

*Government Organization Act, Atlantic Canada, 1987*

would like to take the time of the House to review with my colleagues and with Canadians what some of those recommendations were, and whether or not they are reflected in the new policy of economic development envisioned by the Atlantic Canada Opportunities Agency.

The first recommendation was that the regional economic development task must be carried out by separate responsibility centres, sensitive to the regional needs. We now have that. Each of the provinces have offices with a certain degree of autonomy, and the headquarters of the Atlantic Canada Opportunities Agency is in Moncton, New Brunswick.

The second recommendation was that the federal Government should continue to maintain a strong role in Canada's regional development efforts while recognizing the contributions that provincial and municipal Governments can and should make in this effort. The reason for this recommendation is quite simple. We want the federal Government in the regions because the federal Government has at its disposal certain levers of national economic development. It has financial resources and expertise that can be employed in the regions.

We also want the provincial and municipal Governments to recognize that they too have a role to play, that the provincial or the municipal Government can no longer say that there is an economic problem in the community because of the federal Government. The people in the regions must recognize and in fact do recognize that they have the ability and the mandate to address their economic problems and to move forward from that point onward.

Another recommendation was that areas of weak economic performance should be eligible for assistance aimed at diversifying and strengthening the local economy. Economic development assistance for such areas should vary in accordance with the needs of the local economy. We see that in Bill C-103. Bill C-103 has an explicit provision for the Minister to designate an area for special economic treatment even within the Atlantic Canada region. That shows the flexibility and sensitivity which the committee recommended one year ago.

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The committee believes that the federal Government's efforts to promote economic development in Canada could be considerably improved by establishing a stronger federal presence in the regions of Canada. We see this recommendation as well reflected in Bill C-103. We also recommended that communities and local development groups should be eligible to accept responsibility and financial resources from the Government of Canada so that they can participate in the task of economic development. In other words, people who live in a region of perhaps a radius of 30 miles may have recognized a peculiar economic opportunity which, until that time, had not been recognized. There is now a mechanism under which they can promote their idea which, hopefully, will result in long-term economic development.

The regional development eligibility criteria for prospective business investments should be broadened to include all forms of business activities in all sectors of the Canadian economy. Under program coverage one year ago the committee advised the Government to recognize that there were businesses which require loan insurance, there are other businesses which would prefer an interest buy-down, there were businesses which are short of capital and would prefer a grant, and there were other businesses which might prefer some help on infrastructure. The Atlantic Canada Opportunities Agency reflects all of these recommendations of the House of Commons committee which reported one year ago.

I came to this House with the intention of participating in the development of national economic policy. I chaired this committee which was able to bring forward recommendations that we believed to be in the best interests of economic development in the regions of Canada. It gives me a great deal of pleasure to see that these recommendations were accepted and are reflected in the regional development policy which we are discussing today.

Another very important and specific recommendations that the committee made one year ago was that progress payments be made to investors. In other words, as an investor puts up a building or acquires machinery a progress payment should be available in order that the investor does not have the burden of bridge financing over a number of months, which is costly and often very difficult because our national banks have not been supportive of regional economic development.

Our banks have not accepted what I believe is their responsibility, that is, to play a role in regional economic development. They want a nice, safe, secure investment. This recommendation recognizes that progress payments will make it a lot easier for many investors to acquire the necessary financing and get their business up and operating. That very specific recommendation was accepted and announced as government policy by the Minister some time ago as part of the action program.

Industrial development policies and assistance are continued as well. National industrial development policy is continued under DRIE. Businesses in Atlantic Canada are not restricted to the Atlantic Canada Opportunities Agency. They can take full advantage of the industrial policies which apply across the country.

We recommended that federal procurement policies, and in particular defence contracts, should play an even greater role in the federal-regional development effort. I am proud to say that since that recommendation was made one year ago the Government of Canada has confirmed that the remaining frigates will be built at the Saint John shipyard. That means security for thousands of New Brunswick workers. That is federal procurement policy working for the benefit of Atlantic Canada. That is another reason I take particular pride in the initiatives of our Government in Atlantic Canada.

All purchasing departments of Government must also be ordered to review the specifications put on goods which they