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Subsidiary
Agreement



Regional
Economic
Expansion

Expansion
Économique
Régionale



CANADA/NEW BRUNSWICK

TOURISM DEVELOPMENT



DECEMBER 16, 1975

subsidiary agreement



Regional
Economic
Expansion

Expansion
Économique
Régionale

CANADA - NEW BRUNSWICK
SUBSIDIARY AGREEMENT
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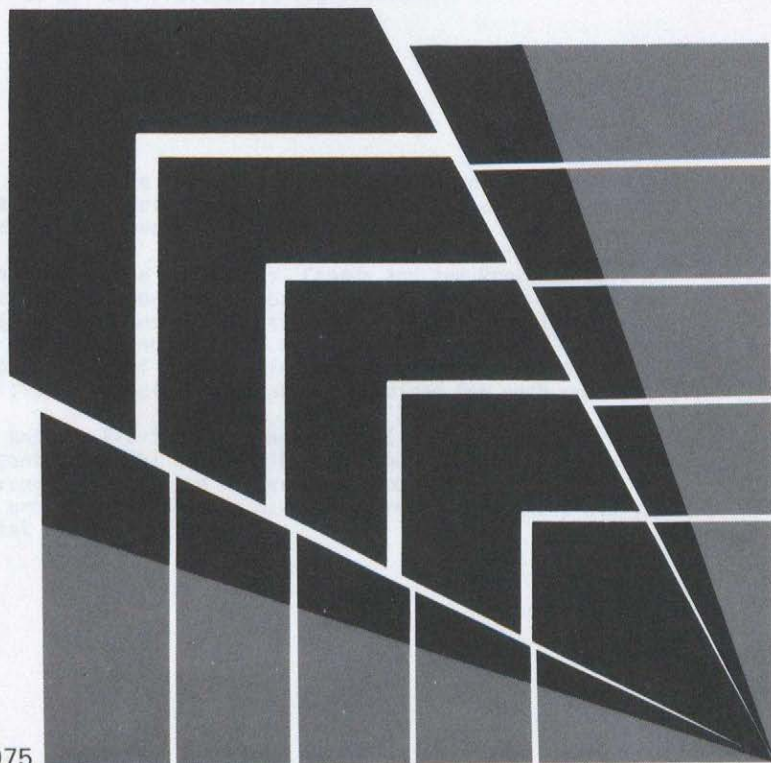
THIS AGREEMENT MADE THIS 16TH DAY OF DECEMBER, 1975

BETWEEN:

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

CANADA/NEW BRUNSWICK

TOURISM DEVELOPMENT



DECEMBER 16, 1975

CANADA - NEW BRUNSWICK
SUBSIDIARY AGREEMENT
TOURISM DEVELOPMENT

THIS AGREEMENT made this 16th day of December, 1975

BETWEEN:

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

OF THE FIRST PART,

AND:

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

OF THE SECOND PART.

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

AND WHEREAS in pursuit of these objectives, Canada and the Province have agreed to seek to achieve a coordinated application of relevant federal and provincial policies and programs through the process of identifying development opportunities and assisting in their realization through the coordinated and concentrated application of relevant federal and provincial programs, including the provision of specialized measures required for such realization;

AND WHEREAS Canada and the Province have agreed that the New Brunswick tourism sector has significant potential to contribute to the development of the provincial economy through the creation of permanent job opportunities and raised incomes for provincial residents having due regard for the preservation of environmental quality;

AND WHEREAS the Governor in Council by Order in Council P.C. 1975-4/2781 of the 25th day of November, 1975, has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council No. 75-371 of the 28th day of May, 1975, has authorized the Premier of New Brunswick to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

DEFINITIONS

1. In this Agreement:

- (a) "capital project" means any specific project, as determined by the Management Committee, in which
- (b) "eligible cost" means those costs defined in section 5;
- (c) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
- (d) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;
- (e) "initiative" means the subject matter of this Agreement and includes any program, project or activity designed to implement the objectives of the GDA;
- (f) "Management Committee" means the Committee referred to in section 8;
- (g) "Ministers" means the Federal Minister and the Provincial Minister;
- (h) "program" means a series of specific, related, individual activities;
- (i) "project" means a specific activity forming a self-contained unit within a program; and
- (j) "Provincial Minister" means the Premier of New Brunswick and includes anyone authorized to act on his behalf.

