

development of the Quebec-Labrador deposits. Eventually the development of the large iron-bearing deposits west of Ungava Bay will be under way, and already the Canadian Hydrographic Service has charted inlets in the Bay that may be used as harbours.

In the case of Canada's base metal industry, the post-war growth has been largely a matter of an unprecedented world demand during most of the period and the resultant rise in prices; also, of course, in part to the discoveries I have mentioned. Canada exports close to 95 per cent of its nickel output, approximately 80 per cent of its copper, and most of its lead and zinc. Thus world demand has an important bearing on the growth of the industry. During the war, as part of our contribution to the common effort, we shipped much the greater part of our base metal output to Great Britain and at prices well below world levels. Immediately following the war, world demand showed a marked decline and for a time the base metal outlook was far from bright. Then came the uneasy peace that has since developed into the cold war, and still later came the Korean Emergency or "police action" as it is sometimes called. In the meantime consumer demand, held in close check during six years of war, reached record levels and soon too, did the demand for the base metals. The resultant price rise caused attention to turn to the exploration and development of new prospects, and to the expansion of operations and productive facilities at established producers. Great Britain had been the chief outlet for our exportable surplus but was replaced by the United States a few years after the war. In 1946, for instance, we shipped 21,500 tons of lead to the United States and 50,200 to Great Britain; in 1953 we shipped 90,700 tons to the United States and 51,200 to Great Britain. There has been a similar shift in the direction of trade in copper and zinc.

This shift in the direction of trade is simple enough to explain. The United States like Canada has been witnessing a remarkable post-war industrial growth and its base metal production has been far short of the requirements. The world demand slackened off during the past two years; prices of lead and zinc have declined, and as a consequence voices were raised here in the United States for tariff protection. However, we are pleased to learn it has been decided not to increase the import duties on the two metals, and that other steps are being taken by your government to assist United States producers lead and zinc. It does seem crystal clear that our two countries are interdependent in relation to the principal base metals, that so long as the curve of industrial activity in your country continues to move upwards - and it has been moving in that direction most of the time - you are going to need more and more of our base metals. We in turn can supply our full share of your requirements much better under conditions of stabilized tariffs than we can when the tariffs are subject to change with temporary changes in the supply and demand situation. We expect a substantial increase in our production of lead and zinc in the years ahead as a result mainly of recent discoveries and increases in refinery capacity. This will mean that larger quantities will be available for export. In the meantime, the Paley report anticipates an increase of 78 per cent in the United States consumption of lead in 1975 over that of 1950 and of 60 per cent in its consumption of zinc. From this distance it doesn't seem