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# ARDA

**CANADA/  
NEWFOUNDLAND**

**Federal-Provincial  
Rural Development  
Agreement  
1971/1975**

# NEWS RELEASE COMMUNIQUÉ

## NEW ARDA AGREEMENT SIGNED WITH NEWFOUNDLAND

*The Honourable Jean Marchand, Minister of Regional Economic Expansion, announced on June 9, 1971, that the federal government had signed a new five-year agreement with the Province of Newfoundland and Labrador under the Agricultural and Rural Development Act (ARDA).*

The Agricultural Rehabilitation Act of 1961 established a federal-provincial program of alternate land use, soil and water conservation, rural development, and research aimed at alleviating the problem of low income in rural areas.

The new agreement provides for programs of rural development and adjustment, on the basis of 50-50 cost sharing between the federal and provincial governments. This is the third ARDA agreement signed since the legislation was passed in 1961.

In the new agreement, greater emphasis will be given to the development of employment opportunities and the provision of measures to help rural people gain access to those opportunities or improve their level of income from primary producing activities. The new agreement also may include land use and soil and water conservation programs, provided they do not conflict with or duplicate other federal or federal-provincial activities.

There is also provision to follow through with the requisite counselling, specialized training and allied assistance for programs designed to implement alternate and more effective uses of rural lands.

Compared with previous ARDA arrangements, the new agreement has been broadened to include projects for the utilization of all primary resources. Related to this, opportunities for tourist and recreational development have been expanded but they must be an essential part of a plan for the development of the region in which they occur.

Detailed programs under the agreement will be developed on the basis of planned development strategies for rural areas where there is federal-provincial agreement that special projects or programs are required.

The new agreement recognizes that a broad range of activities is essential to a successful rural development and adjustment program, but it provides explicit safeguards against the duplication of other federal or federal-provincial programs.

While the new agreement is applicable to March 31, 1975, programs or projects approved prior to that date may continue toward their completion until March 31, 1978.

AGRICULTURAL AND RURAL DEVELOPMENT ACT  
FEDERAL-PROVINCIAL RURAL DEVELOPMENT  
AGREEMENT

THIS AGREEMENT made this 28th day of May A.D. 1971

BETWEEN

THE GOVERNMENT OF CANADA  
(hereinafter called "Canada")

OF THE FIRST PART,

AND

THE GOVERNMENT OF THE PROVINCE OF NEWFOUNDLAND  
(hereinafter called "Newfoundland")

OF THE SECOND PART.

THIS AGREEMENT is entered into on behalf of Canada by The Honourable Jean Marchand, Minister of Regional Economic Expansion and on behalf of Newfoundland by The Honourable William N. Rowe, Minister of Community and Social Development.

WHEREAS Canada and Newfoundland recognize that the income levels and standards of living of many people in rural areas are unreasonably low and that complex problems of economic development and social adjustment exist in many rural areas of the province of Newfoundland;

AND WHEREAS Canada and Newfoundland recognize the need for integrating programmes under this Agreement with other programmes of government to cope efficiently with these problems;

AND WHEREAS The Agricultural and Rural Development Act (ARDA) enables Canada, inter alia, to co-operate with Newfoundland in the research, formulation, implementation and financing of programmes and projects designed to improve the standard of living and to create new opportunities for increased income and employment of people in rural regions, to assist in the development of the fishery, to promote more efficient use and greater development of rural lands, to assist in the development and conservation of water supplies and improvement of soil, and to help people with the related problems of adjustment.

NOW THEREFORE, it is agreed by and between the parties hereto as follows:

1. In this Agreement, unless the context otherwise requires:
  - a) "Act" means the Agricultural and Rural Development Act of Canada;
  - b) "Approved Programme" means any programme jointly agreed to by the Ministers and approved by the Federal Minister under the authority of this Agreement for participation or assistance by Canada under the Act;
  - c) "Approved Project" means any project jointly agreed to by the Ministers and approved by the Federal Minister under the authority of this Agreement for participation or assistance by Canada under the Act;
  - d) "Committee" means the joint ARDA Committee established pursuant to Section 2;
  - e) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes any person designated by the Minister to act on his behalf;
  - f) "Ministers" means the Federal Minister and the Provincial Minister;

- g) "Provincial Minister" means the Minister of Community and Social Development of the Province of Newfoundland and includes any person designated by the Provincial Minister to act on his behalf under this Agreement;
- h) "Programme" means a definite plan consisting of a group of projects as envisaged under the terms of this Agreement;
- i) "Rural lands" means lands in Newfoundland jointly agreed to by the Ministers and approved by Governor-in-Council where programmes and projects may be carried out under this Agreement;
- j) "Rural Development Regions" means the areas of Newfoundland jointly agreed to by the Ministers and approved by Governor-in-Council where certain programmes and projects may be carried out under Appendix A, Part IV of this Agreement;
- k) "Shareable cost" means the amount or the proportion of the total cost of a project which Canada and the province have agreed to share.

