

Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts.—(*Honourable Senator Graham*).

Hon. B. Alasdair Graham: Honourable senators, first, I should like to thank Senator Murray for his introduction of Bill C-103. As will become apparent, I do not agree with everything that he said, as I am sure he will not subscribe totally to everything that I am about to say.

● (1500)

It is now nearly four years since the Prime Minister, speaking in Halifax, stated:

A Progressive Conservative government will give the Department of Regional Industrial Expansion a specific legislative mandate to promote the least developed regions of Canada.

In October of 1986 the Atlantic Canada Opportunities Agency, ACOA, was introduced in the Speech from the Throne. The government stated that ACOA was "constituted to facilitate and coordinate all federal development initiatives in the area."

ACOA was given its mandate in June of 1987. That mandate reads as follows:

Coordination and planning of all federal activities contributing to the economic growth of the region; in particular, procurement, training and skills development, job creation, technology infrastructure development and local investment, promotion and responsibility for federal small and medium-sized business and industrial development policy and programs in the region.

The mandate is impressive. It is expansive. But I am disappointed that the mandate is not reflected adequately in the legislation before us today.

Clause 13 of the act states in part:

In carrying out its object, the Agency may,—

Among other things—

—(a) in concert with other concerned departments and agencies of the Government of Canada, formulate plans and integrated federal approaches to support opportunity for economic development of Atlantic Canada;—

AOCA "may" do that; on the other hand, it may not. It might have been more helpful in addressing the concerns of Atlantic Canadians if this section of the legislation was more explicit by instructing all departments of government to provide assistance whenever the need arises. In Atlantic Canada, poverty and unemployment must be addressed with every policy instrument at hand.

Clause 4 of Bill C-103 states:

The purpose of this Part is to increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned incomes and employment opportunities in that region.

The objectives are commendable, but some concerned people believe that the government may be backing away from specific goals of regional development, such as reducing regional

disparities and unemployment throughout Atlantic Canada, and most particularly in the most disparate areas of Cape Breton, Newfoundland and northern New Brunswick.

Honourable senators will know that previous governments continuously reaffirmed their commitment to regional economic development. Recognition was given to the confluence of economic forces which contributed to slow and uneven growth. It was understood that disparities would not be overcome overnight. For this reason the resources of several departments—DRIE, Transport, Energy, Mines and Resources, Supply and Services, among others—were marshalled to help address regional problems. Each department was to pull its weight in the national attack on regional disparities.

I have two specific concerns about a single regional agency with a single funding source. First, there is the danger that line departments with crucial regional responsibilities will not discharge their responsibilities. They might have a tendency to say, "Go to ACOA."

To illustrate this point, I suggest we look at the Canadian Job Strategy. This strategy was to reintroduce flexibility to the programs of Employment and Immigration. Instead, we have seen cutbacks, eligibility restrictions and a decreased emphasis on job creation. It is illogical, in my judgment, that the short-term unemployed must become long-term unemployed before qualifying for retraining assistance. The Canadian Job Strategy is not regionally sensitive and has been shown to be ineffectual in Atlantic Canada. Again, ACOA "may, in concert with other concerned departments, . . . formulate plans" to address this problem, but I believe that the legislation could be more explicit in this respect.

Second, I am concerned that ACOA's annual budget of \$200 million represents not new, additional money, as is claimed, but, instead, a ceiling on regional development funding in Atlantic Canada. Honourable senators will know that the Industrial and Regional Development Program, IRDP, was the largest funded program within DRIE. The government will also acknowledge that the sunset clause in the IRDP legislation takes effect in five weeks' time, at the end of June.

In his speech last week, Senator Murray made reference to the IRDP initiative. He did not say that new applications for funding would not be accepted after June 30 of this year.

During the fiscal years 1985 to 1987, IRDP funding was worth \$23.5 million to Newfoundland; \$4.2 million to Prince Edward Island; \$28.9 million to Nova Scotia; and \$59.2 million to New Brunswick. My point is that the term "new money" is meaningless if this program is not renewed in some fashion. I am sure Senator Murray will want to address that question.

Senator Murray also told us that in the past year ACOA has approved approximately 1,100 applications for funding and given assistance in the order of \$161 million. Those statistics are impressive, but it is my understanding that a very large part—perhaps close to 100 per cent of this money—was allocated under programs which predate ACOA. If that is true, I am not impressed.