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An address by the Minister of Transport, Mr. Lionel Chevrier, to the Toronto Junior Board of Trade, made at Toronto, on September 25, 1951.

In speaking of the development of transportation in Canada in relation to the expansion of our industrial sphere I do not wish to give the impression that we are today a fully industrialized nation. While it is true that Canada has, during the past two decades, made remarkable progress towards this end, nevertheless we should not ignore the existence of those geographical factors which indicate that our economic life will, for some time, be heavily dependent upon a few primary industries. The absence of accessible industrial resources combined with physical features which prevent the growth of a dense population and the formation of a large domestic market, forces us to make our living by exploiting our natural resources and exporting the resulting products to other countries. In our history these industries have been fish, furs, lumber, mining, grain and, more recently, pulp and paper.

I need not remind you that the cod industry of Newfoundland and Nova Scotia - our first industry, if I may so term it - came into being with sailing ships; that the fur trade - our second industry - marked the beginning of our inland transportation by water, road and, later, rail; that the exploitation of our timber resources hastened this continental penetration; and, with the extension of the Canadian Pacific Railway to Vancouver in 1885, the base line of our industrialism was extended from the St. Lawrence to the Pacific. While the Canadian Pacific opened new producing areas in Western Canada, the Intercolonial opened new markets in the Maritimes. Railway development brought a revolution in agriculture with consequent expansion in industry, finance, distribution and trade.

Such, in brief, was the relation between our transportation development and our industrial growth to the turn of the century. That this basic relationship - transportation and primary industry - has persisted throughout the last half century is clearly evident. That it has exerted a controlling influence upon our economic growth is undeniable.

Until the end of the First World War railway expansion had been westward and aimed at the exploitation of new and untapped natural resources. The period of the early twenties was largely a further coverage of the Prairie Provinces and the establishment of an economy based on the products of agriculture in general, and wheat in particular. Further development looked northward. In 1929 Winnipeg was linked

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,

proving and development of these deposits marked the beginning of Canadian air transport. The airplane opened a new frontier to the prospector the geologist and the mining engineer. From our east coast to our west coast and northward to the Arctic, potential mining regions of Canada, otherwise inaccessible, were subjected to an intensified frontal attack. Among the discoveries resulting therefrom was the pitchblende deposit at Great Bear Lake which turned the attention of the world upon 1000 square miles of promising mineralized area. Today we have copper, zinc, silver, gold and radium properties which were prospected, proven and developed by air transport. The personnel, supplies and mining machinery which were flown into these properties were the backbone of our air transport during the "Thirties." Today the quest continues at an even greater pace as new discoveries on the industrial front bring forth new demands for the lighter metals and alloys.

With regard to "light" metals I should like to refer to Aluminum Company of Canada's proposed development in British Columbia. Kitimat, an old Indian village lying some 400 miles north of Vancouver, may become the site of one of the world's largest aluminum smelters. Initial development, costing $200,000,000 over a 3-year period, is now under way. Ultimate development will require a further $300,000,000 investment and would increase Kitimat's annual production from 330 million pounds of aluminum to a billion one hundred million pounds or about 1½ times production at Arvida. Although several roads are under construction to link the major centers of the work with existing road and rail arteries nevertheless the project is largely dependent upon air services. Several carriers are now actively engaged in transporting materials and supplies to and from the construction areas and one operator is reported to have signed the largest air transport contract in Canadian aviation history.

It may be that an important characteristic of the years before us will be the replacement of coal by petroleum. While no one can foretell the precise effect that the recent oil and gas discoveries in Alberta may have upon our economic growth, yet it may well be tremendous. The construction of a pipeline from Edmonton to Superior, Wisconsin, a distance of 1,200 miles, and specialized tanker vessels to ply between Superior and Sarnia, set the stage for substantial expansion in the secondary industries of this province. In "Sarnia Chemical Valley" alone some $40,000,000 is being invested in plant expansion. Cheap transportation of a natural resource in volume quantities is the basis of this development.

From a cost standpoint, few means of transport can compare with water carriage. The utilization of specialized lake carriers has been a factor in the development of the iron ore deposits of Steep Rock. Although discovered in 1862, production did not begin until 1945. The ensuing six years has been a period of production and further development. The 1950 production approximated 1,500,000 tons; by 1955 this will be more than doubled. The total possible annual production is said to be 15,000,000 tons annually. In 1947 the proven and probable reserves were estimated at 75,000,000 tons; later estimates raised this figure to 300,000,000 tons; and I now understand that an estimate of 1,000,000,000 tons has recently been made.

As striking evidence of this upward trend in our development one cannot be unaware of the iron ore undertakings in the Quebec - Labrador Ungava region. In my opening remarks I indicated that Canada had not as yet attained a fully industrialized status. I might say that among the reasons deterring such attainment has been the unfortunate fact that we do not have large coal and iron ore deposits in close proximity to each other. This recent discovery of commercial quantities of high-grade iron ore provides a partial answer to this shortcoming. The development lies in one of the most remote and barren regions of this continent and from a transportation standpoint embodies two features. The first, and presently utilized, is an impressive air transport service for the movement of men, supplies, materials and equipment. Moving upwards of 45 tons of freight per day out of Seven Islands the airplane serves both the mine properties and facilitates the simultaneous construction of the railroad from points along the route as well as from the terminals.