2. The Ministers shall establish a joint ARDA Committee composed of at least one representative each of Canada and of Newfoundland with respect to programmes and projects under Appendix A of this Agreement.

3. 1) The Committee shall formulate and recommend to the Ministers programmes and projects that are within the terms of the Agricultural and Rural Development Act and that are aimed at facilitating economic development and social adjustment beneficial to the people of rural Newfoundland.

2) The Committee shall recommend to the Ministers areas and lands to which programmes and projects under this Agreement may apply based on identification of the problems of those areas and lands.

3) The Committee shall indicate to the Ministers how the recommended programmes or projects by themselves or in conjunction with other programmes of Canada and Newfoundland can contribute to the alleviation of the problems identified.

4) The Committee shall indicate to the Ministers the objectives, sub-objectives, benefits and costs, including environmental and ecological benefits and costs, methods of implementation, the expected revenue, user charges, and provision for evaluation, as may be appropriate, of each programme or project.

5) The Committee shall review and report to the Ministers on progress in the implementation of approved programmes and projects including those relating to research and studies.

6) The Committee may recommend to the Ministers projects for research and study which are, in their opinion, required in order to identify, formulate or evaluate any programme or project proposed or implemented under this Agreement.

4. 1) A programme or project shall be for the period specified in the programme or project approval but shall not be for more than five years' duration from the time specified in the programme or project approval.

2) The time period specified in the programme or project approval may be extended or a programme or project may be renewed by the Ministers provided the maximum term does not exceed five years, but any proposals for renewal must include an evaluation of the programme or project.

5. Subject to Section 23 the implementation of a programme or project under this Agreement is subject to prior approval, (in this Agreement referred to as a programme or project approval), in a form agreed to between the parties hereto. The implementation of such programmes or projects is conditional on their being of a category described in Appendix A hereto and on funds being appropriated by the Parliament of Canada and the Legislature of Newfoundland.

6. Subject to Section 16 the shareable cost for the formulation, implementation and evaluation of any programme or project, including the cost of consultation and information where applicable, shall be shared between Canada and Newfoundland in equal amounts.

7. No programmes or projects shall be approved under this Agreement, or if approved shall be extended or renewed, that are provided for under other relevant programmes offered by Canada and Newfoundland, at the time the programme or project is approved or recommended for extension or renewal.

8. The parties hereto will jointly announce approved programmes or projects, and any public information or advertising releases specifically related to such programmes or projects shall indicate the extent of the respective shares of Canada and Newfoundland.

9. No programme or project shall be approved after March 31, 1975, under this Agreement. Canada will not be responsible for any expenditures incurred after the original or extended termination date specified in a programme or project approval or March 31, 1978, whichever date is earlier. Canada will not pay any claim which is not received within 18 months after the original or extended termination date specified in a programme or project approval.

10. Unless otherwise agreed to by the Ministers, Newfoundland will organize, operate and maintain each programme or project undertaken under this Agreement.

11. To facilitate the administration of this Agreement, Newfoundland agrees to provide to the Federal Minister, on or before the first day of October of each year, estimates concerning its proposed programmes and projects for the subsequent fiscal year in such form as the Federal Minister may request.

12. Subject to this Agreement Canada agrees to reimburse Newfoundland for expenditures made on approved programmes and projects in such proportions as are provided for by this Agreement upon submission of a claim in a mutually agreed manner and form by Newfoundland certified by a senior officer of the province and bearing the provincial audit certificate.



13. 1) In order to assist with the interim financing of approved programmes and projects, Canada may if Newfoundland so requests make interim payments to Newfoundland not exceeding 80 per cent of Canada's share of claims submitted, based on estimates of expenditures actually incurred and certified by a senior officer of Newfoundland.

