

FEBRUARY 26, 1973

FOR RELEASE AT 1 P.M.

REMARKS BY THE HONOURABLE GERALD A. REGAN, Q.C., PREMIER OF NOVA SCOTIA, MADE TO THE CANADIAN CLUB OF TORONTO, FEBRUARY 26, 1973, AT 1 P.M.

MR. CHAIRMAN, CENTRAL CANADA HAS BEEN ACCUSTOMED FOR YEARS TO PERIODIC VISITS FROM ATLANTIC PROVINCE POLITICIANS CRYING THE WOES OF CONFEDERATION AND ATTEMPTING TO MAKE THE CASE FOR LARGER SUBSIDIES.

I HOPE THAT MY REMARKS TODAY WILL BE SOMEWHAT DIFFERENT EVEN THOUGH, THEY MAY IN SOME WAYS BE MORE OFFENSIVE TO TRADITIONAL CANADIAN PRACTISES AND EVEN LAWS.

I BELIEVE THAT IF I CHOSE TO DO SO, I COULD UTILIZE THESE FEW MINUTES TODAY TO BRING A STRONG DEFENSE OF FEDERAL GOVERNMENT SPENDING IN THE SO-CALLED HAVE NOT AREAS OF CANADA. A JUSTIFICATION FOR EQUALIZATION AND AN ILLUSTRATION OF SOME SURPRISING HIDDEN SUBSIDIES TO CENTRAL CANADA OF WHICH OTHER PARTS OF THE COUNTRY DO NOT HAVE THE BENEFIT.

BUT, THAT IS NOT MY INTENTION ON THIS OCCASION.

I WANT RATHER TO DISCUSS THE OPPORTUNITIES THAT EXIST THROUGH SELF HELP FOR AREAS SUCH AS NOVA SCOTIA TO BUILD THEIR ECONOMIES IN THE NEXT FEW YEARS TO A POINT WHERE WE CAN CONTRIBUTE TO THE OVERALL WELFARE OF CANADA AS WELL AS ANY PART OF THIS NATION ON A PER CAPITA BASIS.

I WANT TO TALK ABOUT THOSE OPPORTUNITIES BECAUSE I, NOT ONLY BELIEVE THAT IT IS GOOD FOR ALL OF CANADA FOR THEM TO BE REALIZED, BUT BECAUSE A LACK OF UNDERSTANDING OF THE NATURE OF THE EAST COAST ECONOMY AND OF OUR EXPANSION POTENTIAL MAY RESULT IN POLICIES BY NATIONAL GOVERNMENT AND NATIONAL BUSINESS THAT COULD PREVENT THESE MONUMENTAL EFFORTS OF SELF HELP FROM ACHIEVING THEIR POTENTIAL.

MEMBERS OF THIS AUDIENCE SHOULD BE AWARE THAT THINGS HAVE BEEN HAPPENING IN THE EAST.

WITHOUT A DOUBT, MOST OF YOU HAVE READ OF THE EXPLORATION FOR OIL AND GAS IN THE UNDERWATER AREAS OFF THE COAST OF NOVA SCOTIA AND THE LIMITED BUT PROMISING SUCCESSES THAT THE EXPLORATION HAS ALREADY ATTAINED.

FEWER, PERHAPS, ARE AWARE OF THE DYNAMIC GROWTH IN THE HALIFAX-DARTMOUTH AREA AS A CONSEQUENCE OF THE

SUCCESS OF OUR CONTAINER PORT WHICH HAS BROUGHT THE GREATEST VOLUME OF PEACE TIME SHIPPING TONNAGE THAT HALIFAX HAS EVER KNOWN.

THE FREQUENCY OF SAILINGS PROVIDED BY THE SIX SHIPPING LINES NOW UTILIZING THIS CONTAINER PORT, HAS CONTRIBUTED TOWARD MAKING HALIFAX ONE OF THE BEST DISTRIBUTION CENTRES AND THEREFORE, ONE OF THE MOST ATTRACTIVE LOCATIONS FOR INDUSTRY EXISTING ON EITHER SIDE OF THE ATLANTIC OCEAN TODAY.

OUR LOCATION, 500 MILES NEARER TO EUROPE THAN ANY OTHER NORTH AMERICAN PORT HAS ALSO RESULTED IN NUMBERS OF EUROPEAN COMPANIES ESTABLISHING SUBSIDIARIES IN OUR PROVINCE TO SERVE THE NORTH AMERICAN MARKET.

PERHAPS THE MOST PROMINENT AMONGST THESE COMPANIES AND, ONE WHICH I WILL BE SAYING MORE ABOUT LATER IN MY REMARKS IS, MICHELIN TIRE, WHICH WILL SOON BE PROVIDING DIRECT EMPLOYMENT FOR 2600 NOVA SCOTIAN FAMILIES.

IF TIME ALLOWED, I WOULD HAVE BEEN ANXIOUS TO TALK AT LENGTH ABOUT THE TREMENDOUS POTENTIAL OF THE DEEP WATER PORTS THAT WE HAVE IN NOVA SCOTIA IN RELATION TO THE NEW TECHNOLOGY OF SHIPPING WHICH HAS LED TO THE

CONSTRUCTION OF TANKERS OF TWO, THREE AND NOW EVEN FIVE HUNDRED THOUSAND TONS TO CARRY OIL ACROSS THE OCEANS AT GREAT SAVINGS BECAUSE OF THE ECONOMIES OF SCALE.