The second transportation feature is the provision of a rail-bed, terminal facilities, rolling stock, and a deep water harbour required in the 360 mile operation between Burnt Greek and Seven Islands. This part of the project is estimated to cost $115,000,000. Obviously a long-term high level of activity is of paramount importance where such an investment is concerned. In this case the return is based upon a minimum programme equivalent to the annual movement of 10 million tons of ore over a period of 40 years. While production is subject to increase in the course of time, yet presently known ore reserves amount to 417 million tons. The movement of 10,000,000 tons per year will require 8 trains per day moving 60,000 tons in order to complete the shipment during the 5½-month operating season. Present plans call for the first ore to reach Seven Islands in the fall of 1954 and to be in full operation the following year.

Before closing, I think I should say something about the recent appointment of a Transport Controller.

The so-called transportation crisis has received a great deal of attention in the press. As you probably know we had a committee working on this problem last spring. However, this committee, representing both the operators of transportation media and shippers, had no powers which would enable them to issue orders. When it became evident late in August that Canada would have one of the largest grain crops on record, it was apparent that every effort must be made to ensure the best possible use of all available facilities. The Government, therefore, under the Emergency Powers Act, passed at the last session, appointed a Transport Controller with full powers to deal with this complex situation. As the problem appeared to centre primarily in the movement of bulk commodities such as grain, ore, coal, etc., the powers to direct and control transportation have so far been restricted to these items.

I would like to remind you that since the war years, when it was impossible to renew or enlarge our transportation facilities we have made tremendous strides in replacing and modernizing our equipment. While this applies in much greater degree to the bulk carrying facilities of our railways than to the fleet of vessels plying our inland waterways, nevertheless in the course of the next two years we shall have a larger and more efficient fleet of bulk carrying vessels than ever before.

On our fleet of canallers, those vessels small enough to navigate the fourteen-foot canals, the ravages of war were particularly severe. Of these we lost over one-third, only a few of which have been replaced. This may in large part be due to the indecision in regard to the St. Lawrence seaway. It would obviously be imprudent for steamship companies to build new ships at the present very high costs when within a few years such small vessels would no longer be economic carriers.

In previous years when we have had bumper crops to transport and the additional grain traffic has been beyond the capacity of our inland fleet we have been able to engage substantial numbers of American vessels to help us out. Unfortunately this source will not be available to us this year since American ships will be fully employed in looking after their own needs.

In addition to these factors there have been substantially greater demands on our fleet of lake carriers for the transportation of ore and coal as a result of growing industrial needs and for the enlarged defence effort with which we are now engaged. However, in spite of all these factors I believe we have adequate transportation facilities in Canada to take care of our needs.

Our transportation problem at the moment is primarily one of preventing bottlenecks and the main concern of the newly appointed Transport Controller will be to try to prevent them from arising. One of the major difficulties is to secure quick despatch of grain sold from seaboard terminals. Congestion at these points can affect the normal flow of grain right back to the farm. This phase of the overall problem is not one which can be effectively controlled in Canada as it depends on the purchaser carrying out his programme to lift the cargoes of grain within stated periods. We are using every means at our disposal to expedite this flow of grain overseas.

I confidently expect that our ore and coal requirements will be fully met before the season of navigation on the Great Lakes closes for the year. It has been widely stated that lake vessels have been diverted to the carriage of ore instead of grain. This is not true. The facts are that over 50 percent of the available lake tonnage is now engaged in carrying grain, the balance in all other products, ore, coal, limestone, pulpwood and general cargo. I am quite confident that our transportation problems can be satisfactorily worked out and that under the direction of the Transport Controller and his associates the best possible use will be made of our bulk-carrying transportation facilities.

Brief though my references have been, the important relation between transportation development and expansion of our industrial sphere based on a few primary industries is clearly discernible. A century ago our transportation development was concerned with fish and furs; a half century ago, with lumber and grain, more recently with mining, pulp and paper and petroleum.

For a country which not too long ago was famous only for its furs, Canada may view with satisfaction its industrial growth and take pardonable pride in the part transportation has played in this growth.

We are living in an age of transportation. Never has movement from place to place been so easy as to-day, nor

have human beings ever shown such a passion for movement. Contrast this era of easy transportation when millions travel daily, and mileage is defied with the stationary world of four centuries ago.

Transportation has brought the world closer together. Through the development of modern science, oceans and continents are no longer barriers that separate us, but links that join us.

It is transportation that is, in large part, responsible for Canada's present status. A distinguished Canadian once said - "The Railway found Canada scarcely a geographic expression, and made it a nation," - but we must get still more from transportation. It must serve to unite this nation as it has never been united before. It must bring the Atlantic closer to the Pacific. It must make Ontario and Quebec better known and better understood on the Prairies and in British Columbia. It must make the east and the west, the Maritimes, the Prairies, and the Pacific Coast Province disappear as such, and weld them into one great homogeneous nation.

It must teach all of us who live north of the 49th parallel of latitude, no matter from whence we come, that we belong to a young, virile and powerful nation, a nation that has attained an enviable position in the world and will go on to greater heights. Yes, transportation must teach us to love Canada above all else; it must teach us to think and to act in terms of Canada, a country in which we are proud to hold citizenship.

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