

or experience in independent research, and accomplished investigators who require the independence to commit a significant amount of their time to health research.

In an effort to ensure that the NHRDP remains responsive to health problems on the horizon as well as to those now facing the country, the Research Programs Directorate in 1974 initiated a series of meetings to identify research priorities.

9.2.11 Department of Regional Economic Expansion

When the Department of Regional Economic Expansion (DREE) was created in 1969 to integrate and develop federal efforts to overcome regional economic disparities, the establishing legislation authorized the Department to prepare and implement, in co-operation with other federal agencies and with provincial governments, development plans and programs designed to meet the special needs of areas where growth in both employment and incomes was lagging behind other parts of Canada. A second major legislative measure, the Regional Development Incentives Act (RSC 1970, c.R-3), provides a program of industrial incentives to encourage manufacturing and processing industries to establish, expand or modernize in designated parts of the country where new jobs are needed. The original designated regions included all of the Atlantic region except Labrador, much of eastern Quebec, and parts of every other province.

Under the latest regulations, effective April 1, 1974, the designated regions include the entire provinces of Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Manitoba and Saskatchewan, the province of Quebec, excluding the Montreal-Hull corridor, and most of the northern part of Ontario. Incentives may also be given to resource-based industries in rural areas of Alberta and British Columbia. Each regional Assistant Deputy Minister is principally responsible for the incentives program in his region, and has authority to approve medium-sized cases (up to \$1,500,000 in approved capital costs or 100 jobs). The Minister, on the advice of his Regional Development Incentives Board, makes the final decision with respect to incentives for highly sensitive and large-scale projects.

There is now a standard set of formulas for the calculation of a grant or loan guarantee. The absolute ceiling, for a new facility or a new product expansion, may be 50% of the total capital employed; 25% of the approved capital costs plus \$5,000 for each job created; or \$30,000 for each job. The amount of incentive offered in an individual case is determined by assessing the various financial and economic implications of each project. Factors analyzed include the project's economic impact on the region concerned and the company's need for an incentive in order to create a viable operation in the designated region. Experience to date has shown that these incentives exert a strong influence on industry to undertake new activity in the designated areas. From the program's introduction to May 31, 1974, 2,677 applicants accepted offers of incentives totalling approximately \$443 million for projects involving an estimated total investment of \$2,200 million, and the creation of some 108,000 new jobs in various parts of the country when the new operations are brought into production.

Special area program. Under this program, authorized by the 1969 Government Organization Act, the federal government was able to designate, in consultation with a province, areas where special action seemed needed to promote economic expansion and social adjustment. The type of action would vary, from area to area, because each plan would be designed, through federal-provincial co-operation, to meet specific needs.

In March 1970, 22 special areas were designated, and federal-provincial agreements were signed to cover specific infrastructure development projects in 18 of them. In the other four, the main federal assistance was through the Incentives program. A 23rd special area, Ste-Scholastique, was designated in February 1971; infrastructure projects for that area were included in an amended Special Areas Agreement with Quebec. These agreements committed the Department to provide up to \$440 million in grants and loans to the various provinces, over the period to March 1975; these are additional to any federal funds offered in industrial incentives.

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