

with Hudson Bay and in 1932 the line now known as the Ontario Northland was extended to James Bay. The Hudson Bay route was constructed for the movement of wheat. The James Bay route was designed to penetrate the northern mineral and forest resources of Ontario. In conjunction with the extensive tracts opened by the construction of the Canadian Northern and the National Transcontinental these developments served to move the newsprint industry from the United States to Canada. From a total value of 9 million dollars in 1900 the export value of our newsprint to the United States now approximates 400 million dollars. Newsprint has become the leading rival of wheat for first place in the value of Canadian exports. It is a billion dollar industry in terms of value of production and in Canada we produce 50 percent of the world newsprint tonnage.

Other aspects of this northern railway development are evident in our mining industry. Although base metals were discovered in the Flin Flon area prior to the First World War it was not until 1929 and the building of a rail line that this area was opened up on an extensive scale. This in itself has served as a springboard for further exploration and the recent discovery of nickel-copper deposits in the Lynn Lake area are such as to warrant a further railway extension. The strategic and industrial importance of the minerals involved, in conjunction with their ample supply, has caused the federal government to assist in the construction of a railway from Sherridon into the Lynn Lake area. In a very direct manner the Government is thereby encouraging development in remote regions and increasing the industrial growth of the nation.

I might also refer to the extension of the Pacific Great Eastern from Quesnel to Prince George and, possibly, into the Peace River block. This undertaking would appear to offer considerable scope for further developments in agriculture, lumbering and mining. There are some 5 million acres of farm and grazing land; some 25 billion board feet of timber; several hundred million tons of coal; and promising prospects for gold, silver, lead, zinc and mercury.

A somewhat disregarded but not unimportant relationship between transportation and industrial growth is to be found in the demands which transportation development makes upon industry. The change in transportation from one of wood and wind to one of iron and steam, enhanced the value of resources in Central and Western Canada and stimulated industrial growth. In the Maritimes, an economy facing Eastward and geared to the building of sailing ships was forced to turn Westward and inland. The decline of the wooden ship building industry was partially offset by the development of a coal and iron industry. Its rise coincided with the westward railway expansion and reached a peak in 1913; its decline was signalled by decreased railway building activity. When one realizes that as of this day 20 percent of the people of Nova Scotia gain their livelihood from coal mining and subsidiary industries, the continuing and far reaching effects of the railway development are evident. In Ontario the iron and steel industry developed to meet railway requirements - based on imported coal and pig iron - became the basis of the agricultural implement industry.

In the 1920's the era of large scale railway developments came to an end. The rail frontier was closing but a new frontier was soon to open. In 1925 gold was discovered in the Red Lake district of Manitoba. The exploration,