OBJECTIVE, PURPOSE AND SUBJECT MATTER

2. (1) Pursuant to section 3 of the GDA, the objective of this Agreement is to enable Canada and the Province to jointly undertake programs designed to encourage development of the New Brunswick tourism sector in order to accelerate and realize the maximum net economic benefit to the provincial residents through increased output and improved productivity in the sector. In particular, these programs seek to increase tourist spending in New Brunswick by increasing the number of visitors, by lengthening the average tourist visit, and by expanding tourist activity in the shoulder and winter months.
 - (2) Pursuant to the objective stated in subsection (1), subject to the terms and conditions of this Agreement, contributions may be made for the purposes of:
 - (a) The development and implementation of an Essential Resource Services Program which will significantly enhance government research and planning capability; stimulate and encourage private sector participation in tourism development; promote planned development through selected land acquisition and increase the level of skill and availability of manpower to the industry.
 - (b) The development and implementation of an Infrastructure Program which will provide for the construction of public facilities related to:
 - (i) promotion, at major tourist entry points, of travel within the province;
 - (ii) improved education and training of the tourism labour force; and
 - (iii) upgrading and expanding attractions and related facilities in tourist destination areas.
 - (3) Schedule "A" attached to and forming part of this Agreement contains details of the programs and projects identified for implementation.
 - (4) Schedule "B" contains background and rationale for the programs and projects.
3. (1) The Province shall take over, or arrange to be taken over on completion, each capital project undertaken under this Agreement and shall accept full responsibility for its operation, maintenance and repair, except in cases where other federal-provincial arrangements may apply.

- (2) The Province shall arrange for the takeover and acquisition of all lands and interests in lands that are required for program implementation.
 - (3) It is understood and agreed that where a project under this Agreement is to be undertaken by a municipality or other institution or agency under provincial jurisdiction, such arrangements as are necessary with respect to such undertakings shall be the responsibility of the Province.
4. No program or project shall be approved after the expiry date of this Agreement and, unless the Federal Minister otherwise agrees, no claim made in respect of any program or project or parts thereof under this Agreement shall be paid unless it is received by Canada within one year following the said expiry date.
5. (1) Subject to subsection (3), the eligible costs of capital projects to be financed or shared under this Agreement in respect of the capital projects or portions thereof listed in Schedule "A" are:
- (a) all direct costs, including those relating to public information that in the opinion of the Management Committee have been reasonably and properly incurred by the implementation of the capital projects, but excluding administrative, survey, engineering and architecture costs; and
 - (b) ten per cent (10%) of the costs pursuant to paragraph (a) as an allowance towards the exclusions specified therein.
- (2) Subject to subsection (3), the eligible costs of non-capital projects to be financed or shared under this Agreement in respect of the projects or portions thereof listed in Schedule "A" are:
- (a) all costs reasonably and properly incurred by the Province under all contracts entered into in accordance with this Agreement by the Province with any person or corporation for the acquisition of equipment or the performance of work or services for the execution of the project; and
 - (b) the gross salaries, employer's share of contributions for Canada Pension Plan and Unemployment Insurance, and reasonable travel and removal expenses in accordance with applicable provincial regulations of those provincial employees determined by the Management Committee to be or to have been engaged in the implementation of projects; provided that such costs, as determined by the Management Committee, are incremental to the Province and are in

addition to such staff, services and facilities as are normally available or already in existence within the Province, it being expressly understood and agreed that costs for accommodation in provincially-owned buildings and costs for regular provincial telephone and other utility systems and other services shall be excluded, except as other utility systems and other services shall be excluded, except as otherwise agreed by the Management Committee.

