

**Special area program.** To make industrial incentives as effective as possible in overcoming regional disparities, slow-growth regions must have centres which will attract industry by ensuring that the necessary utilities and services, as well as a wide variety of social facilities to meet the needs of a growing population, are available. For this reason, one of the major purposes of the Department's special area program is to speed the development of such centres by helping provincial governments to build up essential municipal services.

Under the program authorized by the 1969 Government Organization Act, the federal government, in consultation with a province, can designate areas where special action is needed to promote economic expansion and social adjustment. Because development plans are designed, through federal-provincial co-operation, to meet specific needs, the type of federal action varies from area to area.

The first 22 special areas under the program were designated in March 1970 and federal-provincial agreements were signed covering specific infrastructure development projects in 18 of these areas. In the four other areas, the main federal assistance consists of incentives to industry. A 23rd special area, Ste-Scholastique, was designated in February 1971 and infrastructure projects for that area were included in an amended Special Areas Agreement with Quebec. The agreements commit the Department to provide various provinces with a total of up to \$440 million in grants and loans over the period to March 1975, depending on the designated period and funding arrangement for each special area. This is additional to any federal money that may be offered in industrial incentives. The agreements provide for the inclusion of other jointly identified projects or for the joint preparation of further development plans for areas not already designated. In addition, DREE will consult with the provinces regarding the possible future designation of further special areas.

**The Cape Breton Development Corporation** was established in 1967 to rationalize the coal industry of Cape Breton Island and broaden the economic base of the area by assisting the financing and development of industry to provide employment outside the coal mines. From its head office in Sydney it now operates three mines in the Sydney coalfield and is developing one new one. It is actively engaged in development of the tourist industry as well as primary products and various secondary industries. The Corporation offers a very flexible program and the amount of financial assistance it makes available is determined by the merits of each individual application. The Corporation reports to Parliament through the Minister of Regional Economic Expansion.

**Other DREE programs.** The Agricultural and Rural Development Act (ARDA) is a federal-provincial shared-cost program with provisions for rural development and adjustment programs. Five-year ARDA agreements, for the 1970-75 period, have been signed with all provinces except Prince Edward Island, which is covered by a comprehensive rural development plan. New special agreements emphasizing programs for disadvantaged Indian and Métis people have also been signed with Manitoba, Saskatchewan, Alberta and British Columbia.

The Fund for Rural Economic Development (FRED) was replaced by DREE's special area program, but five projects in operation at the time will continue to completion.

Since its creation in 1935 the Prairie Farm Rehabilitation Administration (PFRA) has concentrated on large irrigation and water-control projects, and on irrigation, stock-watering and domestic water supply projects at the farm level. It has also distributed, free of charge, up to 10 million seedlings a year for farm shelterbelts. As a continuing entity within DREE, PFRA has been given new responsibility in implementing departmental programs in Alberta, Saskatchewan and Manitoba.

The Newfoundland Resettlement Program is a federal-provincial shared-cost program established to help people in Newfoundland move from areas where economic prospects are poor to parts of the island that afford better employment opportunities and public services.

The Atlantic Development Council, with 11 members appointed by the federal government in consultation with the governments of the Atlantic Provinces and the Canada Council on Rural Development, composed of representatives of private organizations who are appointed by the Minister, both act as advisory bodies to the Minister of Regional Economic Expansion.