

carbogel plant at Victoria Junction. Using the flexible mandate of the Industrial Development Division, Devco was able to lever private investment in its development of coal-water technologies. The vice-president of the Industrial Development Division, Keith Brown, testified before the Legislative Committee, when it met in Port Hawkesbury, that Bill C-103 was in fact delimiting legislation. He said :

The question is what happens after there are two corporations? Does the Coal Division have the powers to do that type of joint venture? We think legislatively they do not.

I caution honourable senators that a potentially more disturbing outcome may occur.

With reference to the original Devco legislation of 1967, the mandate of the Coal Division remains unamended to this day. For this reason Mr. Brown also stated:

If you are taking all that developmental legislation away from the Cape Breton Development Corporation, then legislatively it leaves a coal company without the legislative ability actively to mine coal.

So, as a result, Devco will not only be limited in its ability to enter into joint ventures, but it may also be prevented from corporate expansion into other coal-based activities. The government has clearly ignored the fate of the Coal Division.

What the government is really doing is giving back to Cape Bretoners the old Dominion Coal Company. The last thing in the world that Cape Bretoners want back is anything that even remotely resembles the old Dominion Coal Company. Down there it is an absolute no-no! The Cape Breton Development Corporation will become strictly a coal company that is commercially driven. What we could be witnessing here is the thin edge of the wedge in a move towards privatization. Cape Bretoners will want to ask what the end result will be. How much of the labour force will be eliminated? Who or what will offset the effect on the Cape Breton economy?

The situation could be 1967 all over again, but with a very different twist to the scenario. Once again, coal production could be back in private hands on Cape Breton Island with work force levels drastically reduced. But this time, according to this legislation, we will no longer have an Industrial Development Division to soften the blow.

Some honourable senators may recall the report of the Cape Breton Advisory Committee which was released in September 1985. A major recommendation of the committee was that a new agency, Enterprise Cape Breton—not Enterprise Cape Breton Corporation as this legislation envisages, but Enterprise Cape Breton—be created as a subsidiary of Devco. Senator Murray suggested in his speech last Wednesday that the present configuration of agencies is a response to the petitions of Atlantic Canadians.

Honourable senators, I have here copies of letters addressed to federal ministers de Cotret and Murray signed by the Cape Breton Industrial Area Community Futures Committees—a group representative of citizens of all walks of life and all political stripes. I want to quote from just two of these letters. The first one is dated December 3, 1987, and is addressed to

“Minister Robert de Cotret, Department of Regional Industrial Expansion.” It reads, in part:

Dear Minister de Cotret:

Further to our earlier communication concerning the future of the Industrial Development Division of the Cape Breton Development Corporation, the public meeting referred to in our letter was held in Sydney on December 1, 1987. Enclosed are copies of the registration sheets from the session. Approximately two hundred fifty people from all areas of Cape Breton and representing a broad cross section of business, labour, municipal, and community leaders were in attendance. The meeting expressed its strong support for the retention of the Industrial Development Division and the legislation enacting it.

To this effect the following motion was accepted from the floor and passed unanimously:

Be it moved that the meeting empower the Chairman and regional representatives of the Community Futures Committees to communicate with the Minister responsible for Devco strongly endorsing the retention of the Industrial Development Division of Devco and further confirming with the Minister the peoples' desire to see the Industrial Development Division expanded to promote increased industrial development on Cape Breton Island.

It is signed by the meeting chairman, Reverend John Capstick; John Currie, chairman of the Northside Community Futures Committee; Mayor Bruce Clark, chairman of the Glace Bay and Area Community Futures Committee; and Charles Campbell, chairman of the Sydney and Area Community Futures Committee; and, of course, the signatures of approximately 250 leading citizens of the area are here as well.

Next, I would like to quote from a letter dated January 21, 1988, from Mr. C.A. Campbell, chairman of the Sydney and Area Community Futures Committee, addressed to Senator Murray. I shall not read the entire letter, but it does say:

Our concerns may be outlined as follows:

- There is no opportunity for on-going involvement in the decision making process by the community;
- In fact, the structure proposed in the legislation, mitigates against the process of local decision making;
- The Enterprise Cape Breton Corporation will be restricted from any participation in coal related industries.

Honourable senators, these civic leaders from various municipalities in Cape Breton have urged the minister to respect the integrity of the Devco legislation. The citizens' pleas have obviously fallen on deaf ears.

Before closing, I want to comment briefly on the initiative to create a Department of Industry, Science and Technology, to be known by the acronym DIST, out of the ashes of DRIE. Once this reorganization is complete, the government will have in place DIST, ACOA, the Western Diversification office and special regional funds for northern Ontario and outlying areas