

As striking evidence of this upward trend in our development one cannot be unaware of the iron ore undertakings in the Quebec - Labrador Ungava region. In my opening remarks I indicated that Canada had not as yet attained a fully industrialized status. I might say that among the reasons deterring such attainment has been the unfortunate fact that we do not have large coal and iron ore deposits in close proximity to each other. This recent discovery of commercial quantities of high-grade iron ore provides a partial answer to this shortcoming. The development lies in one of the most remote and barren regions of this continent and from a transportation standpoint embodies two features. The first, and presently utilized, is an impressive air transport service for the movement of men, supplies, materials and equipment. Moving upwards of 45 tons of freight per day out of Seven Islands the airplane serves both the mine properties and facilitates the simultaneous construction of the railroad from points along the route as well as from the terminals.

The second transportation feature is the provision of a rail-bed, terminal facilities, rolling stock, and a deep water harbour required in the 360 mile operation between Burnt Greek and Seven Islands. This part of the project is estimated to cost \$115,000,000. Obviously a long-term high level of activity is of paramount importance where such an investment is concerned. In this case the return is based upon a minimum programme equivalent to the annual movement of 10 million tons of ore over a period of 40 years. While production is subject to increase in the course of time, yet presently known ore reserves amount to 417 million tons. The movement of 10,000,000 tons per year will require 8 trains per day moving 60,000 tons in order to complete the shipment during the 5½-month operating season. Present plans call for the first ore to reach Seven Islands in the fall of 1954 and to be in full operation the following year.

Before closing, I think I should say something about the recent appointment of a Transport Controller.

The so-called transportation crisis has received a great deal of attention in the press. As you probably know we had a committee working on this problem last spring. However, this committee, representing both the operators of transportation media and shippers, had no powers which would enable them to issue orders. When it became evident late in August that Canada would have one of the largest grain crops on record, it was apparent that every effort must be made to ensure the best possible use of all available facilities. The Government, therefore, under the Emergency Powers Act, passed at the last session, appointed a Transport Controller with full powers to deal with this complex situation. As the problem appeared to centre primarily in the movement of bulk commodities such as grain, ore, coal, etc., the powers to direct and control transportation have so far been restricted to these items.

I would like to remind you that since the war years, when it was impossible to renew or enlarge our transportation facilities we have made tremendous strides in replacing and modernizing our equipment. While this applies in much greater degree to the bulk carrying facilities of our railways than to the fleet of vessels plying our inland waterways, nevertheless in the course of the next two years we shall have a larger and more efficient fleet of bulk carrying vessels than ever before.