

THE SENATE

Tuesday, June 9, 1987

The Senate met at 2 p.m., the Speaker in the Chair.
Prayers.

ATLANTIC CANADA OPPORTUNITIES AGENCY

MINISTER'S STATEMENT

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I wish to advise the Senate formally that since we last met the Prime Minister has assigned to me additional responsibilities as a member of the government. I have been named minister responsible for the Atlantic Canada Opportunities Agency, which we propose to create by legislation in the fall.

Some Hon. Senators: Hear, hear!

Senator Murray: This agency will have its headquarters at Moncton and its offices in the four provincial capitals of the Atlantic region. The President and Chief Executive Officer of the agency will be Mr. Donald McPhail, a highly respected public servant who is well known to many honourable senators. He is presently the Canadian ambassador to the Federal Republic of Germany, and has had extensive experience in trade and economic development policy in Canada and, in particular, in the Atlantic region. Pending the creation of the agency by legislation, Mr. McPhail will be president-designate and special adviser to the minister. He will chair a board of people from the private and public sectors in the Atlantic provinces.

The mandate of the Atlantic Canada Opportunities Agency will be to promote the development of small and medium sized business and industry in the Atlantic provinces and, in this regard, to develop policies and implement programs in cooperation with the provincial governments and the private sector. The agency will also have a mandate for the coordination and planning of all federal activities contributing to economic growth in that region, particularly procurement, training and skills development, job creation, technology infrastructure development, and local investment promotion. The agency will thus have a dual mandate—a responsibility for actions as a regionally-based agency and a responsibility for advocacy at the level of national policy and programs. The offices of the four federal economic development coordinators in the Atlantic region are being brought together to form the nucleus, the administrative base of this proposed new agency.

There will be transferred to my ministerial responsibility the powers and functions now exercised by the Minister of Regional Industrial Expansion under the Industrial and Regional Development Act so far as the four Atlantic provinces are

concerned, and so far as any loan or grant is below \$2 million in a given fiscal year or \$10 million over a five-year period. This includes programs under the Atlantic Enterprises Program and Enterprise Cape Breton. Also transferred to the agency and to my ministerial responsibility are the Special Areas Act and the Small Business Loans Act insofar as these apply to the Atlantic provinces. Most of DRIE's ERDA subagreements are being transferred to my responsibility and will be managed by the new agency. The exceptions to this are those subagreements which are firm-specific or which relate to the restructuring of major industrial sectors.

The financial commitment announced by the Prime Minister for this agency last Saturday is \$1.05 billion over a five-year period in new money. That is in addition to what we are spending on ERDA's and other federal economic development programs in the region. The programs and responsibilities that I referred to earlier, which are being transferred to me from other departments and agencies, will come to me with their budgets and person years. They will not, of course, be financed out of the \$1.05 billion that the Prime Minister has committed to the agency for the next five years. That amount is new money for a new agency and for new programs. I will preside over a committee of ministers from the Atlantic provinces which will monitor the activities of the agency and meet on a frequent basis with the president to review the mandate of the agency.

Honourable senators, in creating this agency the Prime Minister sends a strong message to all in Ottawa, or to all in the region who are interested in these matters, that the battle against regional disparity is the Prime Minister's priority. While some exception has been taken in the other place to the appointment of an honourable senator to have responsibility for it, the fact of the matter is that the Prime Minister wanted to have a minister who was not already burdened with heavy departmental responsibilities and who was responsible for a central agency that cuts across departments and agencies of government and has a government-wide mandate. The Prime Minister is also sending a strong message that an effective attack on regional disparity is vital to any proper concept of national reconciliation and national unity.

I would like to say one word to honourable senators with respect to my duties here. Every time that I undertake something in addition to my responsibilities in this place as Leader of the Government, it increases the workload on my colleagues, the Deputy Leader of the Government, Senator Doody, and the Chief Government Whip, Senator Phillips. Therefore, I wish publicly to thank them for their cooperation and forbearance, and to acknowledge the considerable assistance that they have been to me in relieving me of many of the