

World War, came the growth of truck transportation, the building of pipelines for oil and gas, the construction of the St. Lawrence Seaway, and the completion of the Trans-Canada Highway, not to mention the addition of major causeways, bridges, tunnels and ferries.

Canada has developed one of the finest transportation systems in the world. The publicly-owned Canadian National is North America's largest and the Canadian Pacific Railway Company is the world's largest stockholder-owned railway system.

The two major airlines, publicly-owned, Air Canada and Canadian Pacific Airlines, which is stockholder-owned, provide exceptionally high standards of service and between them connect Canada with most of the world by regularly-scheduled passenger and cargo services over a total of more than 100,000 miles of air-routes.

The St. Lawrence Seaway, penetrating deep into the heart of North America, over 2,000 miles from the Atlantic, brings ocean shipping to the doorsteps of major industries, providing economical transportation for much of the continent's goods, thus greatly assisting Canada's position as a major trading nation.

Pipelines have also been important in making it possible for Canada to develop its oil and natural-gas resources economically. One of the world's longest pipelines, for instance, runs from Edmonton, Alberta, over 2,000 miles to Port Credit, near Toronto, Ontario. More than 15,000 miles of main transmission-lines have been built since the first oil discoveries in the late 1940s.

History of Trade Relations

In the years immediately before Confederation in 1867, the colonies that then joined together had enjoyed free trade with the United States in primary products. This had been sought by the colonies as an offset to earlier losses of preference in the British market; it had been negotiated by Britain in the belief that it would promote economic viability in these then British territories and thus help to avoid political union with the United States. This was in 1854.

Then, in 1866, the United States repealed the reciprocity pact, bringing considerable adverse influence to bear on Canada's trade and on investment in Canada. Confederation was, in part, a response to this situation and the new nation immediately set about seeking better terms of access to the United States and British markets.

The results of these efforts were disappointing and so, in 1879, Canada adopted the high-tariff policy then in vogue in most trading countries other than Britain. This policy was aimed at fostering the growth of manufacturing industry in Canada and increasing revenues to finance new transportation facilities and general economic development. The system suffered, however, from a conflict between the two objectives, for it became evident that internal development hinged significantly on the ability to compete in export markets.