in this criterion is the prerequisite for installation of an acceptable operating system which will determine management capability, financial position and viability of the enterprise. This criterion also includes as a consideration the past loan repayment performance of the operator, for existing establishments;
- (5) The facility must meet all relevant provincial standards and the plans and specifications must be approved by the Department of Tourism as required by the Hotel Regulation Act;
- (6) The facility must be privately owned and operated;
- (7) The facility must be consistent with the Province's strategy for distributing tourists within the province;
- (8) No commitments for construction or purchase of materials and/or equipment can have been made at time of application.
- (9) The facility must derive a significant proportion of its revenue from tourism.

A grant may be offered to owners/operators of hotels, motels, inns, restaurants, and tourist cottages and cabins. Eligible assets include water and sewerage systems, buildings and furnishings, equipment, roads and landscaping, and recreational facilities which are an integral part of a tourism operation.

A lower limit of \$50,000 of eligible assets applies under this sub-project. Maximum assistance to any one project will be limited to \$250,000. The need of the applicant for a grant will be considered in deciding the amount of the grant.

Under this sub-project, grants of up to 50% on eligible assets of \$50,000 to \$100,000 and up to 25% on eligible assets above \$100,000 may be made.

Estimated Cost \$1,000,000

(d) Information

Planning and development of the travel industry by the Province has resulted in the implementation of a number of concepts. In 1973, the Province designated seven Tourist Regions and their accompanying Travelways. Two other Travelways, both in Cape Breton, are in the planning stage.

Under ARDA III and in relation to the above regions, the Province implemented two programs under this concept. These were the Travelway Information Points and the Entry Points and Interpretation Centres, each designed as a part of the total tourist information system for the province. This project is an extension of the work started under ARDA III.

(i) Travelway Information Points

To date, seven Travelway Information Points (TIPS) have been established within Nova Scotia. These information points were the start of a three-phase program. Under the first phase, TIPS were to be constructed at the beginning of each of the Travelways and at certain strategic locations along them. The second phase provides for expansion of the TIPS as a base for regional reservation and information centres. Under the third phase, rest areas combined with a viewpoint, beach, picnic site or similar facility at TIPS located at convenient intervals along the Travelways are to be completed.

This project provides for the completion of the system of Travelway Information Points throughout the province by constructing TIPS at eight additional locations.

Estimated Cost \$ 520,000

(ii) Caribou Entry Point

At Caribou, Nova Scotia's second most important entry point, the Province is undertaking a major upgrading of the ferry facilities. This project is intended to complement the work being undertaken by the Province by providing an interpretation centre, tourist information centre, reservation point, dining room and lounge. In addition, amenities will be provided which will make this entry point an integral part of the Pictou County Destination Area development. These amenities include landscaping, signs, lighting and facilities for a boat trip to the Caribou Island Beach Development.

Estimated Cost \$ 850,000

(e) Snowmaking Equipment

Skiing in Nova Scotia is not producing the benefits to the provincial economy of which the activity is capable, largely because of the unreliability of the weather. In recent years, in particular, the lack of snow has seriously hampered the operations of ski slopes. With the installation of snowmaking equipment at the ski slopes within the province it is estimated that the length of the ski season can be doubled and significant income and employment benefits can accrue to Nova Scotia.

The effect of these installations will be to increase the viability and hence employment in ski areas by encouraging Nova Scotia skiers to remain in the province, increase the number of skiers within Nova Scotia, and attract skiers from other provinces, in particular New Brunswick and Prince Edward Island. This activity would support the strategy of attracting and retaining tourists during the off-peak season.

This project provides for grants of up to 75 per cent of the capital cost of snowmaking equipment at five ski slopes in Nova Scotia. Provincially owned as well as privately owned ski slopes will be eligible for these grants.

Estimated Cost \$ 600,000

(f) Public Information and Evaluation

This project provides for the collection of data for evaluation purposes, public information on the projects funded under the Agreement, and provision for an evaluation of the Agreement during the final year.