- (3) The costs to be shared by Canada do not include any costs relating to the acquisition of lands or interests in lands, or costs arising from conditions of acquisition, except where otherwise specified in Schedule "A".
 - (4) Subject to the approval of the Federal Minister, costs incurred for approved programs and projects by either party are eligible if incurred within twelve months prior to the date of this Agreement.
6. Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement with respect to the programs listed in Schedule "A" shall not exceed eighty per cent (80%) of the total eligible costs up to an amount of \$9 121 800, which amount includes a fifteen per cent (15%) contingency allowance.
7.
 - (1) Unless otherwise agreed by the Ministers, the eligible costs of each program shall be limited to the estimated total costs specified in Schedule "A".
 - (2) If, at any stage of a program or project, it appears to the Province that the costs thereof will exceed the estimated costs specified in Schedule "A", the Province shall promptly so inform the Management Committee and state the reasons for such increase.
 - (3) Upon being informed, the Management Committee shall consider the circumstances which have contributed to the increase in the estimated costs and shall prepare and present a report and recommendations to the Ministers in respect of the action proposed to be taken if adjustments in program costs are required.
8.
 - (1) Canada and the Province shall through the Ministers appoint a Management Committee consisting of an equal number of representatives of each party.
 - (2) The Management Committee shall be responsible for the overall management of this Agreement and, in particular, for the following:

- (a) approval of all programs and projects necessary for the implementation of this Agreement;
 - (b) submission for the approval of the Ministers annually, and no later than September 1, of the projected budget required for the subsequent fiscal year;
 - (c) coordination of all cost-shared programs and projects under this Agreement;
 - (d) modifications necessary in the course of the fiscal year within the annual budget, following its approval by Canada and the Province;
 - (e) reporting to the Ministers its evaluation of the progress of this Agreement and its recommendations with respect to the progress of implementation;
 - (f) establishing at its discretion, in order to facilitate implementation, advisory, coordinating or steering committees consisting of representatives of the departments and agencies of Canada and the Province involved in the implementation of programs and projects under this Agreement;
 - (g) applying the procedures specified in section 11;
 - (h) recommending to the Ministers amendments to be made to this Agreement;
 - (i) performing any other functions that may be assigned to it by the parties hereto; and
 - (j) providing to the officials designated under subsection 9.2 of the GDA such information and advice as they may determine to be necessary for the performance of the functions assigned to them under the GDA by the Ministers designated therein.
- (3) (a) Except as otherwise specified in this Agreement or agreed by the Management Committee, the Province shall be responsible for operational program and project development and, under the overall supervision of the Management Committee, for implementing all cost-shared programs under this Agreement, and shall also ensure the provision of the staff and administrative machinery for the implementation of programs and projects under this Agreement assigned to the Province.

- (b) The Province, through its representation on the Management Committee, shall be responsible for liaison and program coordination between the agencies of the Province administering the programs included in this Agreement or whose activities effect the implementation of this Agreement.
- (4) The Department of Regional Economic Expansion, through its representation on the Management Committee, shall be responsible for liaison and program coordination between the agencies of Canada administering the programs included in this Agreement or whose activities affect the implementation of this Agreement.

PAYMENT PROCEDURES

- 9. Subject to section 10, payments by Canada shall be made promptly to the Province on the basis of provincially audited progress claims setting out the eligible costs incurred and paid for eligible programs and projects, and submitted in a form and verified in a manner satisfactory to the Federal Minister.
- 10. (1) In order to assist with the interim financing of programs and projects, Canada may, if the Province so requests, make interim payments to the Province of one hundred per cent (100%) of Canada's share of claims submitted, based on estimates of costs actually incurred, certified by a senior officer of the Province.
- (2) The Province shall account for each interim payment by submitting to Canada, within the quarter following such payment by Canada, a detailed statement of the actual costs incurred and paid, verified in a manner satisfactory to the Federal Minister. Any discrepancy between the amounts paid by Canada by way of interim payments and the amounts actually paid by the Province shall be promptly adjusted between Canada and the Province.
- (3) Payment of claims under sections 9 and 10 shall be augmented by ten per cent (10%) for capital projects as provided for in paragraph 5(1)(b).

IMPLEMENTATION PROCEDURES

- 11. The financing by Canada of the programs and projects listed in Schedule "A" is conditional upon the following procedures being observed in the implementation of each of the programs and projects;

A - Capital Projects (Cost Exceeding \$20 000)

(1) Definition

The Management Committee shall establish a definition of the project for the purpose of identifying the work to be financed.

