

The development of our resources is as much a part of Canada's defence effort as the building up of our direct military strength. Indeed, any comprehensive plan for strengthening the North Atlantic community of nations would not make sense unless it had regard to the development of our mineral and other strategic resources. Certainly, Canada has a greater potential resource development than any of its partners in the North Atlantic Pact. This is not to minimize our direct military effort, which is indeed substantial. The point is that our contribution to the common cause falls into these two parts. The fact that it is much more palatable to make a contribution to overall preparedness by the constructive work of developing natural resources than to have all our energies expended on making instruments of war and destruction does not alter the value of the total contribution. It would not be proper to have the whole Canadian effort devoted to one or other of these two parts. There must be a reasonable balance, but the fact remains that we have, in substantial measure, this more palatable course open to us. We are privileged in this regard, but like every other privilege, it carries with it related obligations.

Foremost among these is the very special obligation on Canada to see that the output of strategic materials in this country is used to the best possible advantage. Because we are large exporters in this field, our obligations do not stop simply with the use made of these materials in our own country. In developing our national policy on this matter we must give consideration to the destination and ultimate use made of the materials we export. Sometimes we find that our national policy and our commercial policy are to some extent in conflict. Fortunately, however, our principal customers are for the most part associated with us in the defensive alliance of the North Atlantic Treaty, so that any conflict in policies is not as great as it would be under different circumstances. This is especially true in the case of the United Kingdom, for that country has for years been the principal buyer of our primary metal exports.

In the case of the United States, the situation is different. The need to supply that market is just as great, but the United States has not been a traditional market for our primary metals. For years U.S. tariffs have been high, and for the most part the United States has looked to Canada mainly for "spot" purchases when their own domestic supplies were temporarily inadequate. It is difficult to make sudden and abrupt changes in the direction of our exports, particularly to increase the supply to a country that has not been a traditional customer and one that so far has not held out too much hope for sustained demand for our base metals. In the present emergency, however, it is essential to get increasing quantities of metals to the United States, because of the importance to all of us of that country's tremendous defence programme.

We also find that our national and commercial interests are sometimes in conflict where we have good commercial markets in countries which, for one reason or another, are not directly associated with us in the common defence effort. I think therefore that under today's difficult circumstances there will be no disagreement with the general proposition that the marketing and distribution