Estimated Cost \$ 150,000

II. TOURISM DEVELOPMENT - DESTINATION AREAS

A basic strategy of this Agreement is destination area development. Destination areas are divisions of the province which are significant enough to attract and hold tourists for at least an overnight stay and, for some of the destination areas, much longer periods. A destination area may be significant because of a pervading theme, such as the unspoiled natural beauty of the Eastern Shore; or because of a major attraction, such as the Louisbourg Fortress or because of a combination of many themes and attractions, such as the Annapolis Basin.

This program is generally aimed at creating new attractions or expanding existing ones, except in the Eastern Shore and Louisbourg. In the former area, because of the lack of basic amenities and facilities, this program is intended to provide these amenities and facilities at a level consistent with the areas' ability to accommodate them. In the latter area, the program is designed to provide alternative attractions to the Fortress in order to encourage tourists to stay longer and spend more money in the local area, thereby raising local residents' incomes and creating employment additional to that provided by the Fortress. In the remainder of the destination areas, where facilities and minor attractions already exist, the program is directed towards expanding or creating attractions which will be significant enough to hold tourists at least for half a day and, in some cases, for much longer periods.

Attractions are but one element of the overall destination area strategy. Destination Area Co-ordinators and Day Trips, the provision of assistance to facility operators, information and communications, and the Province's and local area's promotion of these destination areas, are all part of the overall development strategy. Attractions are, however, a major element in this strategy.

(a) Annapolis Basin

One project has been included for the Annapolis Basin under this program. This project provides for the construction of the Annapolis Basin Multi-Cultural Centre. The Centre is to be created on the recently purchased Precesky Estate of 750 acres with fronting of three quarters of a mile on the Annapolis River and containing meadows, orchards, woodlands, two lakes, and two houses - one of unique castle-like construction. A wildlife park has recently been established on the provincially-owned property by the Department of Lands and Forests.

The purpose of this project is to convert this property into the Annapolis Basin Multi-Cultural Centre which will demonstrate how the ethnic background of the province has influenced present day culture - art, crafts, music, dance, drama, food and entertainment. This project will create a major attraction in the Annapolis Basin which will be significant enough to draw people to Nova Scotia and once in the province to draw them to the destination area through the tourist region.

The project is in three complementary phases extending over a period of four years, involving thirteen separate elements. Phase one includes site development, road work, sewage treatment, water, a fast food service, renovation of the smaller house to provide information and display areas and offices, construction of a facility for horses, wagons and riding stables for the transportation system and to provide accommodation for staff.

The second phase provides for the creation of an arts and crafts courtyard, renovation of the existing stone house, and the creation of a children's farm. The intent of the arts and crafts courtyard is to create a facility for teaching, by masters of international reputation, as a means of encouraging out-of-province visitors in these special interest groups to visit the province and stay for extended periods, particularly in the spring and fall and, if possible, in winter. The Stone House will be renovated to provide a permanent home for the Order of Good Time and will contain dining and lounge areas with a capacity to seat 100 plus an outdoor banquet area to seat 50. Included in the children's farm is a day-care facility, a reception area, eating area, two large playrooms and a barn for animals.

In phase three, a historical interpretation area, an apple growing display, and a performing arts centre will be provided. The interpretation centre, similar to ones existing at Yarmouth and Amherst, will concentrate on providing information about the historic sites of the province. The apple display, originally proposed by the Annapolis Basin Tourist and Recreation Committee, will illustrate the apple industry (one of the most important industries in the Annapolis Valley) from the growth of seedlings to the manufacture of apple products. The performing arts centre, to be constructed in the shape of an outagon barn, will provide the facilities for evening entertainment by local and visiting performers.

Estimated Cost

\$2,175,000

(b) Lunenburg

One project has been included for this destination area. This project is the expansion of the Lunenburg Fisheries Museum into a major attraction.

The present museum consists of a collection of ships typical to the area - the Theresa Conner, a salt bank schooner of the Bluenose type; Rio II, a rum runner of the prohibition era; and the Cape North, a wooden dragger - in addition to a small aquarium-museum and a gift shop.

