

Construction of the seaway would alter this picture completely. After paying any likely toll, it appears that Quebec-Labrador ore could compete at current price levels through most of the Lakes district. Moreover, low-cost shipments could be made in any volume likely to be in demand, for the high-grade ore deposits occur over wide areas and are ideal for open-pit mining. In short, the seaway gives the best answer to the ore problem, both in terms of price and ready availability.

It is obvious that Canada is concerned with the best and largest markets for her iron ore. Surely it is also obvious that Canada, as well as the United States, is concerned that the interior steel districts have access to the best and cheapest sources of ore. Our economies have taken for granted a plentiful supply of iron and steel at comparatively low prices, and the implications of the threatened higher costs in these fields have received too little attention. The seaway promises to avert the worst of this threat. That is why I say it is literally invaluable.

The transportation economies to be expected in other fields are important too, though the effect will be less spectacular than in the case of iron ore. As it happens, these other economies promise to be all the greater because of the new ore traffic. A new pattern of vessel movements is foreseen with a better balance of up-bound and down-bound cargoes, hence with a more economical use of shipping. All of us who are concerned with the movement of commodities up and down the inland system are acutely aware of the need for greater efficiency in shipping. The savings might amount to some \$10 million in the annual cost of moving grain, \$5 million for coal, and \$15 million for other commodities, after paying any probable toll.

So far, I have discussed the project pretty much in terms of peacetime trends. Today, we must ask what its contribution would be in war. Would it be vulnerable to attack? Should it be started in the present period of material shortages? These are all large subjects. Here I can only highlight the considerations as I see them.

The project would make at least a five-fold contribution in a future war. It would create a reserve of power capacity in the industrial heart of the North American Continent, where that reserve is presently inadequate for peacetime needs. The combination of power and navigation will stimulate a versatile industrial growth, giving greater capacity for the specialized production required in modern war, and permitting greater dispersal of that production. The seaway would permit all but the largest ocean vessels to be built a thousand miles from the sea, adding flexibility and dispersal to the programme of shipbuilding and repair. It would provide an alternative transportation route to the railways, so hard pressed in the late war. But above all, it would provide the best assurance of adequate supplies of iron ore to feed the steel furnaces of the east coast, as well as the Great Lakes.

All-out war brings great new demands for steel and ore, far more than can be met by diversions from peacetime use. Consider the alternative sources for these new supplies: taconite concentrates, seaborne imports, and seaway shipments from Quebec and Labrador. Taconite production simply could