THE FACT THAT NO PORTS EXIST ON THE EASTERN SEABOARD OF THE UNITED STATES DEEP ENOUGH TO RECEIVE THESE LARGE SHIPS PROVIDES GREAT OPPORTUNITIES FOR NOVA SCOTIAN DEVELOPMENT AT THE PRESENT TIME.

WE RECENTLY ANNOUNCED THE CONSTRUCTION OF A \$230 MILLION DOLLAR OIL REFINERY AT THE STRAIT OF CANSO BASED ON THIS CONCEPT WITH PRODUCTION FROM THAT REFINERY TO BE MARKETED IN THE UNITED STATES AND EUROPE.

IT CAN READILY BE ESTABLISHED THAT ADDITIONAL INVESTMENT OPPORTUNITIES BEYOND THAT REFINERY WILL BRING TO \$2 BILLION DOLLARS THE AMOUNT OF CAPITAL INVESTMENT IN THE PORT OF THE STRAIT OF CANSO ALONE OVER THE NEXT TEN YEARS.

THIS DEVELOPMENT IS GOOD NOT JUST FOR NOVA SCOTIA BUT FOR CANADA, BECAUSE IT ENABLES NOVA SCOTIANS TO BECOME GREATER CONSUMERS OF PRODUCTS MANUFACTURED IN OTHER PARTS OF CANADA AND IT ENABLES US TO BUILD OUR

ECONOMY TO THE POINT WHERE WE CAN MAKE A MORE POSITIVE CONTRIBUTION TO CANADIAN GROWTH AS A WHOLE.

HOWEVER, THESE DEVELOPMENTS AND THIS GROWTH CAN BE PLACED IN JEOPARDY BY A LACK OF UNDERSTANDING IN OTTAWA AND TORONTO, OF THE GEOGRAPHICAL PATTERN OF OUR ECONOMIC OPPORTUNITIES WHICH ARE SO DIFFERENT FROM THOSE OF CENTRAL CANADA.

IT IS INTERESTING TO NOTE IN NOVA SCOTIA THAT THE DECISION FOR INVESTORS ON THE LOCATION OF A NEW INDUSTRY IS IN THE HIGH PERCENTAGE OF THE CASES NOT A CHOICE BETWEEN AN ONTARIO AND A NOVA SCOTIAN SITE ... BUT RATHER A CHOICE BETWEEN FRANCE OR NOVA SCOTIA, MASSACHUSETTS OR NOVA SCOTIA, BANTRY BAY IN IRELAND OR NOVA SCOTIA, SPAIN OR NOVA SCOTIA, ENGLAND OR NOVA SCOTIA AND OFTEN THE BAHAMAS OR NOVA SCOTIA.

THE RESULT OF THIS FACT IS THAT CANADIAN GOVERNMENT POLICY OR INDUSTRIAL CUSTOMS WHICH MAKE IT DIFFICULT FOR NOVA SCOTIA TO BE CHOSEN AS THE LOCATION OF A NEW INDUSTRY IN COMPETITION WITH FRANCE, ENGLAND, THE BAHAMAS AND THE OTHER LOCATIONS THAT I HAVE MENTIONED RESULTS IN A NET LOSS TO CANADA AS A WHOLE IN THE AMOUNT OF DEVELOPMENT AND AN ADVERSE EFFECT ON OUR STANDARD OF LIVING.

ONE WOULD THINK THAT THE ADVANTAGE TO ALL OF CANADA OF DEVELOPMENT IN THE SLOW GROWTH AREAS OF THE COUNTRY WOULD EVOKE STRONG, AND ALMOST PASSIONATE SUPPORT FROM THE RICHER AREAS OF THE COUNTRY AND FROM THE NATIONAL GOVERNMENT.

IT IS UNLIKELY THAT THE TAXPAYERS OF ONTARIO ARE ANXIOUS TO INDEFINITELY PROVIDE TAX DOLLARS TO BE EXPENDED BY WAY OF EQUALIZATION, AND OTHER SUCH PROGRAMS, FOR THE SUPPORT OF SLOWER GROWTH REGIONS.

SURELY WHEN THE POTASH BOOM COMBINED WITH GOOD WHEAT MARKETS SOME YEARS AGO BRIEFLY LIFTED SASKATCHEWAN FROM THE ROLE OF BEING A RECIPIENT OF EQUALIZATION TO THE POSITION OF A HAVE PROVINCE THAT DEVELOPMENT BROUGHT FORTH SATISFACTION, AND RELIEF, IN ONTARIO AND THEN REGRET THAT THE POTASH MARKET COLLAPSED WITH THE RESULT OF A FALLING BACK OF THE SASKATCHEWAN ECONOMY.

