

\$250,000,000 a year in the cost of raw material for the steel mills, and an even greater increase in the price of the final steel products.

This prospect would be completely changed by the Seaway. If it existed today, it would enable Labrador ore to compete at present ore prices in virtually all of the Great Lakes districts. The ore occurs as outcroppings or with very light overburden over vast areas, and production could be expanded at low cost to meet any likely level of annual demand.

In these circumstances, that figure of \$250,000,000 a year is just one of the costs of not completing the Seaway. It is a cost that would have to be met by the ultimate consumers of iron and steel, that is to say by all citizens in both our countries. In just a few years it would outweigh the whole cost of the St. Lawrence project -- power works, navigation facilities, everything.

Other Benefits

Another Seaway benefit would be the savings in the costs of transporting grain, coal and other commodities that now are carried in large and economic lake vessels for only part of their journey. As it is they must trans-ship either to more costly little "canallers" or to rail. Thus the saving would be great enough if it were just a matter of allowing cargoes to move in large vessels throughout the Seaway without trans-shipment. It promises to be all the greater because upbound vessels with ore and other cargoes will find it of advantage to carry grain and other downbound cargoes, making for a greater economy in the use of vessels. It is estimated that this saving will amount to at least \$30,000,000 a year, again after paying any likely level of tolls.

What will the project mean to eastern Ontario?

The combination of power and navigation development may be expected to stimulate industrial expansion in much of Ontario and Quebec. One must not look for miracles, however, and hence it is not suggested that the present very rapid growth is to be further accelerated. It is suggested rather that there will be encouragement for the continuance of that growth. Low-cost transportation and ample power reserves are two important factors in determining the location and expansion of industrial plant. They are not the only factors, of course, and their importance varies with the nature of the production process and the materials handled. They mean a great deal to an ore smelter or a paper mill, for example, but very little to a maker of shoes or shaving brushes. Nevertheless, in total impact they promise a great deal.

I believe that a good deal of this expansion will take place in eastern Ontario, which heretofore has lagged behind other parts of the province in the matter of industrialization. Much of the new power may come to be used in this area, say from Cornwall to Kingston, with low-cost water transportation available all along the waterfront. Another favourable factor is a discernible trend in a number of industries towards location in smaller communities. In such circumstances the upper St. Lawrence valley would be doubly attractive in that it is close to the two mass markets of Toronto and Montreal.