(2) Tenders and Contract Awards

- (a) Unless the Management Committee otherwise agrees, all construction, purchase and other contracts shall be reviewed by the Management Committee and shall be let pursuant to tenders invited by public advertisement acknowledging the financial participation of the parties hereto;
- (b) opening of all tenders shall be public and the Management Committee shall be supplied with copies of each advertisement for tender together with notice of the time and place for tender opening, in sufficient time to enable any member of the Management Committee or his representative to be present at all tender openings and to participate in the evaluation of tenders;
- (c) all contracts shall be awarded to the responsible and responsive tenderer who submitted the lowest evaluated bid, unless otherwise agreed by the Management Committee; and
- (d) all announcements of contract awards shall be made jointly by Canada and the Province.

(3) Construction and Implementation

- (a) All substantive amendments to contracts shall require the prior approval of the Management Committee;
- (b) any member of the Management 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; and
- (c) the Province shall forward to the Management Committee a report as to the progress of the work, in such detail and at such time as may be required by the Management Committee.

B - Non-capital Projects

(1) Definition

The Management Committee shall establish a definition of the project for the purpose of identifying the work to be financed, outlining the work program, method of implementation, types of services to be employed, equipment and materials required and estimates of cost.

(2) Implementation

- (a) All contracts for professional services in excess of \$25 000 shall be awarded and supervised in accordance with procedures to be established by the Management Committee, unless in its opinion it is impractical to do so;
- (b) reports produced by consultants or resulting from projects under this Agreement shall become the property of both parties hereto; and
- (c) the Province shall forward to the Management Committee a report as to the progress of the work, in such detail and at such time as may be required by the Management Committee.

12. Subject to the express provisions of subsection 5(4), contracts and purchases made and work done prior to the date of this Agreement in respect of projects listed in Schedule "A" may be accepted as complying with the provisions of this Agreement if they are consistent with the provisions of the GDA and if they are approved in writing by the Federal Minister on the recommendation of the Management Committee.

Public information

13. (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 specifying that the relevant project is a Canada-New Brunswick Regional Development Project financed by contributions by 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 New Brunswick, or such other wording to the like effect as may be agreed to by the Ministers; and

- (b) where relevant, upon completion of each project, a permanent sign or plaque to the effect set forth in (a).
- (2) Any public announcement of the measures covered by this Agreement, and any official opening ceremony for each project outlined in Schedule "A", shall be arranged jointly by the Ministers.

RECORDS AND AUDIT

- 14. Each of the parties hereto shall keep detailed and accurate accounts and records of its expenditures in respect of all programs and projects, the cost of which is to be shared between them under this Agreement, and shall make such accounts and records available at all reasonable times for inspection and audit by the other party. Any discrepancy between the amounts paid by either party and the amounts actually payable by it, as disclosed by any such audit, shall be adjusted by means of subsequent progress claims.

GENERAL

- 15. (1) The provision of financing by Canada and the Province for the implementation of programs under this Agreement is subject to the Parliament of Canada and the Province having provided funds for such financing for the fiscal year in which such financing is required.
- (2) No member of the House of Commons of Canada or of the Legislative Assembly of New Brunswick shall be admitted to any share or part of any contract, agreement, or commission made pursuant to this Agreement, or to any benefit to arise therefrom.
- (3) Any dispute between the parties hereto on any question of law or fact arising out of this Agreement shall be submitted to and determined by the Federal Court of Canada pursuant to the Federal Court Act of Canada.
- (4) Where one party hereto is responsible for the implementation of a cost-shared program or project it shall indemnify and save harmless the other party, its officers, servants and agents, against all claims and demands of third parties in any way arising out of the implementation of such program or project, except as such claims or demands relate to the act or negligence of any officer, employee or agent of the other party.

