

Adjournment Debate

new transportation policy. We, in western Canada, as the hon. member for Winnipeg North Centre (Mr. Knowles) will no doubt agree, face many problems in transportation. We hope that a new transportation policy will soon be formulated and resolve many of our transportation problems.

**INCOME TAX—DECENTRALIZATION OF DATA PROCESSING—
POSSIBLE ESTABLISHMENT OF OFFICE IN ATLANTIC REGION**

Mr. Andy Hogan (Cape Breton-East Richmond): Madam Speaker, as recorded at page 5822 of *Hansard* for May 15, replying to my question concerning the criteria to be used in deciding on a location in the Atlantic region for the proposed data processing unit of his department, the Minister of National Revenue (Mr. Basford) noted several yardsticks he would use. These criteria included the number of tax returns filed with the Atlantic region, the availability of part-time and full-time workers, the availability of space, and the availability of communication links.

I want to develop some further observations on this matter this evening. I think the Sydney industrial area is an ideal location for such a data processing unit. We have an abundance of part-time workers available. Our latest unemployment figures for Cape Breton Island, as forwarded to me by the Nova Scotia department of labour, show unemployment rates for January, February, March and April of 13 per cent, 16.1 per cent, 17 per cent and 14.3 per cent respectively. These figures, of course, do not include the discouraged workers, male and female, who stopped looking for work because they considered it hopeless to do so. Besides that, our labour force participation rate for the first quarter of 1975 was 8 percentage points below that of Economic Region 6 in Nova Scotia, which includes Halifax County. Thus there is an abundance of underutilized human beings ready to work.

When it was announced that a satellite data processing centre was to be established in Winnipeg, it was noted that, initially at least, 125 highly skilled permanent jobs plus 1,000 part-time jobs would be created, with a 1975 payroll of \$4 million.

I want the minister to know that the Nova Scotia Eastern Institute of Technology in my riding now teaches data processing. They are capable of training most of the highly skilled personnel needed, as well as the part-time people. We, through the Cape Breton Development Corporation and/or the College of Cape Breton, can provide adequate space; I think the minister would find the communications links more than suitable.

When the Department of Regional Economic Expansion was decentralized a couple of years ago, 84 members of the department were stationed in Moncton, 43 in Halifax, 41 in Fredericton, 19 in Charlottetown and 41 in St John's, Newfoundland.

As Nova Scotians we were happy to see the Halifax-Dartmouth metropolitan area profit from a special agreement entered into between the province of Nova Scotia and DREE. In Halifax a total of \$87.7 million was earmarked for waterfront development, including a new, large hotel in downtown Halifax.

[Mr. Marchand (Kamloops-Cariboo).]

● (2220)

Some in Cape Breton thought it was an anomaly to build another luxury hotel in Halifax when our housing problem is so acute in Cape Breton, but the development of Halifax has helped Cape Breton in that many Cape Bretoners—they never call themselves ex-Cape Bretoners—can get steady jobs there.

We all hope that the metropolitan area growth investment scheme will be successful, and we are glad to note that following DREE's announcement of the special grant to the Halifax-Dartmouth area that One Sackville Place Ltd. of Halifax said it would build a \$5 million low-profile eight storey building in Halifax on a 40,000 square foot site adjacent to the Hotel Nova Scotian owned by the Canadian National Railways.

It is time for some government agencies to be decentralized in favour of high unemployment areas, especially when they have almost 20 per cent of a provincial population as does Cape Breton county.

Surely it is unfair to let such areas try to fight the cold winds of international competition in their basic industries when all that is needed is the political will to make the government department decentralization process a tool of diversification and growth for such hard hit areas. I appeal to the Minister of Regional Economic Expansion (Mr. Jamieson) and the Secretary of State for External Affairs (Mr. MacEachen) to take a strong stand with the Minister of National Revenue and other cabinet colleagues on this matter, which I consider a matter of principle as well as being an important means of getting balanced provincial development.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Madam Speaker, the hon. member's question in the House on May 15, followed by the remarks which he has just concluded, arise from an announcement the minister made in Winnipeg on May 9.

On that occasion he announced the government's decision to carry out a geographic decentralization of the Ottawa Data Centre for the processing of income tax returns. The first of the satellite data centres is being established in Winnipeg. Within a period of up to five years, similar data centres—all linked to the central facility in Ottawa—will be established in the other four regions of Canada, that is in the Atlantic provinces, Quebec, Ontario, and the Pacific region.

I should mention that even before this important decision was made, the department, both on the taxation and the customs and excise sides, was one of the most decentralized of government departments. For instance, more than 80 per cent of the taxation employees are situated outside the capital.

I realize the big pitch the hon. member is making here tonight is important, namely, that these centres should be located in the slow growth areas of the country. I should also mention that very strong representations have been made to the Minister of National Revenue (Mr. Basford) by the Secretary of State for External Affairs (Mr. MacEachen). All that the Minister of National Revenue can honestly say at this stage is that he is listening to all the representations being made to him. He has also mentioned