

Welland Ship Canal as a link in the St. Lawrence Seaway, and now has deepened the St. Lawrence Ship Channel to 35 feet. Other aids to navigation have been provided, subsidies have been given to vessel operators in the coastwise trade, and large investments have been made in national harbours.

Today the Federal Government has in hand a further programme of widening and improving the St. Lawrence Ship Channel, and it is pressing forward with new plans for the St. Lawrence Seaway and Power Development. Completion of this deep waterway now appears more urgent than ever, for defence as well as for peace. Not only does it still hold out a great promise of economy in moving grain, coal, and other commodities, but also it will give an immense stimulus to the development of new iron ore fields in Labrador. Moreover, the associated power development is of the greatest importance for the manufacturing industries of Ontario.

Turning now to the railways, they began their early development in the 1850's. At first they were essentially trunk lines serving largely the settled areas. But almost at once there was recognition of the possibilities they offered for economic development, and it became public policy to press them into this service. Assistance was given in land grants, cash, bond guarantees, and other ways.

It must be emphasized also that transportation policy was written into the terms of union at the time of Confederation. These terms included a commitment to construct the Intercolonial Railway, to provide a rail link with British Columbia, and to maintain continuous communication between Prince Edward Island and the mainland. As late as 1949, the terms of union with Newfoundland provided for taking over the railway and steamship services and the maintenance of steamship service between Port-aux-Basques and North Sydney.

The Intercolonial Railway was completed in 1876, the C.P.R. main line in 1885. This extended a base line for development from the Atlantic to the Pacific. It brought a revolution in agriculture and opened the great producing areas of Western Canada.

National policy has also recognized the needs of particular areas, as in the Crows Nest Pass Agreement and in the Maritime Freight Rates Act. It dictated the building of the National Transcontinental Railway to encourage the shipment of goods through Canadian ports, the taking over of the lines now known as the Canadian National Railway system, the construction of the Hudson Bay Railway and terminal facilities at the Port of Churchill.

It should be noted in this connection that construction of the Canadian Northern and National Transcontinental laid the groundwork for moving the newsprint industry from the United States to Canada. The export value of our newsprint has risen from \$9 million in 1900 to almost \$592 million in 1952. Newsprint has become a rival of wheat for first place in value of exports. Canada produces over 50 per cent of the world's newsprint tonnage, and the whole pulp and paper industry does a billion dollar business.