SURELY THE POST WAR DEVELOPMENT INTO PROSPERITY OF ALBERTA, AS A CONSEQUENCE OF OIL DISCOVERIES, RESULTED IN A MORE SATISFACTORY CANADA FOR ONTARIO, NOT ONLY BECAUSE OF THE RELIEF FROM A SUPPORTING ROLE BUT, BECAUSE THE ALBERTA CONSUMPTION OF ONTARIO MANUFACTURED GOODS GREW AT SUCH A RATE THAT PROSPERITY TOOK GIANT STEPS FORWARD RIGHT HERE IN ONTARIO.

BY THE SAME TOKEN, IF THE VARIETY OF OPPORTUNITIES FACING NOVA SCOTIA AT THE PRESENT TIME ARE ENTHUSIASTICALLY... THOROUGHLY...AND YES, EVEN SCIENTIFICALLY SEIZED, THE RESULT WILL BE NOT ONLY THAT NOVA SCOTIA WOULD BECOME A HAVE PROVINCE BUT, THAT WE WILL HELP TO BRING OUR NEIGHBORING PROVINCES ALONG WITH US IN OUR UPWARD CLIMB ON THE ECONOMIC LADDER, DECREASING THE FLOW OF EQUALIZATION DOLLARS AND VASTLY INCREASING THE CONSUMPTION OF THE PRODUCTS OF CENTRAL CANADA WITH ALL OF THE GOOD RESULTS THAT MEANS FOR INDUSTRY IN THIS AREA.

A BALANCED ECONOMIC DEVELOPMENT IN CANADA IS NOT ONLY NECESSARY FOR A HEALTHY UNITED COUNTRY BUT, IMPORTANT FOR THE IMPROVED STANDARD OF LIVING IN EVERY PART OF THE NATION.

IT IS IMPORTANT THEN TO REALIZE THAT OUR DEVELOPMENT IN THE FAR EAST OF THIS NATION IS NOT BEST SERVED BY THE TRANSFER OF INDUSTRIAL PRODUCTION CAPACITY OF A TYPE THAT IS MORE IDEALY SITUATED HERE IN THE POPULATION HEART LAND BUT, RATHER IN SUPPORT FOR THE DEVELOPMENT OF THOSE OPPORTUNITIES THAT OUR GEOGRAPHY AND OTHER ACTUAL ADVANTAGES BEST DICTATE TO BE PURSUED IN OUR PART OF CANADA.

I HAVE REPEATEDLY EMPHASIZED IN SPEAKING TO GROUPS SUCH AS THIS ONE THAT, NOVA SCOTIA LIVES IN THE ATLANTIC RIM MARKET AND FOR HEALTHY DEVELOPMENT OF INDUSTRY MUST DEPEND, TO A GREAT DEGREE, UPON INDUSTRIES WITH A LARGER PERCENTAGE OF EXPORT PRODUCTION AND A SMALLER EMPHASIS ON SALE TO THE DOMESTIC CANADIAN MARKET.

A PRIME EXAMPLE IS TO BE FOUND IN THE SUBSIDIARIES OF EUROPEAN COMPANIES WHICH LOCATE IN NOVA SCOTIA BECAUSE SOME OF THE COMPONENT PARTS OF THEIR PRODUCTS CROSS THE OCEAN FROM EUROPE AND THEIR SALES ARE NOT CONFINED TO CANADA BUT, INCLUDE THE EASTERN SEABOARD OF THE UNITED STATES, EUROPE AND OTHER MARKETS IN THE ATLANTIC RIM.

PRIME EXAMPLES OF COURSE, ARE MICHELIN, CROSSLEY KARASTAN CARPETS, VOLVO AND TOYOTA.

BUT OUR LOCATION IS NOT ONLY BEST FOR COMPANIES OWNED ABROAD FOR WITH THE GROWING FREQUENCY OF SAILING FROM OUR GREAT CONTAINER PORT TO EUROPE, TO SOUTH AMERICA AND TO THE UNITED STATES, HALIFAX BECOMES INCREASINGLY A PRIME LOCATION FOR CANADIAN OWNED PLANTS THAT DEVELOP EXPORT ORIENTATION AND EXPERTISE.

THE ECONOMIC ACTIVITY GENERATED BY THE CONTAINER PORT ITSELF THROUGH PROVISIONING, SHIP REPAIRS AND TERMINAL ACTIVITY IS LARGELY BUSINESS WHICH WOULD OTHERWISE BE LOST TO CANADA AND GO PRIMARILY TO NEW YORK, BALTIMORE AND OTHER AMERICAN PORTS. THEREFORE IT IS IMPORTANT TO ALL CANADIANS THAT OUR CONTAINER PORT CONTINUE TO PROVIDE MORE EFFICIENT AND SATISFACTORY SERVICE TO SHIPPERS THAN DO THEIR FOREIGN COMPETITORS.

BY THE SAME TOKEN, THE UNIQUE ACCIDENT OF NATURE THAT GIVES CANADA'S EAST COAST DEEP WATER PORTS LIKE THE STRAIT OF CANSO, THAT CAN HANDLE ANY SHIP AFLOAT, FACILITIES THAT DO NOT EXIST IN THE EAST COAST OF THE UNITED STATES PROVIDES NOVA SCOTIA AN OPPORTUNITY, IF QUICKLY SEIZED, TO DEVELOP A NEW RACE OF PHOENICIANS, FACILITATING THE MOVEMENT AND REFINING OF MIDDLE EAST OIL AND DEVELOPING PETRO CHEMICAL PRODUCTS. ALONG WITH THIS GOES ALL OF THE SPIN OFF INDUSTRIAL ACTIVITIES CREATED BY SUCH GIGANTIC UNDERTAKINGS.

