

ordinary ocean tramps.

Leaving the Great Lakes, I will mention only a couple more specific trades dependent on water transportation. One is the marketing of iron ore from Newfoundland's Bell Island. The fact that the ore can be loaded directly from the mine mouth to ocean carriers means that transportation costs are a minimum, and it finds a considerable market in Europe as well as at Sydney, N.S., where it is brought to Cape Breton coal in the other large centre of Canadian steel production.

Then there is Canada's aluminum industry. With an output second only to that of the United States, it is based on imported bauxite brought by ocean carriers to large sources of cheap hydro power. It is this combination that brought the Arvida and associated developments into being. It is the same combination that justifies the great new plants under construction today at Kitimat on the coast of British Columbia.

Water routes provided the first forms of transportation in Canada, and I have demonstrated their continuing importance today. Yet the Canadian nation would have died at birth or in infancy were it not for the promotion of our national railway systems.

Railroad building in what is now Canada began in the 1850's, first as trunk lines serving largely the settled areas. They brought an economic revolution that wrote an end to many of the small local industries. Early grist mills, linen factories, carriage shops and so on served a small market limited in range by the cost of transportation. The railways ended this limitation and contributed to the concentration of industry in larger and more efficient plants in urban areas.

With Confederation in 1867 -- the birth of Canada -- came the commitment to build the Intercolonial Railway to the eastern provinces and to connect Central Canada to the west coast, a most courageous undertaking for the day. The Intercolonial was completed in 1876, the main line of the Canadian Pacific Railway in 1885, extending a base line for development from ocean to ocean. Once more an economic revolution began, this time in agriculture, with the opening of the vast grain producing areas of the Canadian Prairies.

Railway expansion was mainly in the west until well into the 1920's. By then the Prairie Provinces were pretty well covered with rail service and the new wheat economy had become established. Further development looked northward. In 1929, Winnipeg was linked with Hudson Bay for the movement of wheat, and in 1932 the line now known as the Ontario Northland was extended to James Bay to reach mineral and forest resources. In conjunction with the earlier construction of the Canadian Northern and the National Transcontinental railways, the northern extensions were an important factor in moving the newsprint industry from the United States to Canada. The export value of our newsprint has risen from \$9 million in 1900 to \$592 million in 1952. Newsprint has become the rival of wheat for first place in the value of our exports. Canada produces over 50 per cent of the world's newsprint tonnage, and the whole