

*Government Organization Act, 1983*

Schedule II, which appears on page 21. My reason for doing so is that these particular parts are specifically concerned with the issue of regional economic development and federal structures in that area. There is also the matter of the political will, at the federal level, to deal with development issues in general, whether we are talking about development requirements in areas under federal, provincial or even municipal jurisdiction.

Since 1969 and even before then, when a start was made with the ARDA and FRED agreements and these development tools were first introduced, the federal Government expressed its intention to analyze the general economic situation in certain regions and to identify regional problems and needs, to see how government aid, whether federal or provincial, could be used to maximize regional resources and to create projects to deal with the situation in disadvantaged regions. Industrial development is one thing, but regional development is a different thing altogether. Industrial development means that we want to promote industries existing in certain regions. Some examples are mining, forestry and fisheries. Industrial development means that we are going to take a look at an industry that is typical of a given region, and see what we can do to improve it. Regional development however, is directly concerned with the general situation in a region, and the purpose is to change that situation. Such changes may sometimes be unfavourable to a given industrial sector or policy, because, as I said earlier, they are aimed at improving the general situation in the region.

● (1900)

Mr. Speaker, especially since 1969, the federal Government has somewhat modified its policy. Instead of the ARDA and FRED agreements we had had since 1965 or 1966, and even before then, maybe as early as 1964, a decision was made to create a department, namely the Department of Regional Economic Expansion. It would have its own budget like other federal Departments and would conclude agreements with the Provinces on economic development and would also administer legislation on industrial incentives. The latter can be done without consulting with the Provinces, because it consists in providing assistance to individuals or businesses.

Thus, the Department of Regional Economic Expansion had two functions.

Part of the Bill refers to agreements with the Provinces. Obviously, it was essential to enter into agreements with the Provinces, because in order to promote regional development, it is necessary to explore all possibilities, especially in the less well-off or smaller provinces. We cannot say: This should be done by the federal Government and that should be done by the provincial Government, and let both parties do their share. It is absolutely necessary to make use of all the resources available at various government levels through development

agreements. That is what the Department of Regional Economic Expansion was trying to do in connection with its responsibility for regional development.

Today, we have a Bill that is supposed to change this Department by amalgamating the section responsible for industrial assistance with the Department of Industry, Trade and Commerce. As far as this aspect of the Bill is concerned, I am entirely in favour of the proposal. I think it is an improvement. There is or was no valid reason, at least after DREE had been in existence for ten years, to have parts of the Department of Industry, Trade and Commerce that were responsible for industrial development competing with the Department of Regional Economic Expansion which dealt with regional interests. I think it is far better to put those parts of the Department of Industry, Trade and Commerce that could be called the vertical parts of industrial sectors together with DREE, in order to give the Department of Industry, Trade and Commerce a better awareness of regional needs. So that part is an improvement. There is also the other part which deals with agreements under which investments could be made in various infrastructures, such as roads, industrial parks and municipal developments in certain cities. In other words, under those agreements, we could do everything that governments should do, and it made no difference whether the need came under federal or provincial jurisdiction.

Of course, the general development agreements signed since 1974 are not affected by this Bill, since they did not come under the statute which established the Department of Regional Economic Expansion. The agreements are therefore still in force and the Government has said that it will renegotiate them with the provinces when they expire. However, there are some concerns about this aspect of the Government reorganization. Of course, reorganization is already a fact from an administrative point of view, even though the Bill has not been passed. There are some concerns, and I know that several of my colleagues from the Atlantic provinces on this side of the House, as well as some Members on the other side and many provincial Premiers, Ministers and MLAs also believe that it will be a good thing to have, at the federal level, a Ministry of State for Economic Development which, instead of acting like a Department, will act as a secretariat and try to make all federal economic departments aware of the problems so that federal agencies in various regions will be better co-ordinated. There are co-ordinators in each province who are working on this. I have no objection to the Federal Government trying to promote better co-ordination among economic departments, that is the Department of Transport, the Department of Fisheries and Oceans, the new Department of Regional Industrial Expansion, the Department of Agriculture, the Department of Energy, Mines and Resources, and so on. I have nothing against that, quite the opposite.

I am happy to see that one of the benefits of this reorganization will be that a secretariat or group within the Federal