The Lunenburg Fisheries Museum was established in 1967 by a group of citizens constituting the Lunenburg Marine Museum Society. Since then, the Museum's collection, program attendance and revenue have grown steadily on the strength of self-generated funds. The museum is located in the midst of the Lunenburg waterfront. The adjoining wharf and warehouse were purchased by the Province in 1976 from National Sea Products Limited with the Lunenburg Marine Museum Society contributing half the cost.

This project is in three phases. The first phase is replacement of the deteriorated wharf, the second phase is renovation of the existing warehouse to accommodate expanded exhibits and programs, and the third phase is the provision of additional facilities and equipment including a small aquarium.

Estimated Cost \$1,100,000

(c) Eastern Shore

Three sub-projects have been included for this destination area. The first is Sherbrooke Village Restoration. The second project is for a beach development near Sherbrooke, while the third project provides for various activities related to tourism development in the area.

(i) Sherbrooke Village Restoration

This sub-project has three major elements: building restoration, an information centre, and provision of a working gold mine.

Under building restoration, funds will be made available to the Sherbrooke Restoration Commission to restore buildings which become available and for which the Commission does not have sufficient restoration funds.

The information centre will consist of a control and entrance area as well as an informative display of Sherbrooke Village and the surrounding area.

Funds under the Gold Mine sub-project will be used for restoring one of the gold mine sites opposite Sherbrooke Village, on the western bank of the Sherbrooke River, with extracting equipment which has recently become available to the Nova Scotia Museum.

Estimated Cost \$ 480,000

(ii) Beach Development

Recreational activities along the Eastern Shore are limited because of the generally low level of tourism development. Outdoor activities, which build upon the natural attributes of the destination area, can be important in implementing the tourism development strategy for this area.

This sub-project provides for development of a beach in the Sherbrooke area. Several good beaches exist in the area but access to them is difficult and the beaches are unknown to tourists. Funds will be used to improve access and provide amenities.

Estimated Cost \$100,000

(iii) Tourism Development

The major barrier to tourism development in the Eastern Shore destination area has been inaccessibility. On one section of the Marine Drive, the route which follows the coast, a fifty mile detour is necessary. With the commencement of operation of the Country Harbour ferry in 1977, however, accessibility, particularly to eastern Guysborough County, will be greatly improved, opening for exploration this scenic district which is now frequently by-passed.

The lack of industrial development and economic prosperity that causes the major unemployment problems in the area has helped to maintain its rural character and charm, its clean environment and open landscapes. These attributes, coupled with the natural beauty of the land-sea interface and the inland terrain, give the district a uniqueness rarely equalled in the province or outside of it. The area's distinct character acts as a significant appeal to tourists who have been fortunate enough to discover it.

This sub-project provides for the development of a number of small projects which are in keeping with the tourism development strategy for the area. Examples of the type of activities to be funded are a bed and breakfast program and cottage craft development. Under the bed and breakfast program, grants of 50% of development costs up to a maximum of \$700 per room will be provided. The cottage craft development assistance program will provide grants to local craftsmen for purchase of raw materials and equipment. Funds have also been included for establishing a cottage craft marketing centre. In addition, opportunities for off-season tourism activities will be explored under this sub-project.

Estimated Cost \$170,000

(d) Pictou County

One project has been included for this destination area in addition to the development of the Caribou Entry Point under the Information project.

This project represents one phase of a much larger development designed to meet the interests and needs of various groups. All of the project elements are to be connected by road and water transportation. This project provides for a regional destination attraction consisting of an entertainment-conference centre, beach facilities, a golf course, a sports and recreation field, and other related

amenities. Provision of these facilities will be planned and coordinated with the development of accommodation and other services to be provided by the private sector. Other phases, not included in this Agreement, are an Environmental Studies Facility and Marine Interpretation Centre, and a Nature Reserve.

This project has two sub-projects. The first sub-project provides for the installation of basic services and amenities including beach facilities, ponding, parking facilities, a sports and recreational field, repair of an existing house for administration, and miscellaneous trails, docks, etc. The second sub-project provides for commercial development including motel accommodation (150 units), water and sewerage, an entertainment-conference centre, a nine-hole golf course and driving range and equipment. No funds have been included for the motel and all elements in this second sub-project are conditional upon the private sector developing this accommodation and other related services.

| | | |
|----------------|----------|-------------|
| Estimated Cost | Phase I | \$ 300,000 |
| | Phase II | \$1,020,000 |

(e) Bras d'Or

The strategy for developing the Bras d'Or destination area is for Baddeck to continue to be the major service centre and for attractions to be provided in the area to encourage tourists to stay longer before and after touring the Cabot Trail.