2) Newfoundland will account for each such interim progress payment by submitting to Canada within the following quarter a detailed statement of the actual expenditures concerned certified by a senior officer of the province and bearing a provincial audit certificate. Any discrepancy between the amounts paid by Canada by way of interim progress payments and the amount actually payable by Canada shall be promptly adjusted between Canada and Newfoundland.

14. Newfoundland shall maintain adequate records of all transactions made pursuant to this Agreement, supported by proper documents and vouchers.

15. Newfoundland shall make such records, documents and vouchers available to the Federal Minister for audit upon request.

16. 1) Subject to subsection (2) of this section and to paragraph 2(b) of Part I, Appendix A costs to Canada and Newfoundland for supervision, office space, telephone and other costs of a similar nature shall not be included in the programme or project costs.

2) The shareable costs may include such direct office costs as are specified in the programme or project approval and may also include the salaries and expenses of employees of Canada or Newfoundland or its agencies when those employees who are not regularly involved in ARDA programmes or projects are specifically and directly engaged on approved programmes or projects for a continuing period of one month or more.

17. Newfoundland shall save Canada harmless from any and all claims except those arising from acts of God that may be made with respect to any programmes or projects undertaken under this agreement.

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

- a) where practicable, recruiting of labour shall be conducted through the Canada Manpower Centres;
- b) in the employment of persons on a programme or project there shall be no discrimination by reason of race, sex, national origin, colour, religion or political affiliation;

19. No member of the House of Commons or of the Senate shall be admitted to any share or part of any contract, or agreement or commission with respect to an approved programme or project.

20. All construction work for approved programmes and projects shall be subject to and carried out in accordance with labour conditions and standards to be agreed to by Canada and the province.

21. At the time of approval of a programme or project under this Agreement, it shall be mutually agreed whether revenue accruing from the programme or project is shareable between Canada and Newfoundland. Shareable revenue collected by Newfoundland shall be divided between Canada and Newfoundland for a period of twenty years, or such lesser time as the Ministers may agree to, in the same proportions as the respective investments of Canada and Newfoundland in that particular programme or project.

22. 1) When any lands acquired or works constructed by Newfoundland for any purpose specified under this Agreement are sold within twenty years after such acquisition or construction, the proceeds from such sale shall be divided between Canada and Newfoundland in the same proportion as the respective investments of Canada and Newfoundland in that particular programme or project.

2) When the use of any lands acquired, other than Indian lands, is changed within twenty years to a use incompatible with the intent of this Agreement, Newfoundland shall pay Canada a share of the appraised market

value of such lands at the time of the change in use, on the basis of the proportion paid by Canada of the original investment in the particular programme or project.

3. When the use of any works constructed by Newfoundland under this Agreement is changed within twenty years or such lesser time as may be agreed to by the Ministers, to a use incompatible with the intent of this Agreement, Newfoundland shall return to Canada an amount equal to the original investment by Canada in those works.

23. Any provincial expenditure incurred between April 1, 1970, and the date of the Federal Minister's approval of a programme or project that was started by the Province between April 1, 1970 and the date of the signing of this Agreement, may be considered part of the shareable cost of the approved programme or project.

24. This Agreement may be amended jointly by the Federal Minister and the Provincial Minister, subject to the approval of the Governor-in-Council and of the Lieutenant Governor-in-Council.

SIGNED ON BEHALF OF THE  
GOVERNMENT OF CANADA

IN THE PRESENCE OF:

André Lafond

by Jean Marchand

\_\_\_\_\_  
Witness

SIGNED ON BEHALF OF THE  
GOVERNMENT OF NEWFOUNDLAND

IN THE PRESENCE OF:

P. van Es

by William N. Rowe

\_\_\_\_\_  
Witness

APPENDIX A

Part I

GENERAL

1. Each programme or project approval under this Appendix shall be in a form acceptable to the Ministers.

2. Where it is deemed necessary and appropriate and where such programmes or projects are not provided for in other Federal or Federal-Provincial programmes, the programme or project approvals may include expenditures for:

- a) the involvement of local people in the improvement of the socio-economic conditions of the community and area through
  - i) the holding of seminars, conferences, meetings and other types of group activities, including allowances for participants and related costs,
  - ii) the provision of grants and allowances for the training of selected local leaders expected to perform various voluntary services at the community level;
- b) the payment of salaries and operating expenses of rural development field staff specifically required to implement ARDA programmes or projects under this Agreement;
- c) the provision of grants and allowances for the training and upgrading of Newfoundland ARDA personnel;
- d) the production or purchase of public information materials relevant to the programme or project being implemented;
- e) the evaluation of programmes or projects through
  - i) special studies and monitoring procedures, and
  - ii) the collection or analysis, as may be necessary and appropriate, of data not elsewhere collected or analysed;

- f) specifically designed projects
  - i) of pilot action research required to test new programme approaches to the improvement of rural incomes and employment opportunities,
  - ii) of research required to identify and/or formulate programmes or projects under this Agreement.

