

through the waterways to the great steel-producing centres on the Great Lakes and in the mid-West. The vital importance of this seaway for strategic or defence purposes has been emphasized by recent international developments, but I believe its completion is no less essential if we are to achieve a more effective use of North America's natural resources for peacetime needs. I hope therefore that the necessary legislative authority will soon be forthcoming in order to permit an early start to be made on this important, joint Canada-United States project.

"Within the past fortnight I have seen newspaper comments referring to a report made recently by a leading iron and steel authority which appears to indicate the existence of another major iron ore body in the Labrador region, north of the Hollinger-Hanna concessions and only 75 miles from tidewater. This seems to suggest that the iron-bearing area which the Hollinger-Hanna interests have proved may extend for a considerable distance northward. Incidentally, I note for what it may be worth that one of the possible markets which the group behind this reported discovery appear to have in mind is your proposed New England steel mill, which I believe is sponsored by the New England Council.

"....I would like to say that to many observers the number and importance of the discoveries in the recent past seem to suggest that they may be merely the forerunners of many other similar discoveries which are likely to result from the application of the seismograph, the magnetometer and other modern gadgets, to the exploration of the great Laurentian Shield which forms so large a part of the Canadian hinterland...."

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RED INDIAN SQUADRON TO U.K.: Canada's famous Red Indian, (No. 421) Fighter Squadron of the Regular RCAF, based at Chatham, N.B., will move to the United Kingdom early next year, it has been announced by Air Force Headquarters.

The Minister of National Defence, Mr. Claxton, previously announced that plans were underway for an RCAF fighter squadron to make the overseas shift, but the unit had not been identified. The Minister stated that the RCAF squadron would undergo operational training in the United Kingdom. He said further squadrons were expected to engage in training there and possibly in other North Atlantic treaty countries, in rotation for periods of several months.

Air and ground crew members of the squadron will make the shift. Present plans call for the unit to leave its aircraft in Canada and be provided with fighters in the United Kingdom. At present 421 Squadron flies Vampire jets and it is expected that a similar type of aircraft will be provided on arrival overseas.

THE CANADIAN DEFENCE EFFORT: Canada is spending nearly a billion dollars, \$987 million to be exact, during the current fiscal year, including mutual aid and related defence expenditures. This is an increase of 80% over the pre-Korean defence budget and amounts to about 7% of the net national income. Last year Canada spent \$383 million on defence; the year before, defence expenditures were \$269 million. Including authorizations already made for future orders the defence budget is about \$1.6 billion; in terms of national income this would be equivalent to nearly \$30 billion in the United States.

Canada is spending 43.4% of its defence budget on the Air Force, 35.3% on the Army, 21.3% on the Navy.

What is the money being spent on?

An Active Force of approximately 70,000 men, and a Reserve Force of approximately 68,000 men, or 40% more than the pre-Korean figure, by next summer.

More than 300 new F86 (Sabre) jet fighter aircraft, 100 new Mustangs, more CF 100's (the "Canuck" - developed by Canadian research, finest all-weather, long-range jet fighter anywhere).

New U.S.-type equipment for two Army divisions and for Corps troops, to be obtained partly in Canada, partly in the United States.

Two additional destroyers on active service (previously in reserve): 12 new Sea Fury aircraft for the aircraft carrier "Magnificent"; new guns, anti-submarine equipment and radar of the latest type for naval vessels.

What has Canada offered to the United Nations in Korea?

Three Canadian destroyers (in service since July):

a long-range R.C.A.F. transport squadron (in service since July);

the passenger facilities of the regular Canadian Pacific Air Lines Service between Vancouver and Tokyo (since August);

the Canadian Army Special Force of brigade strength (10,000 men), now partially trained and ready to train as a unit in November.

How has Canada helped its North Atlantic Allies?

Provision of free training facilities for 250 aircrew and Army personnel from North Atlantic countries; in addition, 200 RAF aircrew will be trained by the RCAF in Canada during 1951; mutual aid in various forms to the value of \$300,000,000; free Army equipment for two divisions and Corps troops.