Two sub-projects have been included for this area. The first is expansion of the Centre of Celtic Folk Arts and the second is additions to the Iona Highland Village.

(i) Centre of Celtic Folk Arts

This facility, known as the "Gaelic College" provides and conducts classes and courses of teaching and instruction in Celtic folk arts. The College grants diplomas and certificates in these subjects. In addition, the Centre preserves Scottish culture within Nova Scotia. For instance, the Gaelic Mod is held here annually.

The purpose of this sub-project is to strengthen this unique centre of Celtic culture in such a way as to make possible the realization of its full potential as a major tourist attraction in Cape Breton.

Entertainment will become an integral part of the Centre. Regular evening performances will be held during the week and impromptu and planned entertainment during the day. Periodically, well-known Scottish and local entertainers will be in residence.

Facilities for craft production and sales will be established. Eight persons are currently employed as weavers, kilt makers and producers of tartan accessories. The number employed in these activities will be increased through the provision of additional equipment and expansion of the facilities into new lines such as glass, metal work and silver-smithing. Souvenir items will also be produced.

A unique Hall of the Clans will be constructed to promote interest in the educational programs offered by the Centre and for the purchase of Scottish items. Space will be allocated for different clans. These spaces will contain life-like figures dressed in the tartan and regalia of the Clans. The intention is to appeal to clan pride for assistance in equipping the display area. A clan register will be available at each display which can be used for direct mail promotion.

Provision has also been made in this sub-project for improvement to the grounds.

This sub-project includes parking and control gates, courtyard and landscaping, picnic sites, Hall of the Clans, a handicraft laboratory, craft shop and sales area, a performance centre and a MacAskill exhibit.

Estimated Cost \$1,035,000

(ii) Iona Highland Village

The purpose of this project is to complete the development of the Iona Highland Village and with its complementary relationship to the Centre of Celtic Folk Arts create a major attraction based on the Scottish culture in the Bras d'Or Lakes destination area which will be significant enough to draw people to Nova Scotia and once here to draw them to the destination area through the tourist region.

Past construction of the Highland Village has been handled directly by the Nova Scotia Highland Village Committee. Their direction will be continued under this sub-project which provides funds for reconstruction of several structures, purchase of artifacts, road construction and landscaping, and alterations to the outdoor stage and amphitheatre.

Estimated Cost \$ 150,000

(f) Louisbourg

The Louisbourg destination area enjoys a major attraction (Fortress of Louisbourg) but does not have any other noteworthy attractions to complement the Fortress. Project elements included for this destination area, therefore, are aimed at keeping tourists in the Louisbourg area for longer periods.

Two sub-projects have been included. The first is the Waterfront Development Proposal and the second is development of a wildlife park in the Sydney/Louisbourg area.

(i) Waterfront Development Proposal

This sub-project provides for undertaking certain elements of the Waterfront Development Proposal which forms part of the total district development plan and has been approved in principle by the Town Council and the Louisbourg District Planning and Development Commission.

Included in this sub-project are craft shops, parking and picnic facilities, boat ramp and marina, chowder house and fast food restaurant, and landscaping, paths, roadway and lookout. Funds have also been included for renovation of the S & L Railway Historic Museum building. Other elements of the Waterfront Development Proposal, including an entertainment centre, a ferry for harbour tours, and so on could be funded by other sources.

Estimated Cost \$ 600,000

(ii) Park Development

This sub-project provides for the creation of a wildlife park in the Sydney/Louisbourg area as an additional attraction for the Louisbourg destination area. In addition to wildlife and waterfowl display areas, the park would include parking and picnic facilities.

Estimated Cost \$ 470,000

(g) Day Trips

A recently completed tourism resource inventory, funded in part under the Planning Subsidiary Agreement, has identified several day trips in each of the six destination areas based on themes such as historical, cultural, outdoor activity, natural, waterways and mixed. Day trips are an integral part of the strategy for destination areas in that they provide alternative attractions for tourists, thereby retaining them longer in the destination area.

