

"I am sure you will agree with me that, while our countries must put forth the maximum immediate defense effort, we must also prepare for the possibility of a protracted emergency which will call upon the industries on both sides of the border to meet constantly expanding demands. The combination of advantages offered by the St. Lawrence project makes it imperative that we undertake it immediately.

"In terms of the time factor, the St. Lawrence project as a part of our defense program is not exceptional, since we are to-day appropriating money for construction of vessels of war which will not be ready for service until the completion of the St. Lawrence undertaking.

"I am convinced of the urgent need for the large increment in low cost electric power which the St. Lawrence project will provide. Already the demand for power is running ahead of expectations. In fact one of the most serious handicaps to the rapid expansion of airplane production is the difficulty of finding the large supplies of high-load factor power required for aluminum production. We are of course expanding our electric facilities for this purpose as fast as practicable but by the time the St. Lawrence power is available other sources of cheap power will have been largely allocated.

"The St. Lawrence project offers by far the soundest and most economical provision for the power requirements of certain portions of our long-range defense program, more particularly for certain high-load factor defense industries. Furthermore the manufacturing facilities and skilled labor available for the construction of steel turbines and electric equipment will be needed to meet the requirements of the vast areas of our continent where water power is not so economically available.

"I am also convinced that the opening of the St. Lawrence deep waterway to afford an outlet for naval and cargo ships constructed in Great Lakes shipyards, far from representing a diversion of funds and resources from the defense effort, would have the opposite effect. Our shipbuilding program, to meet the requirements of defense, will call for a great expansion of shipyards with their associated machine shops and adequate supplies of skilled labor. The extent to which intensified submarine and air attacks on convoys may necessitate an expansion of the program is still unknown. If the war is protracted however it seems certain that the number of shipyards required will have to be several times those at present available. In terms of our present industrial arrangements, many of these can be made most readily and economically available in the Great Lakes area.