

Supply

The Action Program, by its very name, promised to cut the bureaucratic red tape which was clogging the process. More than 5,200 applications have already been approved from a total of 12,000 applications received. This is more than 10 times the number of applications received under any of the old programs, and almost 15 times the number approved for implementation. The record is impressive to say the least.

Close to \$600 million has been committed in the form of contributions to business investments. I ask you, Mr. Speaker, does that sound like economic devastation?

These funds will be expended over a two or three-year period as the business investment is put in place and as the government support is drawn down. Expenditures on incentives were in the order of \$160 million in the past fiscal year alone. ACOA's main estimate forecast for the coming year is \$280 million in financial assistance to business as a majority of the projects supported to date complete their investment plans.

How does this compare to previous Government policies? In the five-year period from 1982 to 1987, prior to the creation of ACOA, federal spending on business incentives averaged between \$30 million and \$35 million per year. The 1989-90 forecast of \$280 million represents an eight-fold increase in historical average. The impact on the Atlantic economy of course goes beyond contributions by Government. Associated with every dollar of Government funds is close to \$2 of private investment.

The Action Program has reinforced and contributed to a major resurgence of private investment in the Atlantic region. For example, capital investment was up 13 per cent in 1988. This year, the regional increase in capital investment is expected to exceed that for the country as a whole. I say to the hon. member for Gander—Grand Falls (Mr. Baker) who put forward this motion, this is hardly an indication of economic devastation.

A particular objective of the Action Program is to help foster the start-up of new companies. As I have indicated, the program was designed to respond to the special needs of business.

I have had some experience in starting new businesses in the Atlantic provinces. I am pleased to say that for 30

years one of those I have started has survived the ups and downs, sometimes barely, and manages to exist still.

While financial assistance provided under the ACOA program in the past year has contributed to more than 400 people getting into business in Atlantic Canada for the first time, an idea of the impact of the program can be seen by the fact that small business formations, that is, firms with less than 50 employees, have increased by 12 per cent in the Atlantic region in 1988 as compared to 10 per cent in Canada as a whole.

The Action Program has also introduced a comprehensive and flexible program of support for the study of business planning and new innovative business ideas. As anyone familiar with the business world knows, good planning is essential to success.

Nearly 1,000 studies have been financed under the Action Program. About two-thirds of these studies were undertaken to examine the feasibility of starting a new business.

Innovation is commonly thought to be an embracing of the development of new products in the so-called growth technologies, such as microelectronics, computer software, bio-technology and advanced industrial materials. I can recite a number of cases where, with ACOA's assistance, products that are fast becoming the way of the future are already being developed in Atlantic Canada.

ACOA has also committed over \$100 million in support to non-commercial organizations such as universities and business associations. I am pleased to say that in the capital city area of Fredericton close to \$25 million—and I am not sure of the exact figure—has been contributed to the New Brunswick Research and Productivity Council and to the University of New Brunswick for the development of science and technology based innovative support for business and industry not just in New Brunswick but throughout Atlantic Canada.

The Fisheries Association of Newfoundland and Labrador, for example, is one indication of the kind of innovative support provided by ACOA which has received close to \$1 million—\$945,000 to be exact—to undertake a three-year program to promote the sale of Newfoundland capelin roe in the Japanese market.