

## The New Ore Traffic

Completion of the Seaway would change this picture completely. Quebec-Labrador ores, after paying any likely toll, would be enabled to compete in most of the Lake districts at current prices for ore. The ore deposits occur near the surface over a wide area, readily mined from open pits, and hence low-cost shipments could be made in any volume likely to be required. Accordingly the Seaway will give the best possible answer to the ore problem, both in terms of cost and of ready availability.

This invites a sober comparison with the role that has been played by the navigation facilities in the Upper Lakes. These facilities made available a plentiful supply of iron ore at a low cost, on which were based the great steel centres of today. Now that production of those ores has reached its limit and costs threaten to increase sharply, the new facilities will make available new and expansible supplies at comparatively low cost.

The Quebec-Labrador development already is going ahead. The production goal is 10 million tons a year. Given the Seaway, however, the mining interests have already indicated that they would expect to sell 20 million tons a year as soon as production could be raised to that volume. They could expect a further growth of demand in following years.

Canada has a twofold interest in this matter. We are concerned with making the best and greatest use of a rich natural resource. But we are interested in the other side of the coin too, the ore supply problem facing the steel mills. A plentiful supply of iron and steel at comparatively low prices has been taken for granted in our economy. It can be taken for granted no longer. A little thought will show the serious implications of the threatened higher costs in these fields. The Seaway promises to avert the worst of this threat. We cannot afford to do without it.

## Other Benefits

I have referred to transportation economies in other fields as well as iron ore. They may attract less attention but they will be important too. It so happens that they promise to be all the greater because of the new ore movement. It appears that the lake carriers delivering ore from Seven Islands to Lake Erie will find it of advantage to proceed to the head of the Lakes to pick up cargo for Montreal or beyond, and that for such offerings they could underquote any other vessels that did not have a like advantage in two-way cargoes. This of course means a more economical use of shipping. Moreover, it is expected that the up traffic will outweigh the down, what with the preponderance of iron ore. The difference may not be great, but it should be enough to shift the rate advantage to the downbound cargoes as a result of normal competitive forces.

In this connection it may be of interest to note that ocean-going vessels are not expected to play a major role on the Seaway. They may very well enter in some numbers, to be sure. But in the circumstances I have outlined it would appear that an ocean vessel would not enter unless it had an inbound cargo as well as an outbound offering. No doubt there will be those that would have this advantage, but otherwise most of them will find it more attractive to pick up their cargoes at Montreal or some other transfer point.

Is the project necessary from the point of view of defence? From the point of view of national defence, I believe that the development of the St. Lawrence Deep Waterway is of the greatest urgency. The main contribution perhaps would be in the field just discussed, iron ore supplies. The demand for ore has risen in the present period of preparedness, and would rise sharply again on the outbreak of a