THESE ARE DEVELOPMENTS THAT DO NOT COMPETE WITH OR SUPPLANT EXISTING CANADIAN REFINING AND PETRO CHEMICAL ACTIVITIES BECAUSE THE PRODUCTS ARE DESTINED FOR AMERICAN AND EUROPEAN MARKETS.

THESE OPPORTUNITIES WHICH CAN BRING A MINIMUM OF TWO BILLION DOLLARS WORTH OF DEVELOPMENT TO THE STRAIT OF CANSO ALONE IN THE NEXT TEN YEARS, ADD MIGHTILY TO THE GROSS CANADIAN PRODUCT BECAUSE THEY CREATE EMPLOYMENT AND ECONOMIC ACTIVITY BASED ON THE USE OF RAW MATERIAL FROM ABROAD AND PRODUCT SOLD IN EXPORT MARKET.

THEY DO NOT DISTURB EXISTING SALES PATTERNS WITHIN OUR COUNTRY BECAUSE ALL THAT CANADA PROVIDES IS THE USE OF OUR DEEP WATER PORTS AND THE EMPLOYMENT OF OUR PEOPLE TO WIN THE ACTIVITY THAT MAKES OUR NATION SO MUCH RICHER.

HOW NARROW, HOW SHORT SIGHTED, HOW DESTRUCTIVE, ARE THE REACTIONS OF CAPTAINS OF CANADIAN INDUSTRY LIKE THE *Chairman* OF CANADIAN PETROFINA LIMITED, WHO PROTESTED AGAINST THE LOCATION IN NOVA SCOTIA OF THE NEW \$230 MILLION DOLLAR SHAHEEN NATURAL RESOURCES REFINERY BASED ON THE CONCEPT WHICH I HAVE OUTLINED. OUR NEW REFINERY WHICH WILL BE THE LARGEST IN CANADA IS FOREIGN OWNED AS IS CANADIAN PETROFINA.

MANY PEOPLE COMPLAIN THAT TOO MUCH FOREIGN OWNERSHIP IS NOT GOOD FOR CANADA.

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IN THIS REGARD, I MUST ASK YOU TO CONSIDER, IS NOT FOREIGN OWNERSHIP WHICH EXPORTS PRODUCTION AND WINS EXPORT DOLLARS FOR US PREFERABLE TO THE FOREIGN OWNERSHIP OF PARASITE COMPANIES WHICH LOCATE IN CANADA SOLELY FOR THE PURPOSE OF GRABBING OUR DOMESTIC CANADIAN CONSUMPTION MARKET WHICH OTHERWISE WOULD OF NECESSITY BE SERVED BY CANADIAN OWNED COMPANIES.

I WONDER HOW MANY EXPORT DOLLARS AND HOW MUCH EXPORT SALES CANADIAN PETROFINA ACHIEVE FOR OUR ECONOMY OR, FIRESTONE WHOSE PRESIDENT WAS QUICK AND LOUD TO PROTEST AGAINST GOVERNMENT ASSISTANCE GIVEN TO THE LOCATION OF MICHELIN TIRE IN OUR PROVINCE.

MICHELIN ARE, AT LEAST, EXPORTING TO THE UNITED STATES AND ELSEWHERE THE MAJORITY OF ITS PRODUCTION CREATING JOBS FOR CANADIANS WHICH WOULD OTHERWISE NOT EXIST WHEREAS, WHOLLY OWNED AMERICAN SUBSIDIARIES IN THIS COUNTRY LIKE FIRESTONE, ARE CONTENT TO SEIZE ONLY THE DOMESTIC CANADIAN MARKET. IF THEY HAD NOT BEEN HERE AND CANADA HAD DEVELOPED ITS OWN CANADIAN BRAND OF TIRE THEN PROBABLY TODAY WE WOULD BE EXPORTING THAT CANADIAN BRAND CREATING MORE JOBS FOR PEOPLE IN THIS COUNTRY.

HOWEVER, UNFORTUNATELY, PARASITE AMERICAN SUBSIDIARIES THAT HAVE BEEN SUCH A COMMON FEATURE IN THE MANUFACTURING INDUSTRY OF CANADA ARE ALL TOO OFTEN DISCOURAGED BY THEIR OWNERS FROM COMPETING IN OVERSEAS MARKETS WITH THEIR AMERICAN PARENTS.

IT IS ILLOGICAL FOR FOREIGN OWNED COMPANIES IN THIS COUNTRY WHO HAVE SERVED ONLY THE DOMESTIC MARKET TO COMPLAIN WHEN THEIR COMFORTABLE AND CAPTIVE MARKET IS MILDLY AFFECTED BY NEW COMPETITORS WHO ARE PREPARED TO EXPORT AS WELL AS SELL IN CANADA.

