

that had been, for the most part, in the DRIE estimates, and it was transferred to ACOA. Money for any new economic development agreements of that kind does not come out of the \$1.05 billion, which was new money appropriated for new programs in the field of encouraging small business and entrepreneurship, and so forth. I am simply confirming what I have said on that subject on many occasions here and elsewhere.

Senator Thériault: My specific question concerned those two federal-provincial agreements that you and my colleague mentioned as having been reached with Newfoundland. Where is the money coming from for those two specific programs? Is it from ERDA or ACOA?

Senator Murray: Honourable senators, I am not sure what distinction the honourable senator is trying to make. I repeat to him that the \$1.05 billion of new money allocated in June of 1987 was for new programs relating to the encouragement of entrepreneurship and small business, and so forth. The money for the extension of the Labrador agreement and the rural development agreement does not come from that fund. That is what I am telling the honourable senator. It comes from the funds that are available to ACOA in respect of ERDAs.

Senator Thériault: Honourable senators, if it is possible for Newfoundland under the terms that you have described, why is it not possible for New Brunswick to have some agreements from that ERDA money?

Senator Murray: Senator, no one ever said that it was impossible.

Senator Thériault: Why are the governments of the maritime provinces told that they have to await a budget while money is being allocated to the province of Newfoundland at the same time from the same area?

Senator Murray: Honourable senators, I would suggest that my friend get a copy of the press release that Premier Peckford and I put out some months ago about the extension of the rural development agreement and the agreement to negotiate an agreement for Labrador. He will see that we had an agreement in principle. Since that time the details of those agreements were arrived at in negotiation between the federal government and the province concerned. As I indicated in response to a question from Senator Corbin a few minutes ago, the discussions are ongoing between the federal government and the four Atlantic provinces.

Senator Thériault: Honourable senators, the minister knows very well what is happening in Newfoundland. No wonder I added half a billion to the ACOA budget. What I had in mind was the \$1 billion that was given by your government to Saskatchewan when a provincial election was called. Therefore, I am surprised that the government and the people of Newfoundland would settle for \$50 million or \$60 million.

● (1520)

However, for the first time in the federal-provincial negotiations with respect to these programs a provincial government has been told that it must wait for agreement on such programs until the budget comes down. I can well understand the

government's position that provinces can and should be told to wait until the federal budget comes down with respect to the amount to be allocated to such programs. However, I do not agree that they should be asked to wait to find out whether or not the programs will proceed. Why is that happening now?

Senator Murray: In fact, honourable senators, the budget will determine the amount of money that is available, and there will be a fiscal framework and information tabled with the budget not just for the next year but for the next five years. Indeed, the question of whether this or any particular agreement will go ahead and what will be contained in the agreement is a matter for negotiation between the two levels of government.

Senator Thériault: Honourable senators, the fact of the matter is that the Government of New Brunswick has made an offer to the federal government that New Brunswick is prepared to proceed on its own with respect to these programs if it can be assured that, when the budget comes down, regardless of the date, the federal part of the program will be refunded to it. However, it has not yet received an answer to that proposal.

Senator Murray: I can only say, honourable senators, that negotiations between Ottawa and New Brunswick have not yet reached the stage where the federal government is prepared to agree to the renewal of all of those agreements.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE ADJOURNED

The Senate proceeded to consideration of Her Excellency the Governor General's Speech at the opening of the session.

Hon. Gerald R. Ottenheimer, seconded by **Hon. Roch Bolduc**, moved:

That the following Address be presented to Her Excellency the Governor General of Canada:

To Her Excellency the Right Honourable Jeanne Sauvé, a Member of the Queen's Privy Council for Canada, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

May it please Your Excellency:

We, Her Majesty's most loyal and dutiful subjects, the Senate of Canada in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

He said: Honourable senators, I am pleased to have this opportunity to express some views with respect to the Speech from the Throne and the government policy announced therein yesterday.

[Translation]

First of all, sir, I wish to congratulate you on your appointment as Speaker of the Senate. I hear that you are only the