

*Government Organization Act, 1983*

disparities will reach an all-time low because there will be no one department of Government with a mandate to attack the problems of regional disparity as differentiated from national development.

In economic development there are federal responsibilities, provincial responsibilities and shared responsibilities. The provincial Governments in the wealthier Provinces are better able to discharge their responsibilities than are Governments of less wealthy Provinces. The general development Agreement recognized this and provided for assistance from the federal Government to less wealthy Provinces in order to help them in their development efforts. The weakness of the general development agreement was that it did not provide for the integration of programs in the area of federal jurisdiction into the total development effort of the Province.

Divided responsibility for economic development should be recognized and the need to co-ordinate federal and provincial efforts should also be recognized so that all development activity is oriented to the achievement of common objectives. The federal Government should have a primary interest in regional economic development since it is only through an effective federal regional development effort that Canadians in all parts of the country can achieve reasonably similar employment and income levels.

Also, in the less wealthy Provinces it is only with federal Government assistance that smaller areas of high unemployment and low income can move toward national standards. In addition, the achievement of these goals can mean the reduction of transfer payments and real savings to Canadian taxpayers.

DREE followed a sound strategy when it focused on growth centres within depressed regions, but in later years it has signalled a departure from the practice of building on strengths. A classic example of this occurred in New Brunswick where the Fredericton-Saint John-Moncton triangle was excluded from the 50 per cent tax investment credit. This scattergun kind of approach is inefficient and unreliable. It may involve heavy expenditure on infrastructure and incentives only to have the subject collapse or require permanent subsidization because of conditions in a particular industry or company. Almost inevitably, moreover, the case by case approach ignores provincial planning and priorities. It is not surprising that DREE's greatest success has occurred under the auspices of the general development agreements.

The decision of the Government to allow existing general development agreements and the subsidiary agreements under the umbrella provisions of the GDA's to expire on termination is indeed regrettable. Last year in New Brunswick all of these agreements had expired except one, and that agreement has either expired very recently or is just about to expire. Its replacement is not in effect, and during the budget speech of the New Brunswick Legislature the Premier of New Brunswick underscored the great difficulty he and his departments have had in developing a new framework agreement.

Nothing could be simpler than the general development agreements themselves and nothing could be more appropriate

to the needs of the areas being served by the subsidiary agreements than those agreements which in fact are the product of negotiation by the two levels of Government involved. To replace DREE in part with the Ministry of State for Economic and Regional Development and require it to inflict a developmental dimension on other departments of Government is to ask a fly to chase an elephant.

The fanfare that preceded MSERD is a lot of bureaucratic jargon. Unless the Prime Minister of Canada (Mr. Trudeau) personally heads up MSERD and unless he personally leads the attack on regional disparity, line departments of Government in times of restraint have not, and bureaucrats will not, accept any challenge other than the bare bones responsibilities of their departments of Government which now exist.

The absence of a single department or Minister exclusively committed to regional development does not augur well. The mandate to foster development in all regions is doubletalk. It is the negation of a concerted attack on regional disparity. In that sense it can truly be said that MSERD is absurd. The reference to regions in which opportunities for productive employment are exceptionally inadequate is hopelessly vague, and in any case, it appears last among the Minister's principal duties. There is no assurance that the Special Areas Act will prioritize genuinely regional as opposed to local underdevelopment.

The principle that all Government departments will be sensitive to regional needs is fine in theory and particularly appropriate now that regional equality is a goal enshrined in the Constitution, but it is meaningless without a specific designation of responsibility within each department. We have strong evidence that the opposite is likely to occur.

An obvious priority for regional development is the identification of possible foreign markets and the establishment of contact with potential foreign joint investors who already have their own market contacts. Yet that portion of the old Department of Industry, Trade and Commerce with international expertise is now going to External Affairs, which is not likely to give much attention to the needs of the Atlantic region *per se* unless specifically directed.

Moreover, it is clear that the Government has less determination than ever to co-ordinate its initiatives with those of the Provinces. It still has no designated successor to the general development agreements in place across Canada despite the fact that the Department has been in existence for over a year and that the ones completed are not an improvement over the ones which they have replaced. It proposes a regional development fund which invites a political and bureaucratic free for all; a search for sure winners rather than a consistent long-term policy.

The removal of the New Brunswick development office out of the capital city of that Province is a totally gratuitous slap at the ideal of intergovernmental co-ordination. The fact is that economic development in the Atlantic region can occur only when its unique conditions and opportunities are the central focus of policymakers. For example, it is clear that successful enterprises will be medium to small in size and that