PERHAPS THEN, IT IS POSSIBLE TO SEE WHY WE TAKE A SOMEWHAT DIFFERENT VIEW ON FOREIGN OWNERSHIP OF INDUSTRY IN NOVA SCOTIA. IT IS BECAUSE THE FOREIGN OWNERSHIP WHICH WE EXPERIENCE IN OUR AREA ADDS SOMETHING TO CANADA BY ACQUIRING EXPORT MARKETS.

THIS DOES NOT MEAN THAT WE WOULD NOT PREFER CANADIAN OWNERSHIP IF IT WAS AVAILABLE. ALL TOO OFTEN OUR CHOICE IN NOVA SCOTIA IS FOREIGN OWNERSHIP OR, NO INDUSTRY AT ALL.

TURNING BACK TO THE STRAIT OF CANSO AND PETROLEUM ORIENTED DEVELOPMENTS, MY PRINCIPLE PURPOSE TODAY IS TO STRESS THAT THESE OPPORTUNITIES TO DEVELOP A PART OF CANADA

THAT HAS LAGGED BEHIND AT NO DISLOCATION TO EXISTING CANADIAN INDUSTRY CAN ONLY BE REALIZED IF WE ARE ALLOWED TO HAVE THE TERMS AND CONDITIONS OF DEVELOPMENT THAT ARE COMPETITIVE.

THE OTHER DEEP WATER PORTS ON THE ATLANTIC RIM EXTERNAL TO CANADA, SUCH AS THE BAHAMAS, THE VIRGIN ISLANDS, BANTRY BAY IN IRELAND, WILL SEIZE FROM US THE DEVELOPMENTAL OPPORTUNITIES WE NOW HAVE IF CANADIAN GOVERNMENT OR INDUSTRY ERECT OBSTACLES OR ADD COSTS TO SUCH DEVELOPMENT THAT DO NOT EXIST IN THOSE OTHER AREAS.

THUS, I WAS SURPRISED AND DISMAYED WHEN THE CANADIAN MACHINERY AND EQUIPMENT MANUFACTURERS ASSOCIATION RAN TO GOVERNMENT AND TO THE MEDIA WITH PROTESTS AGAINST THE CONCESSIONAL FINANCING BY THE BRITISH EXPORT BANK, THE ECGD, OF \$148 MILLION DOLLARS WORTH OF GOODS AND SERVICES FOR THE NEW REFINERY AT THE STRAIT OF CANSO.

YET, THERE WERE NO COMPLAINTS HEARD ABOUT ECGD PARTICIPATION IN AN ONTARIO BASED REFINERY PRESENTLY UNDER EXPANSION IN THE OAKVILLE AREA.

UNLESS FINANCING OF THE TYPE PROVIDED BY THE ECGD WAS AVAILABLE, THIS REFINERY WOULD NOT BE LOCATING IN CANADA ... IT WOULD BE LOCATING IN ANOTHER DEEP WATER AREA

AND NEARLY \$100 MILLION DOLLARS WORTH OF CANADIAN EQUIPMENT AND LABOUR INVOLVED IN THE CONSTRUCTION, EXCLUSIVE OF THE BRITISH GOODS AND SERVICES, WOULD BE LOST TO NOVA SCOTIA AND CANADA ALONG WITH ALL OF THE PERMANENT EMPLOYMENT AND ECONOMIC ACTIVITY WHICH WOULD BE GENERATED BY THE OPERATION OF THE REFINERY.

MANY OF THESE SAME COMPANIES HOLDING MEMBERSHIP IN THE CANADIAN MACHINERY AND EQUIPMENT MANUFACTURERS ASSOCIATION HAVE BENEFITED IN PROPORTION FROM SIMILAR CONCESSIONAL FINANCING FOR THE EXPORT OF MACHINERY OR EQUIPMENT TO OVERSEAS PROJECTS BY THE CANADIAN EXPORT DEVELOPMENT CORPORATION.

NOW MIND YOU, I WOULD BE THE FIRST TO GREET WITH SATISFACTION A CANADIAN GOVERNMENT POLICY THAT OFFERED TO MATCH FINANCING AVAILABLE THROUGH SUCH ORGANIZATIONS AS THE ECGD FOR PROJECTS OF THIS TYPE IF CANADIAN EQUIPMENT WERE USED.

BUT NO SUCH POLICY PRESENTLY EXISTS AND NONE EXISTED AT THE TIME THAT THIS REFINERY WAS NEGOTIATED. THIS FINANCING WAS ESSENTIAL TO THE GO AHEAD OF THE PROJECT IN CANADA. IT IS WELL FOR THE MEMBERS OF THE MACHINERY AND EQUIPMENT MANUFACTURERS ASSOCIATION TO RECOGNIZE THAT HALF A PIE IS BETTER THAN NONE.

MR. CHAIRMAN, WHILE WE ARE DEALING WITH THAT WORTHY CANADIAN ORGANIZATION, I FEEL OBLIGED TO SAY THAT I HAVE TAKEN THE TROUBLE TO OBTAIN A LIST OF THE COMPANIES WHO HOLD MEMBERSHIP IN THIS ORGANIZATION. OF THE 70 ODD LISTED, ALL BUT TWO ARE HEADQUARTERED IN ONTARIO AND QUEBEC, ONE IN WINNIPEG AND ONE IN BRITISH COLUMBIA. THESE TWO REPRESENT THE ONLY MEMBERSHIP OUTSIDE OF CENTRAL CANADA OF AN ORGANIZATION THAT MAKES ITS COMPLAINT AGAINST OUR EFFORTS OF SELF HELP IN NOVA SCOTIA ... I MIGHT ADD THAT WELL OVER 50% OF THE COMPANIES HOLDING MEMBERSHIP IN THIS ORGANIZATION ARE FOREIGN OWNED.