3. The shareable cost for expenditures under this Part may be the total cost.

## APPENDIX A

### Part II

#### ALTERNATIVE USES OF LAND

1. The intent of this Part is to enable Canada and Newfoundland to take measures, not provided by other Federal or Federal-Provincial programmes, to improve income and employment opportunities for rural people by making possible alternative and more efficient use of rural lands and by helping rural people to make the necessary adjustments to take advantage of the income and employment opportunities.

2. Approved programmes or projects under this Part may be selected from any or all of the following categories to be applied to rural lands in Newfoundland:

- a) the acquisition of land of low capability for conversion to more effective use such as permanent forage or pasture, forestry, recreation, wildlife management or conservation reserve;
- b) the acquisition of non-viable farms for the purpose of effecting farm enlargement or consolidation;
- c) the acquisition of non-economic woodlot holdings for the purpose of effecting woodlot enlargement or consolidation;
- d) the regrouping and improvement of properties acquired under paragraphs (a), (b) and (c) of this section;
- e) the development of publicly-owned lands for the establishment of community pastures, or the development or conversion of such lands to other more effective use;
- f) the provision of financial or other assistance to farm owners or operators to convert improved land on existing farms, where such land is of low capability for arable agriculture, to a more effective use such as forage or pasture, forest, recreation, and wildlife management;

- g) the provision of financial or other assistance to farm and woodlot owners or operators for the purpose of establishing or improving woodlots on existing holdings;
- h) the provision of financial or other assistance to facilitate the development of viable supplementary or alternative farm or woodlot operations.

3. If the re-establishment of rural people affected by section 2 of this Part is not fully provided for by the application of Federal-Provincial and Federal manpower programmes, gaps in the action necessary for re-establishment may be filled by programmes and projects selected from any or all of the following categories:

- a) allowances while training, including transportation and living costs for a person or family;
- b) costs of instruction while training for a person or family;
- c) the provision where necessary of financial or other assistance such as farm planning and management advisory services or off-farm training to farm and woodlot owners or operators;
- d) special assistance where necessary for a person aged fifty-five (55) years and over or physically infirm who is not qualified for training or re-establishment;
- e) special allowances or grants, not to exceed \$2,500 per family, when the sale of a farm does not provide adequate funds to allow the family's re-establishment in and re-location to another area where employment is available.

4. 1) Subject to subsections (2) and (3) of this section the shareable cost for programmes or projects under this Part may be the total cost to Newfoundland.

2) For programmes or projects under section 2, paragraphs (a), (d), (e), (f), and (g) of this Part, the shareable cost shall not exceed, in respect of each category, a maximum of \$50 per acre averaged over the number of acres acquired or developed under each project approved under this Part, except with the approval of the Governor-in-Council.

3) For programmes and projects under section 2, paragraphs (b) and (c), the shareable cost shall not exceed a maximum of \$100 per acre averaged over the number of acres acquired or developed under each project approved under this Part, except with the approval of the Governor-in-Council.

5. Programmes and projects in excess of \$100,000 will require an economic analysis.



APPENDIX A  
Part III  
SOIL AND WATER CONSERVATION

1. The intent of this Part is to enable Canada and Newfoundland to take measures not provided for by other Federal or Federal-Provincial programmes to advance soil and water conservation primarily for agriculture and rural development purposes.

