

The Throne Speech made in the fall of 1986 was quoted earlier in this debate, so I will not repeat what was said. However, I would like to stress that the present Government is determined to increase the effectiveness of regional development programs by directing the majority of its scarce resources to those regions that need them most, by adjusting its programs to local needs and circumstances and by increasing participation of the regions concerned in the decision-making process.

To that end, we are establishing, within Industry, Science and Technology Canada, a new organization that will be specifically concerned with Quebec's regional development needs.

If new federal programs are to be effective and fair, they must allow for the duality in Quebec's economy. The province, seen as a component of Canada's economy, has two distinct economic regions with two very different levels of development. First, we have industrial Quebec, centred in the Greater Montreal area and covering the entire southwestern part of the province. This economic region is satisfactorily integrated in the economy of North America, but its industrial productivity tends to lag behind that of southwestern Ontario and the northeastern United States, while a high proportion of jobs are in traditional industries.

Then there are Quebec's peripheral regions that depend on natural resources. These regions range from the east to the northwest, and the economic situation is similar to that in the Atlantic Provinces. The economy of these regions, with the exception of eastern Quebec, has received no special assistance under previous regional programs. I would like to add that in these peripheral regions, there are five major resource areas: Eastern Quebec, the North Shore, the Centre-North, Western Quebec and Northern Quebec.

Madam Speaker, comparisons with other regions in Canada make a clear case for the need for special regional development measures, both in the resource regions and the central regions.

A five-year economic development agreement for Quebec's regions was signed on June 9, 1988. It provides for funding worth \$820 million, of which \$440 million is to be provided by the federal authorities and \$380 million by the province, money to be spent on the development of resource regions and the province's central regions.

### *Regional Development*

Furthermore, \$40 million has been earmarked for a private sector program in the forestry industry in Eastern Quebec, and \$75 million has been allocated by both levels of government to refinance current ERDA subsidiary agreements.

The new development agreement for Quebec's regions has six objectives: to involve local entrepreneurs; to promote the exploration and processing of natural resources; to promote technological development; to strengthen the competitive position of local businesses; and to encourage economic diversification.

And finally, to promote integration with the Canadian and North American markets so that the regions can fully benefit from the Canada—U.S. Free Trade Agreement.

Regional consultations have made it possible to consider the local point of view in planning, so that the final version of the Agreement reflects the needs and priorities expressed by business people throughout the province. A consultation committee in each resource region, made up of the best-known business and community representatives, will ensure continuing local participation in decision-making.

The principles stated above, namely decentralization, consultation and emphasis on the most disadvantaged regions, are at the heart of the Agreement. The specific needs of each region will be defined, as well as the programs required to complement the national programs.

Furthermore, Madam Speaker, the special needs of the central regions of Quebec have been considered. A federal program to improve manufacturing productivity has been implemented. A joint innovation program is now being discussed with the province and the new agreement provides for an industrial adjustment program.

Also, a special program for Montreal and the disadvantaged areas of the central regions of Quebec is planned, in addition to the federal program to support restructuring in east-end Montreal, which is already established.

Madam Speaker, with these programs, Quebec can finally benefit from the type of regional development assistance that only an effective federal approach can provide.