PERHAPS, THE REAL CONCERN OF THESE COMPANIES WITHIN THE ASSOCIATION WHO ARE FOREIGN CONTROLLED IS THE FACT THAT THEIR U.S. BASED PARENT COMPANIES HAVE LOST OUT TO THE BRITISH ON THE SALE OF MUCH OF THE HIGHLY SPECIALIZED REFINERY EQUIPMENT THAT IS NOT MADE IN CANADA.

SURELY, NO LARGE COUNTRY IN THE WORLD HAS BEEN ABLE TO PROGRESS, STAY UNITED AND PROVIDE ANY SEMBLANCE OF EQUALITY OF OPPORTUNITY IF SUCH A CONCENTRATION IN ONE REGION OF THE NATION PERSISTS.

IT IS MY HOPE THAT ORGANIZATIONS OF THIS TYPE CAN BE MADE TO REALIZE THAT THEY DO NOT HELP CANADA BY WISHING TO PLACE RESTRICTIONS ON DEVELOPMENTS OF THE NATURE THAT I HAVE OUTLINED IN OUR COASTAL AREA WHEN

SUCH RESTRICTIONS DO NOT EXIST IN OUR COMPETITIVE PORTS ABROAD. LET THEM INSTEAD, IF THEY WISH, SEEK MATCHING NEW POLICIES FOR FINANCING BY THE CANADIAN GOVERNMENT BUT NOT RESTRICTIONS UPON OUR OPPORTUNITIES.

OUR FEARS OF INTERFERENCE, AND THUS LOSS OF THIS GREAT CHANCE, ARE NOT RESTRICTED TO OUTCRIES OF THIS TYPE - WE HAVE EQUAL CONCERN THAT POLICIES OF NATIONAL GOVERNMENTS THAT DO NOT RECOGNIZE THAT WE MUST COMPETE INTERNATIONALLY CAN DENY US OUR CHANCE.

AT THE PRESENT TIME, THERE IS A LEVY PLACED ON THE IMPORT AND EXPORT BY WATER OF EVERY BARREL OF OIL THAT ENTERS OUR PORTS FOR THE PURPOSE OF BUILDING UP A 25 MILLION DOLLAR FUND THAT WILL BE USED TO COVER CLEAN UP COSTS IF ANY VESSEL COMES TO WOE ALONG OUR SHORES WITH A RESULTANT OIL SPILL.

THIS ANTI POLLUTION LEVY WHICH IS NOT CHARGED AGAINST THE MOVEMENT OF OIL BY PIPELINE OR RAILWAY OR TANKCAR, IS DISCRIMINATORY AGAINST THE COASTAL PROVINCES IN THAT IT REPRESENTS AN EXTRA CHARGE TO THE MOVEMENT OF OIL PRODUCTS ONLY TO THEM.

IT IS AN EXTRA COST THAT DOESN'T EXIST IN MOST OF THE PORTS OF OUR COMPETITORS WHICH MAKES US A LITTLE BIT LESS COMPETITIVE. WE RECEIVED THE UNDERTAKING OF THE NATIONAL GOVERNMENT AT THE TIME IT WAS PUT INTO FORCE THAT IT WOULD BE DISCONTINUED WHEN A FUND OF 25 MILLION DOLLARS HAS BEEN REALIZED. WE ARE DISTURBED AT RUMORS THAT SOME LEVY MAY CONTINUE, BUT WE REMAIN CONFIDENT THAT THE PLEDGE WILL BE HONORED.

BUT, WE ARE CONCERNED THAT OTTAWA IS SHOWING AN INCREASING TENDENCY TO BECOME INVOLVED IN THE REGULATION OF OUR INDUSTRIES IN THE WAY THAT DOES NOT OCCUR IN CENTRAL CANADA.

WE HAVE NO INTENTION OF CREATING A POLLUTION HAVEN IN OUR PROVINCE AND INDEED, ARE DETERMINED THAT ALL DEVELOPMENT WILL OCCUR UNDER TERMS OF ENVIRONMENTAL CONTROL THAT WILL PROVIDE THE MAXIMUM OF PROTECTION.

HOWEVER, WE DO FEEL THAT THE PROVINCIAL GOVERNMENT CAN BEST APPLY SANE REGULATIONS WITH A BETTER UNDERSTANDING OF THE NECESSITY TO REMAIN COMPETITIVE WITH OUR OVERSEAS RIVALS.

MR. CHAIRMAN, THUS FAR, I HAVE DISCUSSED SOME OF THE OPPORTUNITIES IN MY REGION WHICH DO NOT AFFECT IN ANY ADVERSE WAY DEVELOPMENT IN OTHER PARTS OF CANADA. I AM SURE YOU WOULD BE SURPRISED IF I DID NOT EXPRESS AT LEAST ONE COMPLAINT ABOUT A TREND IN THIS NATION IN RELATION TO UNBALANCED DEVELOPMENT THAT APPEARS TO ME TO BE UNFAIR AND UNHEALTHY.

