

needed to keep the sea lanes open for the delivery of iron ore from Africa and South America, which are the alternatives.

We and the United States have already had one very costly experience in this matter with our oil and bauxite in World War II which very nearly brought disaster, and surely we should be wise enough not to invite its repetition.

The St. Lawrence project for navigation and power neither in its physical dimensions nor in its financial implications is the colossal, stupendous undertaking that some people have set out to picture, but I would agree that these superlatives will properly apply to the useful effects on our economy and defence arrangements which will come from its construction, more particularly at this time.

In this connection I would like to quote to you the Resolution of the Canada-United States Permanent Joint Board on Defence which was read into the records of Congress last week by the Secretary of State, Dean Acheson.

" St. Lawrence Seaway and Power Project "

"The Board re-examined the St. Lawrence Seaway and Power Project in the light of the serious international situation and the needs of continental defense. The Board also re-affirmed the value of the project in peacetime and considered anew its immediate importance in terms of the present-day defense of the northern half of this continent.

"Since the Board's previous Recommendations of May, 1947 and December, 1948, the international situation had deteriorated markedly. In the Far East, there had already been fighting which involved both Canada and the U.S. Other dangerous situations which might lead to open combat involving our two nations existed in other parts of the world. It appeared that the free nations might be entering a period of protracted crisis during which it was imperative that our military strength be steadily increased.

"In view of these ominous circumstances, the Board believed it had a duty again to recommend early construction of the St. Lawrence Seaway and Power Project. The project would yield additional supplies of hydro-electric power - supplies which were already needed in the northeastern United States and eastern Canada, and which later would become vital to the expansion of our military strength. The Seaway would provide an inland waterway relatively safe from enemy action. It would enable the two countries to move war materials at less cost in money and resources than by any other means. In addition, the Seaway would permit greatly increased ship-building and ship repairs in the relatively well-protected Great Lakes shipyards.

"The diminution of the iron ore supplies of the Mesabi Range, coupled with the discovery and development of large new deposits of high-grade ore in Labrador, constituted an added reason for immediate commencement of work on the project. Since Labrador iron ore could be transported most economically by ship to the large steel producing centers of the Great Lakes, the value of the Labrador mines, so necessary to defense industry, could be fully exploited only by building the Seaway.