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Hon. Members will know that over the past dozen years or more the present Government has focused totally on the question of designated areas, areas that fall within the regional criteria of regional disparities. Certainly the Atlantic area has been more than fairly treated in the designation of funds within the legislation for the development of projects, infrastructure, highway development, port development and other major capital projects. This opportunity then allows me to take issue with the terminology in the motion brought forward by the Hon. Member for Hillsborough. I would like to put on record and correct the facts with regard to some of those expenditures, and his error in condemning the Government for the good work it has accomplished on the much needed projects in the Atlantic region.

In the new structure of Government, we have seen the reorganization of the former Department of Industry, Trade and Commerce, which has been integrated into the Department of Regional Industrial Expansion with MSERD becoming responsible for policy, and the formation of the new Ministry of Economic Development, with the thrust of this legislation and the funds allocated thereto. We will also see the continuation of that very positive initiative that the Government put in place through the Department of Regional Industrial Expansion. With trade questions being allocated to the Department of External Affairs, where there will be a more harmonious and efficient application of the kind of work that should be carried out jointly between the Department of External Affairs and Trade, it was, and is, appropriate that questions of international trade and trade matters be connected and that we have this type of co-operative effort within the Department of External Affairs. We see now that the Minister for International Trade (Mr. Regan) and the Secretary of State for External Affairs (Mr. MacEachen) will work in close harmony and will direct the operations and programs which fall within their responsibilities.

The Minister of Regional Industrial Expansion together with the Minister for Economic and Regional Development will work jointly in a co-operative way on developing policies and developing the proper form for the continuation of economic expansion in those designated areas that continue to require the traditional assistance, such as many of the areas in the Atlantic provinces. Once a proper plan has been developed for economic growth in the four Atlantic provinces, those policies will be addressed and fully implemented through the new Department of Regional Industrial Expansion. The projects are funded with money freed up under existing agreements, agreements which have expired, and are allocated by region along traditional DREE expenditure lines. The Government has made a serious commitment to maintain regional economic development expenditures, at least at the historic level of the former general development expenditures agreements. The result is that we will provide resources in addition to those normally available through line Departments to support special regional development initiatives in all parts of the country.

Let us look at funding of the DREE GDA sub-agreement expenditures and a program financed from the regional fund. These figures show that regional spending allocation levels are being maintained. For example, in 1981-82, \$155.9 million was committed to the Atlantic region. In 1982-83, under the new system, \$214.4 million was committed to the Atlantic region. That is a substantial increase, even taking inflation into account. I firmly believe that these figures refute the argument that the system under which we now operate is detrimental to the Atlantic region's interests. The system now places more emphasis on agreement by the federal and provincial governments on broad, long-term development priorities in each province that can be approached in ways that do not necessarily call for signed sub-agreements or joint program delivery. This will result in a smoother delivery operation. Such joint delivery remains possible under the current system, and there are already examples of this having happened, as exemplified by some of the agreements already in place or being negotiated under the ERDAs which the federal Government has signed with the Provinces of Manitoba, Saskatchewan, New Brunswick and Nova Scotia.

What we are proposing with separate delivery is co-operative and co-ordinated planning but independent action. For example, if there is a clear need for a new port and a community to serve it, the federal Government can deliver the port while the province establishes the infrastructure for the community. It is a new approach. Without doubt there have been some start-up difficulties, some growing pains, over which we have all shared some concern. As the appropriate officials are put in place in the four Atlantic provinces and as the negotiations continue between the federal representatives, the Ministers responsible and the premiers of the provinces we will see a clear effort being made to ensure that those projects that are of priority and are ready to go ahead will go ahead as expeditiously as possible.

All the changes I have mentioned are designed to ensure that the whole economic development spending capacity of the federal Government, which I mentioned earlier, which involves billions of dollars, is used not only in pursuit of national objectives, as was the case in the past, but also is targeted increasingly toward regions such as the Atlantic area.

The priority that this Government has attached to this subject is evident in the actions that have been taken by this administration. An outstanding example is the creation of the Department of Regional Industrial Expansion in the early years of our administration. This was a daring and innovative move towards a solution to tie together a variety of desperately thinly spread economies and to make them work within the scope of the nation.

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Over the years, DREE has provided substantial physical infrastructure assistance to the less advantaged regions of Canada. In the process, it has laid the basis for economic expansion and indeed has resulted in job creation. Much of that necessary infrastructure is now in place. There are ports,