I HAVE SOMETIMES IN THE PAST SAID THAT THE PRIVATE SECTOR HAS A RESPONSIBILITY TO COMBAT REGIONAL DISPARITY IN CANADA THAT IS PARALLEL TO THAT OF THE NATIONAL GOVERNMENT.

I BELIEVE THIS IS IMPORTANT, BECAUSE WE ARE DEVELOPING IN SUCH A WAY AS TO CAUSE GREATER CONCENTRATION OF HEAD OFFICES AND OTHER ACTIVITIES IN TWO CITIES THAN HAS OCCURRED IN ANY COMPARABLE COUNTRY.

IN THE UNITED STATES THERE HAS BEEN A REALIZATION THAT BIGNESS BEYOND A POINT CARRIES NO ADVANTAGE FOR A CITY AND, INDEED, BRINGS MANY PROBLEMS AND MUCH UNHAPPINESS.

IN THAT COUNTRY, THERE HAS BEEN VERY CONSIDERABLE MOVEMENT AWAY FROM NEW YORK AND CHICAGO BY NATIONAL COMPANIES TO ESTABLISH THEIR HEADQUARTERS IN ATLANTA, HOUSTON, PHOENIX, KANSAS CITY, SAN FRANCISCO, TO NAME ONLY A FEW. UNFORTUNATELY, FOR THE OVERALL CANADIAN

ECONOMY, AND NATIONAL UNITY, THE COMPUTER AND DATA BANKS HAVE STAMPEDED A REVERSE TREND IN CANADA WITH MORE AND MORE COMPANIES PULLING ALMOST ALL THEIR ACCOUNTING AND DATA ORIENTED ACTIVITIES INTO TORONTO OR MONTREAL WHICH ALREADY WERE THE LOCATIONS OF THEIR HEAD OFFICES.

WHILE THE FEDERAL GOVERNMENT REMAINS PRE-OCCUPIED WITH INCENTIVES FOR MANUFACTURING ACTIVITIES TO BECOME DECENTRALIZED IN THIS COUNTRY, THE DIFFERENT REGIONS HAVE BEEN LOSING THOUSANDS OF JOBS TO THESE TWO CITIES AS A CONSEQUENCE OF CENTRALIZED ACCOUNTING.

CENTRAL BILLING AND ACCOUNTING BY OIL COMPANIES RETAILING GASOLINE HAS RESULTED IN THE LOSS OF MANY HUNDREDS OF JOBS FROM NOVA SCOTIA TO THIS CITY ALONE IN THE PAST FEW YEARS.

ALMOST ALL OF THE MAJOR LIFE INSURANCE COMPANIES HAVE CONSOLIDATED ACCOUNTING AND BILLING AT ONE LOCATION WITH VERY SMALL STAFF EMPLOYED IN OTHER CITIES ACROSS THE COUNTRY MOSTLY IN SALES; ALMOST ALWAYS, THAT CENTRALIZED LOCATION HAS BEEN TORONTO.

THE SAME TREND EXISTS WITH FINANCE COMPANIES AND AUTOMOBILE PURCHASE CREDIT ORGANIZATIONS. AGAIN, IT IS THE SAME STORY WITH DEPARTMENT STORES.

NOW, MR. CHAIRMAN, YOU CAN'T STOP PROGRESS AND IT IS HARD TO ARGUE AGAINST THE ECONOMIES THAT CAN BE ACHIEVED BY HAVING ONE BILLING OR ACCOUNTING SYSTEM FOR THE ENTIRE NATION, AND I WOULD NOT BE COMPLAINING AGAINST THIS TREND IF SOME OF THESE COMPANIES ESTABLISHED THOSE CENTRALIZED FACILITIES IN REGINA, SUDBURY, QUEBEC CITY AND IN HALIFAX TO PARALLEL WHAT HAS OCCURRED IN THE UNITED STATES.

THE NATURE OF DATA COMPIATION IN TODAY'S WORLD OF INSTANTANEOUS COMMUNICATION IS SUCH THAT ANY OF THESE NATIONAL COMPANIES COULD ESTABLISH THESE NATIONAL CENTRES IN CITIES OTHER THAN WHERE THEIR EXECUTIVE HEADQUARTERS EXIST WITHOUT LOSS OF EFFICIENCY, PERHAPS, ALSO WE HAVE TOO MUCH CONCENTRATION OF EXECUTIVE HEADQUARTERS THESE DAYS.

I THINK OUR NATIONAL GOVERNMENT IS MISSING THE BOAT IN NOT SEEING HOW MUCH EASIER IT IS TO DECENTRALIZE ACTIVITIES IN THE DATA FIELD THAN IN THE AREA OF MANUFACTURING WHERE DECENTRALIZATION INVOLVES SPECIAL PROBLEMS IN RELATION TO SHIPPING COSTS OF PRODUCT.

BUT PUTTING ASIDE GOVERNMENT, I AM SURE THAT THE BUSINESS COMMUNITY ALSO IS NOT MEETING ITS RESPONSIBILITY TO BRING OPPORTUNITY TO DIFFERENT REGIONS THROUGH ITS RIGID ADHERENCE TO THE PRINCIPLE THAT CENTRALIZATION MEANS LOCATION IN TORONTO.

