

It was a strange arrangement and promised administrative friction and inefficiency. The situation was made worse because the accommodation initially available to DEVCO made a geographical split of the two divisions unavoidable; and since its life was expected to be limited, and it was reluctant to be seen to be squandering funds on building accommodation for itself, DEVCO did nothing to bring the two divisions together. Apart from having a common board and president, there has been little contact between the two divisions. Attempts have been made in the past to reduce this gap, and a very determined effort seems at present to be underway, but the gap between the two divisions remains. Almost certainly, this has mitigated against efficient administration (each division for instance has had its own accounting organization), though how serious this has been is difficult to assess.

Hon. Allan J. MacEachen (Leader of the Opposition): Could the minister identify Mr. George? I just do not know who the person is.

Hon. Henry Hicks: He is a Professor of Economics at Dalhousie University—

Senator Murray: I would add, “a respected Professor of Economics at Dalhousie University.”

Senator Hicks: —and Dean of the Faculty of Administrative Studies.

Senator Murray: And, as Senator Hicks says, the Dean of the Faculty of Administrative Studies.

The article I have quoted appeared in a publication entitled “Public Corporations and Public Policy in Canada”, Tupper and Dern. As I said, the original article was written in 1974, but it was updated sometime during the 1980s.

Senator Stewart: Can you provide copies?

Senator Murray: I can either photocopy this or obtain a copy of the book from the Library of Parliament or the IRPP.

Senator MacEachen: He is way off the mark, no matter where he is from.

Senator Murray: The honourable the Leader of the Opposition will have an opportunity to contradict, if he can, the statements made by Professor George.

Senator MacEachen: I shall!

Senator Murray: There are one or two more of them I should like to place on the record before I take my seat.

Senator McElman: Call him as a witness!

Senator Murray: Essentially, he says they operated as separate bodies. I must say that, listening to Senator Graham, I could not help but ask the question: What has the Industrial Development Division of Devco done under the Devco roof that it could not have done as a separate crown corporation? Indeed, what has it done under the Devco roof that it has been unable to do under this bill as the Enterprise Cape Breton Corporation? Contrary to what Senator Graham has said, there is nothing to prevent the new ECBC from becoming

involved in downstream coal and coal-related activities, such as carbogel. The new ECBC may not get into the production of coal or into the coal mining business—that activity is reserved for the Cape Breton Development Corporation—but there is nothing to prevent its getting into downstream activities, and I hope it does encourage those kinds of resource-based activities.

Honourable senators, I do not for one moment deny the contribution that the Industrial Development Division of Devco has made and I appreciate the obvious support of confidence that this division enjoys among its clientele. I appreciate what the honourable senator and others have said about its sense of social responsibility. But social responsibility is not something that is legislated. Social responsibility is a function of the people who are setting the policy, sitting on the board and running the management of an organization. The honourable senator has no reason to believe that there will be any less sense of social responsibility under the new dispensation than there was under the old.

Like any similar organization, Devco and the IDD have had mixed reviews. Professor George, if I may come back to him, identified four phases in Devco's approach to industrial development. He took the periods from 1967 to 1971, from 1972 to 1976, from 1977 to 1979 and then from 1980 onwards. The last three periods, he says, differ only in their emphasis and really could be seen as subdivisions of one major change. To summarize, Professor George says that Phase I:

... must be judged a woeful failure. The corporation would certainly like to forget it.

As for Phase II and most of Phase III, he says:

... the current achievement in terms of “steady” full-time jobs, or their summation in part-time equivalents, is under one thousand but probably not far short of it.

He adds:

This is small compared with the hopes held by many people when DEVCO was established.

In this article I noted the following conclusion by Professor George, and I want to put this on the record because Professor George does give quite a balanced assessment of the record of Devco and of the Industrial Development Division. In reference to Devco, he says:

By 1973, it had come close to the targets set for it in respect of the size of the mining industry, employment having been approximately halved and output reduced to about one third or one quarter.

Senator MacEachen: It had no target.

Senator Murray: The Leader of the Opposition says that it had no target—

Senator MacEachen: That is right.

Senator Murray: —but I suggest to him that there was certainly a target in the Donald report. I have the recollection—and perhaps it is faulty and the honourable senator can correct me if I am wrong—that the government of the day did establish some target as to the reduction of employment in the