pool and three lift bridges. No. 3 Highway which follows the shore of Lake St. Louis will be carried under the lower lock in a four-lane divided tunnel. A contract has been awarded for the excavation for the main highway diversion tunnel; the Lake St. Louis cofferdam, and the excavation for the Seaway channel and work is getting under way.

Lachine Section.—The Lachine section, covering the reach from Lake St. Louis to Montreal Harbour, is the most costly and most complicated part of the whole Seaway in Canadian territory. Here will be built a 16 mile canal with considerable channel enlargement extending from above Caughnawaga in Lake St. Louis to the entrance to Montreal Harbour. Two locks will be built, one at St. Lambert near Victoria Bridge, the other at Côte Ste. Catherine opposite the Lachine rapids. Three turning basins will be constructed, one in Montreal Harbour and two in Laprairie Basin, to permit the free movement of ships. Four major rail and highway bridges across the St. Lawrence in the Montreal region will have to be modified to provide a minimum of 120 foot clearance over the channel.

Construction is actively under way in this whole area. Nine general contracts amounting to $45,000,000 have been let and only three others are required to complete the Lachine section. Progress is well ahead of schedule. At the start of this second year of construction work on the Seaway the Lachine section is roughly 10 p.c. completed by dollar value, with two and a half years to go.

Welland Section.—Improvements in the Welland Ship Canal will extend the 27 foot passage into Lake Erie. With its seven locks, 859 feet long, 80 feet wide and 30 feet over the sills, 27 foot navigation is already provided for 17 of its 28 miles. Three excavation contracts have been let and two of them have been completed. Three additional dredging contracts required to finish the work in the Welland section can be performed without interruption of traffic movement.

As the 1956 navigation season opens, the pace of construction steps up. Men and machines are busy night and day on land and water from the harbour of Montreal to the eastern reaches of Lake Ontario and in the Welland district, working toward the completion of this great project by 1958. It will then be possible for large lake carriers to go down to Montreal and for ocean-going vessels to voyage inland to such important lake ports as Toronto, Hamilton, Buffalo, Cleveland, Toledo, Detroit, Chicago and the lakehead ports of Duluth, Superior, Fort William and Port Arthur. The benefits to be derived from adequate navigation and power have unlimited ramifications, not only regional but national and international, which will be reflected in lower unit prices for goods, more purchasing power, development of secondary industry as well as a busier economy and more traffic of every kind throughout Canada and much of the United States.

Section 2.—Financial Statistics of Waterways

The principal statistics available of the cost of water-borne traffic consist of the record of public expenditure on waterways. Such expenditure may be classified as capital expenditure, or investment and expenditure for maintenance and operation. Revenue from operation is also recorded. The major part of the capital expenditure for the permanent improvement of waterways is provided by the Federal Government. Capital expenditure by municipalities and private capital expenditure is confined almost entirely to terminal or dockage facilities. On the other hand investment in shipping has come almost entirely from private sources. No figures are available regarding private investment in shipping except those appearing in the reports of the operating companies that cover only a portion of the field. There are no statistics showing the revenue of ship operators from passenger and freight traffic.

Capital Expenditure.—The only figures available of federal capital expenditure on Canadian waterways are those compiled from the *Public Accounts* and the annual reports of the Departments of Transport, Public Works and Finance. It must be realized that