- (5) This Agreement shall terminate on March 31, 1978.
- (6) Subject to the terms and conditions of section 14 of the GDA, this Agreement may be renewed for any further period agreed upon by the parties hereto, but such renewal shall be subject to the approval of the Governor in Council and Lieutenant Governor in Council.
- (7) 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 Management Committee considers that this service cannot reasonably be provided;
 - (b) in the employment of persons on a project, there shall be no discrimination by reason of race, sex, age, marital status, national origin, colour, religion or political affiliation; it being agreed, however, that the foregoing shall not prevent the implementation of special measures designed to benefit native people or disadvantaged groups;
 - (c) the provisions of the Labour Standards Arrangement proposed by the Federal Department of Labour in 1970 shall be applicable to this Agreement, it being understood and agreed that, to the extent that there are higher provincial standards applicable to particular occupations or regions, these higher provincial standards shall apply. In the aforesaid Labour Standards Arrangement the following provisions are regarded as minimum requirements:
 - (i) rates of pay prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation;
 - (ii) in building construction, 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, time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 50 per week;

- (iv) Labour conditions to be specified in all tendering documents and to be posted conspicuously in the work place; and
- (d) Canadian material and manpower shall be used in respect of all programs and projects to the extent to which it is procurable and consistent with proper economy and the expeditious performance of the initiatives.

EVALUATION

16. 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 of the GDA. In addition, Canada and the Province shall also jointly effect an evaluation of all the programs with respect to the general economic and socioeconomic development objectives of this Agreement.

AMENDMENTS

17. (1) Substantive changes to this Agreement, and to Schedule "A" thereof, may be effected as agreed from time to time by the Ministers in writing. Each program added to Schedule "A" shall form part of this Agreement as if it had originally been included in this Agreement. It is expressly understood and agreed, however, that any amendment to section 6 shall require the approval of the Governor in Council and Lieutenant Governor in Council.
- (2) Subject to subsection (1), the Management Committee may make adjustments during the fiscal year to the programs in Schedule "A" to this Agreement provided, however, that such adjustments do not increase the total amounts of the Schedule nor conflict with the objectives of this Agreement.

EFFECTIVE DATE

18. The parties hereto agree that this Agreement is operative and effective as of the 3rd day of November, 1975, irrespective of the actual date of execution hereof.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of Regional Economic Expansion and the Minister of Industry, Trade and Commerce, and on behalf of the Province by the Premier of New Brunswick and the Minister of Tourism.

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
NEW BRUNSWICK

Witness

Premier of New Brunswick

Witness

Minister of Tourism

CANADA - NEW BRUNSWICK
SUBSIDIARY AGREEMENT
TOURISM DEVELOPMENT

SCHEDULE "A"

| Program Description | Estimated Cost of Program (\$'000) | Federal Share Including (a) Direct Cost (b) 10% Allowance (where applicable) (\$'000) |
|--|--|--|
| I. <u>Essential Resource Services Program</u> | 4 250 | |
| To supplement the resources available for the planning, development and coordination of tourism in New Brunswick. | | |
| 14 *1.1 Research, Planning and Development: | | 370 |
| To provide the funds required to enable the Department of Tourism to engage consultants to assist in basic research, planning, and development opportunity searches, and in the preparation of destination area master plans. | | |
| 1.2 Financial Incentives: | | 2 000 |
| To stimulate the development of facilities by the private sector, through provision of forgivable loans, where such developments are consistent with the objectives and strategy of the Department of Tourism and would not be developed by the private sector unassisted. | | |

* Eligible costs for items 1.1 and 1.3 are 5/8 of actual costs to be incurred.

| Program Description | Estimated Cost of Program (\$'000) | Federal Share Including (a) Direct Cost (b) 10% Allowance (where applicable) (\$'000) |
|---|------------------------------------|--|
| *1.3 Land Acquisition: | | 950 |
| To acquire land of high tourist potential, in order to ensure land uses compatible with the tourism strategy of the province and to provide land for essential infrastructure developments. | | |
| 1.4 Hospitality School Personnel: | | 80 |
| To provide key staff resources for the Hospitality School described under item 2.5. | | |
| 2. <u>Infrastructure Program</u> | 5 665 | |
| To provide tourism infrastructure required to increase the level of expenditure of tourists and visitors to the province. | | |
| 2.1 Visitor Orientation Centres: | | 1 566.4 |
| To design, construct and equip visitor orientation centres at Houlton Road, Edmundston, and Campbellton, in order that tourists can be directed to the regions and destination areas of the province. | | |

