

steel companies have an option to participate in the development and financing of this \$200 million project. Tentative plans call for a railway from the ore body to the St. Lawrence River and the minimum scale of the enterprise involves the shipment of 10 million tons of ore annually. The project, however, will not reach its maximum utilization until the St. Lawrence Seaway has been completed. At that time the plans call for an annual movement of 20 million tons of iron ore through the waterway to the great steel-producing centres on the Great Lakes and in the mid-west. For the Chicago industrial area, which I believe now leads all other areas in the production of steel, the early completion of the St. Lawrence Seaway should be a major interest. We have heard a great deal about the Seaway in the context of North American defence. While its strategic importance has long been recognized in both countries, I believe it is no less essential if we are to achieve a more effective use of North American natural resources for peacetime needs. I hope that the necessary legislative authority will soon be forthcoming in order to permit an early start to be made on this most important, joint United States-Canada project.

From what I have said I think you will agree that Canada's economic position is sound and her future promising. At the same time, I do not wish to leave the impression that we are entirely free of problems. To the extent that Canadian prosperity depends on what we do on the domestic front, I do not envisage any great difficulties. Canada, however, is highly dependent on external trade and for that reason we are affected in a vital way by conditions in the rest of the world, especially in our major export markets. If we have our share of problems and uncertainties, they arise in the main from the unbalanced conditions of world trade and the persistence of the postwar dollar shortage.

Since the end of the war the United States and Canada have been close partners in the great effort to restore a multilateral trading world on as broad a basis as possible. We tackled the problem on a number of fronts. We co-operated in setting up the International Monetary Fund and the International Bank. We joined many other countries in making a broad attack on excessive trade barriers through the Geneva and Ancey Agreements and the International Trade Organization. We knew then that international organizations, no matter how excellent, could not in themselves do the entire job in the circumstances that prevailed, so we went to work, each in our own way, on the more immediate task of European reconstruction. You made a \$3 3/4 billion loan to Britain and followed this loan up with that magnificent and unselfish act of statesmanship, the Marshall Plan, which has meant so much to the economic recovery and political security of the West European democracies. We, in our turn, made a loan of \$1 1/2 billion to Britain on the same terms and conditions as yours and then we embarked on a very extensive programme of export credits to other countries whose economies had been seriously disrupted by the war. All in all, our "foreign aid" contribution in loans and gifts since the end of the war has aggregated just over \$2 billion. On a relative basis that aggregate still compares very favourably with the total foreign aid made available by this country, even including assistance given and to be given under the Marshall Plan.

The extensive financing which has been done by North America has accomplished a great deal in the last few years. Today the countries of western Europe have largely repaired the widespread damage caused by the war and have in fact surpassed their prewar production and trade. More important, the