

not be expanded rapidly, unless costly plants were held idle in reserve, and the time taken to build additional capacity might well prove fatal. Seaborne imports would be vulnerable to enemy action, putting still greater strain on other sources. You may recall that, during the last war, millions of tons had to be shipped from the Lake Superior ranges to the east coast. But if the seaway is open and the initial development complete in Quebec and Labrador, the needed production could be had simply by putting more shovels to work.

That raises the second question: how vulnerable to attack are the seaway ore route, and the power and navigation works? I think the situation is this. These works could be damaged or destroyed by a determined attack. So could any one of the existing hydro developments, steam power plants, the locks at Sault Ste-Marie, taconite concentration plants, steel plants, or railway lines. But it would be extremely difficult to knock out all of the various alternatives at one time. The best overall defence, therefore, is to increase and disperse the most promising alternatives. On this basis the seaway project easily qualifies for a high priority, in both its power and its navigation features.

That pretty well answers the third question too, whether the use of scarce materials and manpower for this project is warranted at this time. It is precisely in a period of preparedness such as this, which may last for many years, that works should be undertaken to add to our economic strength and productive efficiency. That has been Canadian policy. The alternatives to the seaway involve other hydro or steam power capacity, transportation facilities, ore concentration plants and other expedients. The material and manpower requirements would add up to a greater total than would be required by the completion of the seaway. Moreover, these alternative facilities would be less suitable to the needs of war if it came, and some of them--the equipment and vessels devoted to supplying seaborne imports of iron ore--might well become comparatively useless at the end of the war.

In brief, that is why we in Canada favour completion of the St. Lawrence project at the earliest possible date. Canadian and United States interests are so entwined and inter-related that, to us, the case for United States' participation appears just as strong, or stronger. We are anxious for full participation, anxious specifically for participation under the terms of the 1941 agreement between our two countries. But that awaits your own decision, one way or the other. Continued delay in giving that decision forces us to consider how else our objective can be achieved.

The whole project hinges on the development of the International Rapids section. Below it the river is wholly within Canada, and Canada can and will complete the necessary works herself. Above it, and in the Great Lakes, the proposed channel improvements could be done under existing authority. As far as navigation is concerned, it is true that a new series of canals on the Canadian side could by-pass the International Rapids, just as the 14-foot canals do now. But Ontario is in urgent need of the power. At the very minimum, then, there must be some form of international co-operation to complete the basic power development in the International Rapids. Given this basic condition, Canada could add the navigation facilities and complete the other essential parts of the seaway.