| Program Description | Estimated Cost of Program (\$'000) | Federal Share Including | |
|--|------------------------------------|-------------------------|---|
| | | (a) Direct Cost | (b) 10% Allowance (where applicable) (\$'000) |
| 2.2 Redevelopment of Parlee Beach: | | 1 065.6 | |
| To redevelop Parlee Beach by restoring the sand dunes, providing beach support facilities, and encouraging private development. | | | |
| 2.3 Development of Campobello Park: | | 680 | |
| To further develop attractions and facilities at Campobello Park, including an irrigation system, a golf lodge, maintenance area, tourist information centre, interpretive centre, and a day-use area. | | | |
| 2.4 Handcraft Centre Development: | | 1 120 | |
| To establish a provincial handcraft centre capable of encouraging, promoting and coordinating the growth of a viable craft industry in the province. | | | |

| Program Description | Estimated Cost of Program (\$'000) | Federal Share Including (a) Direct Cost (b) 10% Allowance (where applicable) (\$'000) |
|--|------------------------------------|--|
| 2.5 Development of Hospitality School: | | 100 |

To provide equipment and plant improvements required for the operation of a Hospitality School centred on the facilities of the New Brunswick Institute of Technology.

TOTAL PROGRAMS: 9 915

TOTAL DREE SHARE: 7 932

CANADA - NEW BRUNSWICK
SUBSIDIARY AGREEMENT
TOURISM DEVELOPMENT

SCHEDULE "B"

Guidelines for Agreement Administration

BACKGROUND

Tourism activities currently make an important contribution to employment and incomes in New Brunswick. In 1973, about 48 per cent of all travel expenditures in the province were attributable to non-resident tourists, while a further 15 per cent of travel expenditures were attributable to resident tourists. Hence, approximately 63 per cent of the total 1973 travel expenditures of \$125 million can be attributed to tourists, making tourism activities a significant contributor to the 14 900 man-years of employment of \$49 million of household income generated by the province's travel industry in 1973.

Based on expected continued growth in the demand for the type of attractions that New Brunswick can offer to tourists, there is considerable potential for the expansion of the province's tourism sector. By undertaking measures to promote and develop existing and potential attractions, and measures to encourage increased private sector participation in tourism-related ventures, it is expected that the extent to which the growing tourism demand is captured in the province can be significantly increased.

To expand the tourism industry in New Brunswick, one of the principal requirements is to induce visitors to stay longer. By virtue of its location, New Brunswick is characterized as a "pass through" province in that it attracts a large number of tourists who traverse the province en route to destinations in other Atlantic regions. Consequently, these visitors spend a relatively small amount of time in New Brunswick and have a disproportionately low average spending rate. Research data in regard to tourist spending patterns in New Brunswick indicate that "pass through" visitors spend an average of only \$16.83 per visitor party, while overnight visitors stay an average of 3.4 days and spend an average of \$102.85 per visitor party.

The New Brunswick Department of Tourism has prepared an interim strategy which provides a framework for government action in regard to the development of the tourism sector during the next 3-5 years. This interim strategy indicates that a "destination area" approach is the most effective way to

entice visitors to stay longer in the province. The strategy also indicates that there are a number of potential destination areas in the province. A destination area must have the existing and potential attractions, services and facilities necessary to draw significant numbers of visitors for overnight and extended stays. The strategy outlines the kinds of development efforts required to enable destination areas to realize their fullest potential.

Emphasis is also placed on government planning and research to reveal the measures which can most effectively continue to stimulate the development of the tourist sector during and beyond the parameters of the interim strategy.

PROGRAMS

Subsection 2(2) of this Agreement indicates the strategy which will be employed to enable the tourism sector to significantly increase its contribution to the attainment of the GDA's objectives. This approach, which incorporates the major elements of the province's interim tourism strategy, is comprised of two programs: an Essential Resource Services Program, and an Infrastructure Program. The following outlines of these programs provide guidelines for the administration of the Agreement.

1. Essential Resource Services

1.1 Research, Planning and Development

This project will enable the Department of Tourism to engage consultants where particular expertise is required to conduct investigations. It is anticipated that consultants will be utilized to assist in:

- (a) basic research and planning, such as travel surveys, computer-analysis and the development of a long-term strategy;
- (b) development opportunity searches, including identification and feasibility and market studies; and
- (c) destination area master plans where required.

