

of attractive incentives by DREE and others, few so-called secondary industries are likely to locate in comparatively remote regions where they are isolated both from the other undertakings upon which they must rely and the major markets on which they depend for their viability.

Given these predictions, Atlantic Canada faces a number of alternatives. We can accept the trend as inevitable. If we do, the historic erosion of our best young native talent will accelerate. It is estimated, for example, that at least half of the students in Newfoundland's Memorial University will leave the province soon after graduation. The future may not be quite as bleak in the Maritimes, but I have no doubt that the same trend is now in evidence. If we are to reverse this migration, it is clear that ways must be found to provide an increased number of more rewarding jobs in the Atlantic region. I do not suggest that greater employment opportunities are the whole answer, but without them all else is futile.

Where, then, are the additional jobs to come from, and how can we improve the lot of the present work force so that they will not be attracted to better opportunities in other parts of Canada or elsewhere? And what role can transportation play in answering these questions? The most logical approach is to make the most of the natural advantages we possess. There is encouraging evidence that both public and private agencies are having an increasing degree of success in this task.

The industrial complex now growing up around the Canso Strait area is one example. The Churchill Falls development is another, although in a different category. I believe that efforts in recent years to rationalize and stabilize the fishing industry will prove to be highly successful and beneficial. Other natural resources are also making an increasing contribution, with mining showing a considerable improvement, particularly in New Brunswick and Labrador. The creation of promising container ports at Halifax and Saint John, of refineries in Newfoundland and other Atlantic locations, are other examples of the effective promotion of a natural asset Atlantic provinces possess because of our geographic location. These and other developments illustrate that we stand our best chance for economic improvement when we seek to make the most of the opportunities that are, in effect, at our doorstep, applying the value-added principle whenever possible and, of course, benefiting from the service industries that will follow with their generally high employment prospects.

I have said that most industries today are reluctant to operate, as it were, in isolation. The exceptions, of course, are those undertakings that require specific natural resources or those to which Atlantic Canada can offer certain special advantages. It is obvious, however, that even in these cases there is a preference for a comparatively large community or at the very least, for ready access to the services, amenities and social attractions that a larger community has to offer. This is why the Department of Regional Economic Expansion has chosen to promote the growth centre concept.

The leaders, private and public, of all four Atlantic provinces have indicated their agreement with this principle even though, like me, they realize that it must be done with great care and with the proper respect for the rights

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of the individual and for the important traditions of a way of life that has served residents well in the Atlantic area for centuries. Also, transportation and greater mobility are extremely important to the growth centre concept. An understanding of the growing phenomena of industrial interdependence and an acceptance that such a trend is inevitable for a variety of reasons will help our planners to avoid the dissipation of effort that has brought something less than total success in the past.

In summary, therefore, I agree with those who see, as a first priority for the Atlantic region, the development of all of our natural resources, not simply in terms of first phase exploitation, that is the exporting of raw materials, but also in upgrading our natural products within the region to the maximum extent possible. Secondly, I see the need for the strengthening of the general framework of our larger and more viable communities, not merely because these are the most logical centres for economic growth, but also because they offer the best chance to our people to enjoy the levels of services which all of us now accept as our right in the Canada of the seventies.

In all of this, transportation has a vital role to play. I have indicated that transportation policy must be responsive to the general objectives of the region. This, however, is an over simplification. Proper transportation planning can help to shape the Atlantic region of the future. We who have responsibilities in this field must initiate as well as respond. That is what we are seeking to do, and I may say that the role of the initiator is by far the more difficult.

Much has been said about the Atlantic Premier's Report of 1969. This provides recommendations for the implementation of a basic transportation policy in the Atlantic provinces. Recommendations are made under the following headings: Rail Regulation, Highway Regulation, Subsidies and Public Policy, Role of the Carrier and Shipper, Highway, Rail, Air, Ports, Ferries, Water, Research Organizations and Freight Rate Freeze. The report called for a national policy which will require for the Atlantic provinces an effective combination of competition, regulation and financial assistance. It called for a revision of the Maritime Freight Rates Act, something to allow flexibility for changing circumstances over time.

It will be useful to examine the major recommendations of the report, and I would like to comment on what has been achieved so far. I will deal with the headings as they are, in fact, set out in the report.

First, rail regulation: Recommendations were made concerning the interpretation of the term "alternative, effective and competitive service" under the act. The weight base of 30,000 pounds for maximum rates is queried, and a suggestion is made that where a maximum rate is increased, such increase be limited to the increase in variable costs. It is suggested that the Canadian Transport Commission should be empowered to suspend a rate, presumably a rate increase, where it has received prima facie evidence that the rate is discriminatory, and it is suggested that the provinces or their agencies should have access on a confidential basis to relevant railway cost data.

Apart from the first point, which reflects the intention of the legislation anyway, that is to provide alternative