2. Approved programmes or projects under this Part may be selected from any or all of the following categories:

- a) Comprehensive watershed projects for the protection, management, development and improvement of the soil and water resource of a watershed through a multiple purpose undertaking carried out by Newfoundland or a watershed conservation association or other similar public body recognized under the legislation of Newfoundland. Projects shall be formulated to include those water conservation, development and management project purposes and land conservation and improvement project purposes allowed in paragraphs (b) and (c) of this section, which are appropriate within the watershed. All comprehensive watershed programmes or projects shall be approved only if found acceptable on the basis of an economic analysis and an analysis and an assessment of the potential positive and negative ecological consequences.
- b) Water conservation and development projects for farm water services; renewal of existing irrigation works or supplemental irrigation required for farm diversification; and water management projects for flood protection and prevention, including dyking, erosion control and other measures to

prevent or reduce flood and sediment damage. In the case of multi-purpose projects for the integrated development, management and conservation of the water resources of an area, the projects may include pollution abatement, stream flow maintenance and recreation, wildlife and fish enhancement or development.

- c) Land conservation and improvement projects for protection of land from soil deterioration; rehabilitation of eroded and depleted soils; improvement of water distribution and disposability by drainage; irrigation and land-forming; reduction of water and sediment damage; land improvement to increase efficiency of production; and other like measures.

3. 1) For projects under paragraph (a) of section 2 of this Part, the shareable cost may be the total cost.

2) For projects under paragraphs (b) and (c) of section 2 of this Part, the shareable cost shall not exceed 75 per cent of the total cost.

APPENDIX A  
Part IV  
RURAL DEVELOPMENT

1. The purpose of this Part is to enable Canada and Newfoundland to undertake special measures, not available through other Federal and Federal-Provincial programmes, to improve opportunities for increased income and employment, and to help people, particularly fishermen, to take advantage of improved opportunities in rural development regions.

2. The selection of any rural development regions shall be based on a clear identification of the problems that the proposed programmes or projects will overcome or assist in overcoming.

3. Approved programmes or projects under this Part may be selected from any or all of the following categories:

- a) the utilization of primary resources, particularly the fishery, through projects not provided for in other Federal or Federal-Provincial programmes;
- b) the establishment, expansion or modernization of facilities for processing or manufacturing, if the facility is of a type or in a region that excludes it from assistance provided under other Federal, Provincial or Federal-Provincial programmes;
- c) the implementation of a tourist and recreation plan through
  - i) the provision of parks, recreation areas and wildlife management areas, including basic infrastructure requirements and recreation facilities, on publicly-owned lands,
  - ii) the provision of community infrastructures, on publicly-owned lands, required for tourist and recreation development in the region,

- iii) the provision of assistance for the establishment of commercial tourist facilities essential to the success of the recreation plan and the economic development of the region,
- iv) the acquisition of land where necessary for subparagraphs (i) and (ii) of this paragraph;
- d) the establishment of community pastures on publicly-owned lands;
- e) forest stand improvements on publicly-owned lands;
- f) the provision of financial or other assistance to fishermen and other primary producers with marginal or sub-marginal annual income to enable them to develop viable supplementary or alternative activities based on the fishery, land or other natural resources.

4. If the assistance required by fishermen or other people in a rural development region, in order to take advantage of improved opportunities, is not fully provided by the application of Federal-Provincial and Federal manpower programmes, gaps in the action necessary for assistance may be filled by programmes and projects selected from any or all of the following categories:

- a) allowance while training including transportation and living costs;
- b) costs of instruction while training for a fisherman, other person or family;
- c) special assistance for fishermen or other persons moving their families and effects where this will enhance their prospects for employment and where moves cannot be authorized under the Manpower Mobility Programme;
- d) counselling and other assistance to fishermen or other persons or families to identify their requirements, opportunities and training needs.

5. 1) Programmes and projects under paragraphs (a), (b) (f) and subparagraphs (ii) and (iii) of paragraph (c) of section 3 of this Part will require an economic analysis, while other projects under section 3 of this Part will require an economic analysis if the total cost is in excess of \$100,000.

2) For programmes and projects under this Part the shareable cost may be the total cost except where otherwise provided for in this section.

3) For programmes and projects under paragraphs (a), (b), (f) and subparagraph (iii) of paragraph (c) of section 3 of this Part, the shareable cost shall not exceed 50 per cent of the total capital to be employed in the operations assisted.

4) For programmes and projects under paragraph (d), of section 3 of this Part, the shareable cost for land acquisition shall not exceed \$50 per acre averaged over the number of acres acquired under each project approved under this Part, except with the approval of the Governor-in-Council.

5) For programmes and projects under paragraphs (d) and (e) of section 3 of this Part, the shareable cost of land development shall not exceed \$50 per acre averaged over the number of acres developed under each project approved under this Part, except with the approval of the Governor-in-Council.