For example, already identified as investigations which merit support under this project are a feasibility study to be undertaken concerning the potential for developing the Grand Falls Gorge as a major tourist attraction and an assessment of the accommodation needs in the province.

1.2 Financial Incentives

The purpose of this project is to stimulate the development of facilities by the private sector through financial incentives in areas where such developments are consistent with the tourism development strategy and would not be developed by the private sector unassisted. In addition, there must be clear indication that the developments will result in spin-off income and employment opportunities. Financial assistance will be in the form of interest-free forgivable loans, to be made available for the establishment of key services and facilities. Specific eligibility requirements for these incentives will be published by the Department of Tourism.

1.3 Land Acquisition

Land development controls are required in certain situations to guard against the excessive exploitation of environmental resources and the consequent reduction of the economic value of benefits from these resources. This project will provide for an expanded land acquisition program with the following objectives:

- (a) to protect or provide access to areas of high potential for tourism;
- (b) to promote the growth of tourism by acquiring land and developing land for eventual resale or lease to private enterprise for the controlled development of tourist attractions, facilities, or services in destination areas; and
- (c) to provide for the development of certain public tourism facilities essential for the accomplishment of the tourism development strategy.

1.4 Hospitality School Personnel

There is a need for management training and for accelerated labour training in the tourism sector which existing programs cannot meet. This project will provide key personnel for instruction, with other instructors being provided by industry on a periodic basis.

The school's capital requirements are dealt with under Project 2.5 of the Agreement, and its administration will be the responsibility of the New Brunswick Community College in cooperation with the Department of Tourism.

2. Infrastructure

2.1 Visitor Orientation Centres

The purpose of this project is to provide facilities at three of the province's major entry points for the promotion of travel to the various tourist areas of New Brunswick.

The facilities will be established at the Edmundston, Campbellton, and Houlton Road entry points. These centres will provide the kind of information which will stimulate tourists to remain longer in the province and to visit presently underutilized tourist areas.

2.2 Redevelopment of Parlee Beach

The purpose of this project is to enhance the appeal of this heavily used tourist area, by restoring and preserving the natural beach environment, and by encouraging local participation in the development of tourism services.

The project will provide funds for the design and phased reconstruction of three phases of a five phase implementation plan for restoring sand dunes, phasing out the existing campgrounds, providing beach support facilities and a new day-use area, encouraging private development, and immediately acquiring available property. Funds for land acquisition appear in a separate section of this Agreement.

2.3 Development of Campobello Park

It is the intent of this project to further develop attractions and facilities at Campobello Park according to a master plan prepared by the Department of Tourism. Major elements of this plan include an irrigation system, a golf lodge, maintenance area, tourist information centre, interpretive centre, and a day-use area. Together with the private investment in tourism services and facilities which are expected to be stimulated by such infrastructure, this development is designed to significantly increase the length of stay of visitors to Campobello Island, and to encourage United States tourists to visit other areas of the province. These developments will be planned to be consistent with and complementary to a comprehensive development plan for the Fundy Isles area, which will be carried out under the Essential Resource Services Program of this Agreement.

2.4 Handcraft Centre Development

The intent of this project is to establish and develop a provincial handcraft centre of sufficient capability to encourage, promote, and coordinate the growth of an economically viable craft industry which will be able to meet projected demand growth. A major handcraft centre will be established at Fredericton to perform the following functions: training in craft design and manufacture; research, promotion, and market development; and, in general, provide assistance to the craft industry and the buying public. Administration will be provided by the Department of Tourism's Handcraft Branch.

2.5 Development of Hospitality School

The school will provide training and upgrading for those engaged in or about to enter the hospitality industry, with an emphasis on training at the management level. The school will be centred at the New Brunswick Institute of Technology in Moncton, utilizing existing class room space and equipment, as well as the city's travel plant. Moncton will operate as the anchor school, and regional courses will be established to reach people at the local level by means of a mobile facility.

This project will provide funds for equipment and improvements to the existing plant. The school's key personnel requirements are dealt with under Project 1.4 of the Agreement, and its administration will be the responsibility of the New Brunswick Community College in cooperation with the Department of Tourism.