MOREOVER, I WOULD LIKE TO POINT OUT THAT ONE OF THE REASONS WHY MANY NATIONAL FIRMS IN THE UNITED STATES ARE DECENTRALIZING THEIR OPERATIONS TO LOCATE MAJOR SEGMENTS OF THEIR ACTIVITIES OUTSIDE THE MAJOR CITIES SUCH AS NEW YORK AND CHICAGO, IS THAT THE VERY SIZE OF THESE LARGE CITIES HAVE MADE THEM LESS DESIRABLE PLACES TO LIVE FROM THE POINT OF VIEW OF THE EMPLOYEE.

MAJOR FIRMS ARE FINDING IT IS EASIER TO ATTRACT PROFESSIONALLY TRAINED EMPLOYEES AND FINER MANAGEMENT TO SMALLER CITIES WHICH DO NOT HAVE MANY OF THE PROBLEMS EXISTING WITH LARGE URBAN CENTRES.

IN THIS REGARD, I THINK THAT PLACES SUCH AS QUEBEC CITY, WINNIPEG, VICTORIA, REGINA AND HALIFAX HAVE MUCH TO OFFER IN A STYLE OF LIVING THAT IS NOT AVAILABLE IN CITIES THE SIZE OF MONTREAL AND TORONTO.

FOR EXAMPLE, OUR AIR POLLUTION, THE TRANSIT PROBLEMS OF THE COMMUTER AND THE INACCESSABILITY OF RECREATIONAL FACILITIES ARE NOT NEARLY AS SIGNIFICANT PROBLEMS IN THE SMALLER CENTRES AS THEY ARE IN BIG CITIES.

IN HALIFAX, FOR INSTANCE, ONE-HALF HOURS DRIVE FROM THE CITY ENABLES ONE TO ENJOY A MOST SCENIC VIEW ALONG THE HIGHWAY. THIS VIEW CAN SURELY BE ENJOYED FROM ANY DIRECTION OUT OF HALIFAX.

A SIMILAR ONE-HALF HOURS DRIVE FROM DOWN TOWN TORONTO LEAVES ONE STILL DRIVING THROUGH SUBURBIA.

THIS IS BUT ONE EXAMPLE OF REASONS WHY MANY PEOPLE WHO, TEN OR EVEN FIVE YEARS AGO REGARDED HALIFAX AS NEARLY THE END OF THE WORLD AND NOW ARE BEGINNING TO REALIZE THAT IS IS AS FINE A PLACE TO LIVE AS ANYWHERE IN THE COUNTRY AND, INDEED, OFFERS MANY OF THE ADVANTAGES AND YET HAS FEW OF THE DISADVANTAGES OF THE TWO OR THREE LARGEST CITIES IN THE COUNTRY.

WITH THE INCREASING REGARD WHICH CANADIANS ARE HAVING FOR THEIR OVERALL QUALITY OF LIFE, NATIONAL FIRMS SHOULD CONSIDER LOCATING PART OF THEIR OPERATIONS IN SMALLER CENTRES ACROSS THIS COUNTRY TO ALLOW THEIR EMPLOYEES TO IMPROVE THE QUALITY OF THEIR LIFE.

AS FAR BACK AS 1966, NOVA SCOTIA PURCHASED OVER 55 PERCENT OF ITS CONSUMER GOODS FROM THE PROVINCE OF ONTARIO FOR A VALUE THEN OF NEARLY 260 MILLION DOLLARS A YEAR. PURCHASES FROM THIS PROVINCE WHICH WILL ALWAYS BE THE RICHEST AND MOST POPULATED IN CANADA CAN ONLY CONTINUE TO GROW WITH FURTHER RESULTANT PROSPERITY HERE IF DEVELOPMENT IN THOSE FIELDS, WHERE IT IS FEASIBLE, CONTINUES TO OCCUR IN LOCATIONS THROUGHOUT CANADA.

WE CAN ONLY BE A GOOD MARKET FOR YOUR PRODUCTS IN OTHER PARTS OF CANADA IF WE HAVE THE ECONOMIC ACTIVITY TO SUPPORT CONSUMER PURCHASING ABILITY. THUS, IT IS VITAL THAT CANADA PROCEED ALONG THE PATTERN OF DECENTRALIZATION THAT IS OCCURRING IN THE UNITED STATES.

MR. CHAIRMAN, I KNOW THAT THE LATTER PORTION OF MY SUBJECT WILL BE CONTROVERSIAL TO MANY BUT, I FIRMLY BELIEVE THAT MANY THINGS ARE BETTER ACCOMPLISHED BY BUSINESS THAN BY GOVERNMENT. YOU ALL HAVE A STAKE IN A HEALTHY, UNITED CANADA.....I BELIEVE THAT THE PROBLEM AND SOLUTION THAT I HAVE OUTLINED ARE IMPORTANT CONSIDERATIONS FOR THOSE WHO HAVE LONG TERM INTEREST IN CANADA AND THE BEST LONG TERM INTEREST OF THEIR OWN COMPANIES.