

Senator Olson: Let it be clearly understood so that there is no misunderstanding that this program has been in effect before. We hoped that it would work then, and we hope it will work now, but let there be no misunderstanding that there has been any new thought. They have resurrected old thoughts.

Listening to the minister I was amazed. His speech was exactly the same as the speeches I made at that time, so I hope it works.

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, I regret I was delayed briefly in coming into the chamber and for that reason I asked my colleague, Senator Frith, to make some initial comments, because he had heard the full statement, which I had missed in part.

However, I have at least a reasonable grasp of the import of the minister's statement based upon material which he had circulated earlier and the announcement made by the Prime Minister.

I congratulate the Leader of the Government in the Senate on, as my colleague has said, the confidence the Prime Minister has placed in him, and I welcome the opportunity of giving the question of regional development, insofar as the Atlantic provinces are concerned, even higher profile in the Senate. I believe that will be a positive development, good for the program and good for the region.

I am not quite certain precisely what philosophy of regional development the Government of Canada espouses. In the initial budget presentation of the Minister of Finance, it was very clear that it was expected that the private sector would become the principal engine of development in the Atlantic provinces and the public sector would be subordinated in regional development policy.

Indeed, in that concept, the energy industry was expected to provide a fundamental thrust to the development of the Atlantic region. Of course, that expectation was not realized, and as the government philosophy of private sector development was implemented, it was discovered that it was inadequate and that it was still essential to maintain a good deal of public sector involvement in the Atlantic provinces.

Not so long ago, when the free trade debate was held in the House of Commons and here in the Senate, it was held out to us that the major future prospects for the Atlantic region rested upon the successful conclusion of a free trade arrangement with the United States. I thought at that time that the government had reached a development policy which was based upon the negotiation of a free trade arrangement with the United States. But now, more than two and a half years after it assumed office, we have a new program and a new thrust by the government. We can only conclude that the government has realized rather belatedly that its efforts to date have been ineffective, or to put it another way, have not achieved the objectives originally held out.

It is easy to see why the government should reach that conclusion. The Canadian economy has moved out of the recession, and economic growth is reasonable on the basis of national averages. But the fact of the matter is that the

[Senator Frith.]

recovery and the growth have been concentrated, in the main, in the province of Ontario and, to some extent, in the province of Quebec. The recovery, for reasons well known, has bypassed western Canada because of agriculture developments and because of energy policy and developments.

It is obvious that the recovery has bypassed the Atlantic provinces completely. In my province, the economy is weaker today than it was during the recession. That is the fact. The unemployment statistics for April of this year for Nova Scotia were higher than they were during the recession. That is not good news, and that is just the average for Nova Scotia. Speaking from memory, the unemployment rate in April of this year was the highest April rate in my province since the Dominion Bureau of Statistics began to keep statistics in, I believe, 1966. That is a reflection of what has happened in the Atlantic provinces.

I make this point, honourable senators, to underline the fact that a new thrust in regional development is urgently required. After we examine the new program, we hope to be able to determine whether it has the capability of achieving the objectives that have been set forth.

In conclusion, honourable senators, I welcome the appointment of Ambassador McPhail as the head of the new economic office in the Atlantic provinces. I believe he has an excellent grasp of the economics of the Atlantic provinces and will prove to be understandable and approachable in the administration of these programs. I wish to emphasize that this is a new stage and a major challenge for the minister, because at this moment the economies of all of the provinces of the Atlantic are quite weak and need new impetus.

Hon. L. Norbert Thériault: Honourable senators, I, too, want to join with my colleagues in offering congratulations to the Honourable Senator Murray, first, because he is one of us, and, second, because he has a good knowledge of New Brunswick, having been the Deputy Minister to the Premier of New Brunswick.

I, like most New Brunswickers and I presume all people from the Atlantic provinces, watched with care and attention the announcement that we knew was coming. If we can accept the word of the Prime Minister this time that this will be \$200 million of new money, then we all have to rejoice, but, as my leader just pointed out, after almost three years of this government, this is sadly needed in his province, as it is in my province.

What concerns me, and is starting to concern a number of people in my province, is the fact that the announcement also stated that the agency would require 300 people. The Leader of the Government has stated that these programs will be in addition to the programs—the joint programs and others—already existing in the Atlantic provinces where the federal government is involved. So, I have to ask myself—and perhaps the minister could look at this and give me an answer some time—where are those 300 people to come from? It is nice to say that we will have all of the same programs; but we all know that it takes people to administer programs. So, if the