

*Supply*

**An hon. member:** It was ingenuous.

**Mr. MacKay:** It was ingenuous because the then Premier of Nova Scotia, the Hon. Gerald Augustine Regan, could not agree with his colleague who was then the Minister of DRIE, the late Don Jamieson, about who should become the chairman of this great new Liberal agency. There was a defeated Liberal cabinet minister named Scott McNutt who I believe is still alive. This held up the use of this agency for years.

Finally, Madam Speaker, do you know what the Liberals did with the millions of dollars that was put in there to help develop the economy? They bought a German cruise ship, the *Mercator*, which became one of the biggest scandals in Nova Scotia. That was economic development as practised by the Liberals in Nova Scotia. Naturally the ship sank just as their government sank. It will be a long time before we see regional economic development Liberal policies in Nova Scotia again.

ACOA while not perfect is doing exactly what it was designed to do: to promote entrepreneurship and co-operation with provincial governments and other institutions, to foster regional economic development, to work closely with other federal departments to ensure that their policies and programs assist our own efforts and, finally, to advocate the regions best interest here in Ottawa and elsewhere in the country on activities such as federal procurement.

• (1250)

For example, ACOA was recently instrumental in getting the Sea Sell promotional campaign sailing again for tourism. It successfully lobbied in favour of Cape Breton's Micronav project which landed a huge contract to manufacture microwave landing systems for Canadian airports.

We are also presently actively involved in finding solutions to difficult economic conditions in regions such as the Summerside area, northern New Brunswick and the numerous towns and villages affected by fish plant closures in Newfoundland and Nova Scotia.

A few weeks ago I announced the new elements of ACOA's action program and changes to the levels of assistance provided. These modifications were based on consultations with business organizations last fall and in response to recommendations from numerous sources,

including the ACOA advisory board and officials at all levels of government and business communities.

Under a new supplier development element, ACOA will pay up to 75 per cent of eligible costs associated with bid preparation and 50 per cent of eligible costs of other related activities. In the area of marketing development, which is so important in Atlantic Canada, ACOA will provide up to 50 per cent of the cost of such items as design, new package development and promotional material. Assistance will also be available for up to three years toward the salary of qualified marketing personnel to implement a marketing plan.

To enable ACOA to invest in larger projects, the agency can now make direct contributions to projects up to \$10 million in eligible costs. The previous ceiling was \$200,000 in eligible costs. We had to do this, as my friends opposite know, in response to our share of deficit reduction last year.

These contributions and other modifications are aimed at easing the burden of project financing for businesses and for other innovative enterprises. ACOA has assisted, I believe, practically every university in Atlantic Canada. I have a list here. It would probably take me 20 minutes to put them all on the record. My friends from Atlantic Canada know that is true. Whether it is St. Francis Xavier, Memorial, Acadia, or University of Moncton, all these universities have benefited from funds for research and development and other causes that ACOA made available.

I want to respond to my colleague opposite in a spirit of charity and understanding. Like me, he comes from an area where there are tough times. He knows that there are certain industries that need help and certain industries that are doing very well, but as Abraham Lincoln said: "You don't strengthen the weak by weakening the strong". Those industries that are doing well in our regions are providing a lot of spin-off jobs and an inspiration to others to emulate.

I believe the Prime Minister summed up the situation, at least in so far as it applies to Atlantic Canada, in Halifax last week when he said that ACOA is an integral part of our blueprint to increase economic prosperity in the country and to enhance Canada's international economic competitiveness.

With the extraordinary economic opportunities the free trade agreement now offers to Atlantic entrepreneurs, ACOA will continue to play a strategic role. I believe that ACOA, along with FEDNOR and western