

tion promises to be in the ore fields of Newfoundland's Labrador and Quebec's Ungava district. It has been arranged that the men to be employed in Labrador shall be recruited as far as possible in Newfoundland, and indeed the two most obvious benefits in both provinces are the new employment opportunities and the provincial royalty revenues.

Both the power and the navigation facilities provided by the project will be important for a number of industries in Ontario and Quebec, of course, and in some cases there will be obvious benefits on both counts.

### **Power Development Serves Expansion of Industry**

Further development of power from the St. Lawrence certainly will serve the expansion of industry. That is its purpose and its justification, for the demand for power is growing rapidly. But that demand is going to grow in any event. It is simply a matter of meeting it in the most economical manner. Whether industrialization comes from this scheme or from another, namely from coal by the development of steam plants, I do not think it would be possible to stop that development. This is particularly true in Ontario, where still more steam plants are the only alternative to an international hydro development in the St. Lawrence. Quebec on the other hand can develop its St. Lawrence power independently of the Seaway project, and has other hydro sites as well that will serve its industrial expansion.

On the navigation side, the benefits will be most important for commodities having high transportation costs relative to their value. The volume of such commodities used or produced in central Canada and likely to be served by the Seaway is only a small part of the prospective traffic. Without meaning to belittle the advantages to this area, it must nevertheless be observed that the main benefits will be felt elsewhere.

As a matter of fact it is difficult to go very far in ranking the benefits to the various provinces in order of importance. Rather than argue about which will gain the most, let us look at what concrete opportunities will be opened for each.

The Prairies would find a substantial saving in the cost of moving grain, flour and other products to markets in Eastern Canada and overseas. Moreover the Seaway would permit large ocean vessels to move into the Great Lakes to relieve such shortages of shipping as occurred this year. Shortages occur from time to time to hinder the grain movement, for at present the only vessels that can enter the Lakes are too small and too few to make much impression.

I have mentioned already Newfoundland's interest in the Labrador development. Beyond this, the four Maritime Provinces would get a new and low cost transportation route to the heart of the continent. They complain now with some justice that there is no effective water competition to keep down the rail rates. Well this is it. There can be no doubt but that it would bring new opportunities to explore in pulpwood, wood pulp, paper, lumber, specialty agricultural products, minerals and other products.

The Seaway would bring British Columbia much closer to the centre of this continent. For example, British Columbia lumber now moves "all-rail" to these markets, but at Montreal it has been delivered cheaper by the "all-water" route through the Panama Canal. The possibility of a continued water movement without trans-shipment holds great promise, for the market to be reached is substantial.

What will be the effect on the railways of Canada? I do not think that the fortunes of the railways nor the economy of the railways would be materially affected