

hourly. The construction of this facility is expected to provide a new stimulus for the efficient movement of grain from lake ports and at the same time give ocean ships a more convenient year-round source of grain cargo.

Thus the Seaway and its facilities will likely improve the competitive position of Canadian grain in overseas markets. Although ocean-going ships may now go directly to Lakehead ports and take on grain for transfer overseas, most of the grain shipped from Port Arthur and Fort William has continued to move in lake vessels to Montreal and other ports for export; only 15,000,000 bu. were loaded in 1959 in sea-going ships at the Lakehead. Ocean-going ships are handicapped by the fact that they are not equipped to take grain quickly and thus cause congestion at the elevators.

Cheap water transportation of iron ore and limestone by way of the Great Lakes has been a major factor in the development of the steel industries of the United States and Canada. United States steel mills are located principally in the area around Lake Erie and south of Lake Michigan and Canadian mills are located at Hamilton, Welland and Sault Ste. Marie. These industries still rely primarily on iron ore from the Mesabi Range in Minnesota supplemented by ore from the Steep Rock and Algoma areas in Ontario. In 1959 total shipments of iron ore from ports on the Great Lakes amounted to nearly 55,000,000 net tons; most of these shipments were from United States ports on Lake Superior (Superior, Two Harbours, Duluth, Escanaba, etc.), a small proportion coming from the Canadian ports of Port Arthur and Michipicoten. The bulk of the ore went to United States steel plants.

The output of the United States Mesabi ore has now passed its peak and the cost of production there has been increasing. The United States steel industry, therefore, has been seeking new sources of ore to supplement the present supply and, since 1954, has imported iron ore from Venezuela and Canada in substantial quantities. The development of the tremendous reserve in the Quebec-Labrador area and the construction of the St. Lawrence Seaway provides the United States and the Canadian steel industries with a new source of iron ore, easily accessible and at a cost competitive with the present prices of ore from the Mesabi Range.

The long-term prospect of the Seaway as a main route for Quebec-Labrador ore to steel mills in Central Canada and the United States is excellent. This region in the next decade may produce about 30,000,000 tons of iron ore a year. The locks, however, offer some difficulty and it is hoped that the "twinning" of locks of the Welland Canal will allow the simultaneous handling of up and down ships. The movement of Labrador ore to the Hamilton steel mills without costly trans-shipments at intermediate ports should help to keep the price of steel down. At the same time, the Seaway will increase the competitive ability of European and United Kingdom steel producers in central Canadian markets. Before the opening of the Seaway, the additional costs of trans-shipment at St. Lawrence or Atlantic ports provided a degree of natural protection for the Canadian steel industry.

The forest group of commodities includes principally newsprint, wood pulp, pulpwood and lumber. Most of these products are shipped to the United States by rail rather than by water. Shipments of pulpwood are the most important—each year about half a million tons move down through the Sault Ste. Marie canals and about the same volume moves up through the St. Lawrence and Welland canals. About half of the pulpwood goes to the United States and the remainder to Thorold, Ont. Canadian wood pulp, like newsprint, has a substantial market in the United States but most of it moves by rail. Some wood pulp comes from Ontario and some from Quebec moves up through the St. Lawrence canals from Baie Comeau to the Chicago area. Only about a quarter of a million tons of newsprint pass through St. Lawrence canals to the United States. Lumber moving into Central Canada and the United States from British Columbia and the Maritime Provinces is largely transported by rail; British Columbia lumber also moves eastward by sea via the Panama Canal.