

External Affairs
Supplementary Paper

No. 57/12 ECONOMIC DEVELOPMENT OF THE ATLANTIC PROVINCES

Remarks by Mr. George Hees, Minister of Transport, to a Combined Meeting of the Premiers of the four Atlantic Provinces and the Atlantic Provinces Economic Council, Confederation Chamber, Charlottetown, P.E.I., Monday, September 23, 1957.

Whenever I visit the City of Charlottetown, and particularly this historic chamber, my mind goes back to the birth of this nation ninety years ago, and the tremendous strides we have made in the intervening years.

Canada has advanced far in those ninety years. Our population has increased from about 3-1/2 million in 1867 to approximately 17 million today, and our growth as a country is reflected not only in our position as a leading member of the British Commonwealth of Nations, but also by our position as the fourth largest trading nation in the world.

In reviewing our achievements as a nation, which today has a gross national production of approximately 31 billion dollars, we must not overlook the fact that there are wide differences in the prosperity enjoyed by the people living in various sections of the country. For this country to be really prosperous, there must be a far more uniform pattern of prosperity from one end of the country to the other.

The recent studies by the Gordon Commission show that the average income in the Atlantic region lags behind that of the rest of Canada, and is today 33 per cent below the average for the other six provinces.

I will not try to explain how this inequality arose in our development as a country. I much prefer, first to recognize that it exists, and second, to say that I am firmly convinced that it must be corrected.

I believe that the natural resources of this area exist in sufficient quantities to give the people who live here a considerably higher standard of living than they enjoy today.

I am also convinced that the vast majority of the Canadian people are willing to co-operate, financially and otherwise, to make the full economic development of this area a reality. This economic development is of great importance to the Canadian Government, and takes a prominent place in our deliberations.

The problem is how can this development best be accomplished. I suggest there are several courses of action, none of which individually will solve the problem, but which, undertaken collectively, could achieve the desired result.

The adequacy of transportation facilities in the Atlantic region is essential to any major development programme and as an indication of the great importance which we place upon development of this region, we have planned a comprehensive review of its transportation problems.

This is being undertaken through a series of special studies, which are being organized by my Department in consultation with other interested Departments of Government. Because of the nature and extent of the review that is proposed, there will also be full consultation with the staff of both the Maritimes Transportation Board and the Atlantic Provinces Economic Council, to let them know what we are contemplating, and we fully intend that this consultative process will continue as the studies advance.

Among the questions which are being studied are -

1. The Maritimes Freight Rates Act, with particular reference to the general level of freight rates in the Atlantic region and those existing elsewhere in Canada.
2. The transportation problems of Prince Edward Island, not only as regards the railway position on the Island, but also the present and future position of the ferry services; the causeway project; and the desirability or otherwise of alternative or additional transportation developments in this connection.
3. We are making an extensive study of railway branch lines in Newfoundland, Nova Scotia and New Brunswick from the point of view of adequacy and value of the service provided to the communities involved, and the best method by which the necessary transportation facilities could be provided to these communities.
4. As a direct corollary to this, we are making as well an extensive review of the Newfoundland coastal shipping services from the same point of view.

Undoubtedly a number of the foregoing studies will lead us into consideration of road problems as well, which are primarily a provincial responsibility. To the extent that we find we must review these matters, we will be relying substantially on assistance from local sources, and we have been assured already of full co-operation in this regard from the two organizations mentioned above.

The foregoing list of studies will probably take us from six to twelve months to complete because of their size and importance, but as they are completed we hope to use the same trained staff to review a number of other Maritime problems, involving coastal shipping services, harbour and port facilities, specialized ferry services, and a number of individual projects (not all of which have been finally determined) which may or may not be desirable projects, but which have at one time or another been drawn to our attention, and at least merit review.

Needless to say, it is impossible to say at this particular time what the results of the studies will be, and what recommendations they may contain. When they have been considered by the Federal Government, however, you may rest assured that there will be appropriate consultation with provincial sources before any final decision is reached thereon, and that we will have as our objective the establishment of a proper basis of development within the Atlantic region.

The objective of these studies is to discover possible new approaches to today's transport problems that will be of practical benefit to the Atlantic Provinces and improve the efficiency of their transport systems. I wish at this time to express my appreciation of the fine spirit of co-operation, and the assistance extended to officials of my Department, in the areas in the Atlantic region which they have already visited, during the course of their studies to date.

