

development will provide a very special and much needed role in the country. It is an improvement over an old centrally dominated economic development policy.

**Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso):** Madam Speaker, I listened with interest to what my hon. colleague from Nova Scotia had to say. As usual he is emulating the example of his colleagues on that side of the House by blaming the troubles they face in government on the Liberals that preceded them. They still have not taken responsibility for the difficulties the country is experiencing after six years of their government, particularly in Atlantic Canada. While Atlantic Canadians may be optimistic about the future, they are not terrible optimistic about the present, particularly with the decisions this government is providing them.

I should like to ask the minister about the changes he recently announced under ACOA, the agency that is supposedly delivering the federal government's program for regional development in Atlantic Canada. As we know, it got a flying start in 1987, just before the election, with the Prime Minister announcing a \$1 billion program over five years. We were told it would create all kinds of jobs in Atlantic Canada. The government spent the money very quickly, up until the election. After the election there was suddenly a new parameter which was the deficit and ACOA had to be reprofiled.

Since the election the rules were tightened very fast. Recently, the minister again changed the rules. I should like to ask him whether there is going to be any new money to allow businesses to take advantage of the more flexible rules for business assistance in ACOA. Or, is the reason for increasing the project limits and making the other changes in the rules really because with the changes made in 1989 the rules were so tight that businesses could not take advantage of them? Therefore, this opening up of the rules that we heard about following the budget was merely an opportunity to spend. It would be terribly embarrassing for the government if the rules were so tight that Atlantic Canadians could not spend the money available to them.

**Mr. MacKay:** Madam Speaker, I am glad to respond to that very constructive question. I want to tell my colleague opposite, as he probably knows being a keen student of regional development, that about 80 per cent of the assistance or grants, if you will, for small business

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entrepreneurs in Atlantic Canada were for amounts under \$100,000. There were some very large projects that took up, however, quite a large percentage of the total amount of moneys available.

We reassessed this situation and decided that we were able to bring up the levels of the assistance for some larger projects to about \$10 million. However, the original \$20 million level was always there for projects of exceptional merit, innovation and so on.

What I want my colleague to understand—and this gives me a chance to put it on the record—is that when ACOA was created and when the action program was announced, there was an important element often forgotten in the aftermath, that is, that we still proceed to sign co-operation agreements, which is a sobriquet for ERDA agreements, with the provinces. We have signed over 20 of them. I believe a larger amount of money has flowed out, although it is approximately the same in macro terms, under these kinds of economic assistance options for the provinces than there has under the action side.

We have a double approach here. As he knows, over \$100 million has flowed into the tourism sector in Atlantic Canada, but this is without prejudice to signing co-operation agreements with the provinces for tourism projects, if they so wish.

I want to assure him that we do not need any new money at this time. The original amount of money that was allocated is ample for our needs under present circumstances. There is over \$600 million committed on the action side and more than that on the co-operation side. Over the next few years the money is flowing out as projected.

I realize that some people have suggested that there was too much money allocated too quickly, but how else were we going to get this money into the economy where it could start having an effect on Atlantic Canada? It has had an effect. I think the member will concede that it has had an effect. There are many, many more thousands of people working in Atlantic Canada today than there were in 1984. This is true all across the country.

**Mr. Steve Butland (Sault Ste. Marie):** Madam Speaker, first, I should like to congratulate my colleague from the Liberal Party, the hon. member for Kenora—Rainy River, for introducing this resolution. I whole-heartedly