

Canadian Organization Act, Atlantic Canada, 1987

The special investment tax credit upon which the Government hinged its whole regional development policy on Cape Breton has elapsed. Essentially, everything has been taken from an area that has one of the highest rates of unemployment in this country. The Government knows that the unemployment figures are bogus because there is no way of gauging the true problems in unemployment according to the system the Government has implemented. One no longer has the right to see the councillor in the unemployment office but must simply pick a job from the job board. People in Cape Breton have been unemployed for so long that they simply do not bother going to the unemployment office.

When one also considers the problems of the much older than average population, one can realize the true problems with the economy in Cape Breton. This Bill will not address those problems.

The Government is saying that it does not want to keep the Industrial Development Division that was established by an Act of this Parliament in 1967. It wants to set up a separate Crown corporation called Enterprise Cape Breton Corporation. It is essentially the same name as Enterprise Cape Breton, to be established under the Atlantic Canada Opportunities Agency. The reason the Government is not original in naming the other corporation is that they will eventually be merged, without anyone knowing the difference. That one operation will be a local office of the Atlantic Canada Opportunities Agency.

The President of Enterprise Cape Breton Corporation, which the Government intends to establish, is Mr. McPhail who stated before the Senate committee that the ACOA legislation was not necessary in order to have funding. He is also President of the Atlantic Canada Opportunities Agency and Enterprise Cape Breton, through its direct relations with the Atlantic Canada Opportunities Agency.

Essentially, we are dealing with three parts of the same entity. Whether there are three or 300 agencies in Cape Breton, if they operate under the same framework and according to the same system, it is only one agency. It is a complete fallacy to suggest that the Government is replacing the Industrial Development Division with a separate Crown corporation. The people of Cape Breton are gaining nothing whatsoever. They will lose the industrial division of the Cape Breton Development Corporation, with a budget of at least \$11 million a year in an area that has one of the highest unemployment rates in the country.

In 1967, this House decided that the people in that area needed this assistance. Today, there are fewer jobs in that area than in 1967. Those jobs are required to develop the economic framework in which people can support their families. The Government is not only taking away the funding, but the ability of the Cape Breton Development Corporation to decide how to apply that funding in the area.

I agree with the Deputy Government House Leader that it is important for people in Atlantic Canada to make their own

decisions. That will not be the case in Cape Breton if we lose the Cape Breton Development Corporation. It is wrong to put the people of Cape Breton in that position.

The Government believes that if it can pass this Bill through Parliament without any amendments, or without its being divided, it will be able to eliminate the Cape Breton Corporation Industrial Development Division. That will be a serious blow to Cape Breton.

The Government believes that the general benefits in the broad concept of the Atlantic Canada Opportunities Agency will allow it to include a measure that will adversely affect the people of Cape Breton. It believes that the people in the rest of Atlantic Canada will not bother with what fate befalls the people of Cape Breton, that the greed of the rest of Atlantic Canada will be paramount and win the day. That is not true. The Government has taken a cynical position with respect to the people of Atlantic Canada. The loss of this valuable agency will be devastating to the people of Cape Breton.

While we support the Atlantic Canada Opportunities Agency, it has many problems and is not the complete answer. The political nature of the agency is rampant and could turn into nothing but the biggest pork-barrel in the history of Atlantic Canada.

However, it is the only game in town for Atlantic Canadians, since the Government has decided that this is all it will do. The Government has provided funding to the various regions through the Atlantic Canada Opportunities Agency, the Western Diversification Fund and the Northern Benefits Program in Ontario. However, that is all it is going to give and will refuse any further requests from these areas. Regardless of the need for regional development funds in Atlantic Canada, that is no reason why the people of Cape Breton should be targeted for this clandestine and detrimental action on the part of the Government. I cannot accept that.

The Government's motion is flawed. It states that the House believes that in dividing the Bill the Senate has altered the ends, purposes, considerations, conditions, limitations and qualifications of the grants of aid and supplies set out in the Bill. All the Senate is doing is considering further the section that refers to eliminating the Industrial Development Division of the Cape Breton Development Corporation. It wants to study the impact of that on Cape Breton.

I too would want to study what that would do to the Cape Breton Development Corporation in particular. I hope the other place will look at that and realize that the loss of the Industrial Development Division will result in a coal mining company that is just ripe for privatization. That, I would say, is what the other place is maintaining it wants to study. What it has given back to the House are the provisions that relate to the Atlantic Canada Opportunities Agency without amendment and without any change whatsoever, ready for passage by this House. If the Government is interested in the passage of these provisions with respect to this agency, there is no reason that we cannot deal with that right now. But the