

used up more rapidly than they should, and that the development of resources of lower grades should be encouraged.

If it is a matter of increasing conservation practice, I understand, a great deal is already being done about it in the United States. If it is a matter of intensifying the search for new minerals, improved processing and treatment of ores, I gather, you are pursuing these things very actively. If it is a matter of finding and adapting new materials to take the place of old, your technological progress in this field is unsurpassed in the world.

But if you are progressing on a broad front and proving up new resources, conserving existing resources and developing substitute materials, what basis is there to label the United States vaguely as a "have not" nation?

I said, we in Canada are not quite certain what this "have not" concept really means. But we think the risk is great that this concept may be used as a plea for increased protection or subsidization for this or that resource industry. The argument usually would run something like this: encourage high-cost production at home; keep out low-cost imports from abroad; if you don't, in another generation or so the United States will be a "have not" nation. Add to this some connection with your long-term defence interest and the protectionists believe that they have a very strong case.

We in Canada do not think that this is really the situation. We prefer to agree with your Secretary of the Interior, Douglas McKay, who said in a recent address (to the American Mining Congress in New York on December 1, 1953): the "conclusion that we are a 'have not' Nation is sometimes overemphasized. . . We are far from being a 'have not' Nation in metals and minerals."

Canadians believe that the United States continues to make remarkable progress in proving up and developing the natural resources of their country. We are also impressed by the rate of expansion of the American economy and industries. We are not too worried by the present domestic adjustment which appears to be a brief pause on the road to further economic growth of the United States. We realize that, if that expansion is resumed at anything near the rate of the last decade, your domestic resources may not be able to supply all the required raw materials. We firmly believe that, over the long run, the United States will have to turn to other countries to meet the increasing demand for raw materials from expanding secondary industries.

This view is confirmed in the example set by several enterprising American steel companies in developing the vast iron ore reserves in the northern regions of Canada thereby assuring a continuing source of high-grade ores for the blast furnaces in such places as Pittsburgh, Baltimore and Chicago. The Canadian Government considers this a far-sighted move on the part of some of the most successful business firms in the United States, and it has encouraged these developments.