This project provides funds for organized local groups and for the Province to undertake small projects which would become day trip elements. The funds can be used for labour and materials for construction but cannot be used to cover operating expenses. Examples of projects which could be funded under this project are restorations, beach developments, and clearing of trails. Projects, to be eligible, must be located in the destination areas being developed under this Agreement.

Estimated Cost \$ 800,000

(h) Destination Area Coordinators

The provincial and federal governments, local and municipal groups, and the private sector are all involved in the planning and development of the travel industry. Each of these groups has a specific role to play and in order for them to be most effective a great deal of coordinating effort is necessary. Groups at the local and municipal level depend heavily on voluntary effort. To prevent this effort from being disjointed and spasmodic, coordination is necessary.

Some organization and experimentation has already occurred in Nova Scotia to solve the dual purpose of coordinating the various sectors and assisting local groups to be more effective. Such projects and processes as the Baddeck Development Program, the Louisbourg Development Program, the Richmond County Program and the Bear River planning exercise as well as various experiences in New Brunswick and Prince Edward Island have resulted in a suitable methodology for ensuring the success of this type of coordination effort.

CANADA/NOVA SCOTIA
SUBSIDIARY AGREEMENT FOR TOURISM DEVELOPMENT
SCHEDULE "A", PART I

| Program | Estimated Cost (\$ 000's) | DREE Share (\$ 000's) | Provincial Share (\$ 000's) | Project | Estimated Cost (\$ 000's) | Cost Sharing Ratio DREE/Province |
|--|---------------------------------|-----------------------------|-----------------------------------|---------------------------------------|---------------------------------|--|
| I. TOURISM DEVELOPMENT- GENERAL | 5,220 | 4,176 | 1,044 | (a) Hospitality Industry Development | 200 | 80/20 |
| | | | | (b) Reservation System | 400 | 80/20 |
| | | | | (c) Incentives | | |
| | | | | (i) Interest Rebates | 1,500 | 80/20 |
| | | | | (ii) Grants | 1,000 | 80/20 |
| | | | | (d) Information | | |
| | | | | (i) Travelway Information Points | 520 | 80/20 |
| | | | | (ii) Caribou Entry Point | 850 | 80/20 |
| | | | | (e) Snowmaking Equipment | 600 | 80/20 |
| | | | | (f) Public Information and Evaluation | 150 | 80/20 |
| II. TOURISM DEVELOPMENT- DESTINATION AREAS | 8,530 | 6,824 | 1,706 | (a) Annapolis Basin | 2,175 | 80/20 |
| | | | | (b) Lunenburg | 1,100 | 80/20 |
| | | | | (c) Eastern Shore | | |
| | | | | (i) Sherbrooke Village Restoration | 480 | 80/20 |
| | | | | (ii) Beach Development | 100 | 80/20 |
| | | | | (iii) Tourism Development | 170 | 80/20 |
| | | | | (d) Pictou County | 1,320 | 80/20 |
| | | | | (e) Bras d'Or | | |
| | | | | (i) Centre of Celtic Folk Arts | 1,035 | 80/20 |
| | | | | (ii) Iona Highland Village | 150 | 80/20 |

| Program | Estimated Cost (\$ 000's) | DREE Share (\$ 000's) | Provincial Share (\$ 000's) | Project | Estimated Cost (\$ 000's) | Cost Sharing Ratio DREE/Province |
|--------------|------------------------------|--------------------------|--------------------------------|-------------------------------------|------------------------------|-------------------------------------|
| | | | | (f) Louisbourg | | |
| | | | | (i) Waterfront Development Proposal | 600 | 80/20 |
| | | | | (ii) Park Development | 470 | 80/20 |
| | | | | (g) Day Trips | 800 | 80/20 |
| | | | | (h) Destination Area Coordinators | 130 | 80/20 |
| TOTAL | 13,750 | 11,000 | 2,750 | | | |

In the Presence of:

GOVERNMENT OF CANADA

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Regional Economic Expansion

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