

Mr. Flemming (Victoria-Carleton): Has the hon. member brought this to the attention of the present Minister of Trade and Commerce?

Mr. Regan: I think I am doing it most effectively at the moment.

Mr. MacInnis: Make sure he reads it.

Mr. Regan: I am very gratified that the Atlantic development board was established by the previous government. I am more gratified that the present government has given it funds to carry out its work. That these types of equalization assistance will be given by the federal government to areas that need assistance, is a basic part of our confederation.

There are in Canada today those who say that the shape of confederation must change, that the provinces must gain more autonomy, that Canada must become a group of loosely federated states, with each province retaining most of its own taxing power and the field of operations of the federal government severely restricted. I want to say I am distressed at this conception of confederation. There are many in Nova Scotia who say that we could not and would not stay in that type of confederation.

The proper and original concept of confederation envisaged a united nation in which the outlying provinces would receive some form of equalization assistance in return for being subjected to the tariffs which protected the industries of the central provinces.

It has always been the case that we could buy almost any commodity from the United States or from abroad rather than from Quebec and Ontario, were it not for the protective tariffs. Some consideration must be given in return for making us a captive market. This Atlantic development board is such a consideration; but these acts of assistance or equalization could not be granted by a federal government which had given away most of its taxing powers to the provinces.

So, I say again that in any reform of confederation the federal government must be left in a position that will enable it to carry out its historical and constitutional responsibilities; otherwise, through retrogression we may move to the status of a group of divided, Balkan type states.

We have a great need to develop a new type of biculturalism in Canada. We must rectify the cultural and commercial inequities that exist between the French and English speaking races, but we must not allow this to be used as an excuse for the shifting of power from the federal government to provincial governments. The federal

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government must be left the necessary powers and taxing authority to carry out its proper role.

I suppose there are a number of different opinions on the role that the Atlantic development board should carry out, and I should like to give my concept of the board's function. I submit that the board should proceed with the expenditure of the allocated funds only after thorough research. Too often in the past attempts to prop up the economy of the maritime region have failed, with ad hoc expenditures resulting in no permanent improvement. We wonder today if this latest effort to alleviate our economic problems will succeed where others have failed. To this end I urge that the board undertake no capital expenditure until research has clearly shown that the expenditure will in turn produce lasting improvement to the economy, commensurate with the amount of the expenditure.

The hon. member for Cumberland (Mr. Coates) who is not in his seat at the moment, strongly advocates the building of the Chignecto canal. I am not sure this is economically logical. At least one member of the present board has indicated he is in favour of it but, using this as an example, all I ask is that the board thoroughly determine whether such a project, after completion, would have any marked effect upon our economy, and whether any improvement it did spawn would bear a reasonable relationship to the amount of the expenditure. If not, then the canal should be rejected in favour of some other project capable of more significant, lasting effect.

I submit that the board should not rush into a rash of quick expenditures for political reasons, because of an election coming on in three years time, or anything of that nature. Let us have the initial emphasis on research. I am not at all sure that the board should do the research itself. In many instances I think it should be done by outside consultants. Then I am sure that when the board can present well documented results to Ottawa and show it has sound proposals, its thinking can be marketed here in Ottawa. That is the most important role the board can carry out, and if it shows good justification for the expenditure of \$400 million rather than \$100 million, I am sure the government will be ready to spend that amount.

The 11 members who make up the board have the function of riding herd on the operation, but obviously because of the part time nature of their services the research, as I have said, should be done by outside groups.

The board has already indicated that it would study the effect of winter navigation