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northern entrepreneurs in organizations to investigate and pursue new employment and business opportunities.

Federal funding over the past five years has amounted to \$43.1 million. This programming has been successful because with minimal support the federal government is able to lever additional territorial government dollars and project proponent dollars.

The tripartite co-operation is essential in the north where the territories are assuming greater responsibility. That is good to see. Most private sector investment is from other regions of Canada or from abroad. These agreements have been successful because spending has been targeted at strategic priorities and projects that now are showing and will continue to yield definite, long term benefits. This is particularly so in the societal infrastructure which has been put in place in numerous communities under the auspices of economic development planning subagreements. I am also thinking of the renewable resources subagreements where various projects have been undertaken to develop commercially viable renewable resource businesses such as a bison ranch in the Northwest Territories and a char farm in the Yukon.

These projects have enabled the territories to market their products effectively in new and existing markets and to upgrade both human resources and infrastructures serving this sector.

Participation by native people in organizations as proponents of economic development agreements in the Northwest Territories have really been significant. In the Yukon, however, uptake has been increasing but we know that we can do more and more can be achieved.

• (1630)

The federal government has introduced the Canadian aboriginal economic development strategy to support native business and employment opportunities and to address the economic development requirements of native people in general. This program will benefit native people throughout the regions of Canada. With a participation of representatives of native organizations on these EDA committees, a greater understanding of programming has been gained, with a great deal of results.

This government believes in involving northerners and involving the native people in the decision-making process. The efforts under the economic development agreements to date have certainly made a positive contribution toward expanded, diversified and more stable territorial economies. However, to realize the full potential, long-term benefits of federal government's contribution to economic development, government support and assistance is needed in the sectors that we have been encouraging. As I mentioned earlier, this support is in co-operation with the territories and with the private sector.

The future challenge for the federal government in co-operating with northern governments is to continue this transformation of the northern economies. This involves further diversification of economic base with increased emphasis on sustainable economic development, structural changes to sectors such as mining to enhance the economic and social returns to communities and also to their residents, and increased linkages among the sectors of the northern economy.

Given the relative strength of the Canadian, the Yukon and Northwest Territories economies and the possibilities that are arising from the Canada-U.S. Free Trade Agreement, it is easy to see that there are opportunities which can be pursued through the improvement and expansion of the mining industry, through growth in the renewable resources and tourism business sectors, through export opportunities and programs leading to skills acquisition and other human resource developments, plus economic planning by communities and governments.

The theme of diversification is not new. It has been the thrust of the federal and territory economic program in both of those territories over the last six years. We all recognize it is the solution to another challenge which is to minimize the reliance upon few sectors for revenue and employment.

Contrary to the hon. member's motion, we are working on expanding the economy of the north. Import substitution is a principal component of diversification. The renewable resource sector is an excellent example of this type of development which will lead to stronger