I am glad to announce one other new development this evening, which I think may be of special interest and benefit to the Atlantic area. As most of you are aware, my Department is engaged in the development of an extensive icebreaker programme to provide assistance to shipping. These icebreakers operate during the winter in the Newfoundland and Maritimes area, and in the St. Lawrence River and Gulf. This fleet then serves as the major Canadian fleet protection and convoy operation in the Eastern Arctic during the summer.

We have now in service and under construction a number of icebreakers which will be of major assistance in achieving the objectives we have set for this programme for the next three to four years. It has been decided recently that the icebreaker, LABRADOR, which was built and operated hitherto by the Royal Canadian Navy, will be transferred for manning and operating as part of the Department of Transport icebreaker fleet. This excellent icebreaker, which has done great service in the Eastern Arctic during the summer months over the past few years under the RCN, and which also has performed a number of very valuable research tasks in connection with ice and hydrographic research, will be of major benefit to our future plans for icebreaking in the Newfoundland, Maritimes and Gulf area, since it is a strong, deep-draft ship, particularly suited for work in this connection.

While the takeover by the Department will not take place until some time in 1958, and final plans have not yet been made in this connection, it will operate mainly in the Gulf and Maritimes area, and in all probability will be based somewhere in the Maritimes area as well.

Although there has always been the highest possible degree of co-operation between the officials of the Federal and Provincial Governments, co-operation between governments alone will not make economic development of the Atlantic region a reality. There must also be the fullest co-operation of the people whom these governments represent. That is why the Atlantic Provinces Economic Council will play such a vital part in the work which lies ahead.

The Atlantic Provinces Economic Council was formed for the sole purpose of uniting the thinking and the efforts of business, industry and individuals in a crusade which would build confidence in the region, encourage investment in its future, and inspire the people of these provinces to themselves take an individual, active part, in building for the future.

I understand that APEC is engaged in conducting economic studies into various aspects of the economy of the Atlantic region, such as agriculture, electric power, the tourist trade, and possible industrialization: - that

the Council is prepared to undertake marketing services for industries planning location or expansion, and is constantly investigating new avenues of trade which would be beneficial to producers in the Atlantic Provinces.

The Atlantic Economic Council, composed as it is of business and professional men, industrialists, labour leaders, agriculturalists and others, is particularly qualified to appraise opportunities for new development and expansion of trade. It is well qualified to build, in the hearts of the people within this region itself, that spirit of aggressiveness, initiative and confidence so essential to accomplishment. Working in co-operation with the provincial governments of the region, and performing the duties for which the APEC organization is best qualified, I am confident that, as an organization, it will contribute much to the development of the Atlantic region in the years ahead.

In closing, let me repeat, the problems ahead are great; accomplishment of our mutual objective will not be easy, nor will it materialize simply because it is the wish of many of us that it be done. I look forward to the fullest possible co-operation in the future between the Federal and Provincial Governments on the one hand, and the Atlantic Provinces Economic Council on the other, and given this, I am confident that through economic development, this historical area of Canada will continue to make a great contribution in the building of our country. I am also confident that, working together, it will be possible to rectify inequalities of opportunity which have grown up in our economy, and which must be eradicated.



While the takeover by the department will not take place until some time in 1978, and final plans have not yet been made in this connection, it will operate mainly in the Gulf and Maritimes area, and in all probability will be based somewhere in the Maritimes areas well.

Although there has always been the highest possible degree of co-operation between the officials of the Federal and Provincial Governments, co-operation between governments alone will not make economic development of the Atlantic region a reality. There must also be the fullest co-operation of the people whom these governments represent. That is why the Atlantic Provinces Economic Council will play such a vital part in the work which lies ahead.

The Atlantic Provinces Economic Council was formed for the sole purpose of uniting the thinking and the efforts of business, industry and individuals in a crusade which would build confidence in the region, encourage investment in its future, and inspire the people of these provinces to themselves take an individual, active part, in building for the future.

I understand that APEC is engaged in conducting economic studies into various aspects of the economy of the Atlantic region, such as agriculture, electric power, the tourist trade, and possible industrialization - that