

Were we presently in an all-out war, the problem would be simple. The task would then be to produce the maximum of weapons with the materials at hand, as we did in the second world war. However, at the present time this is not all-out war. We are told that the danger may continue for the next ten years without all-out war. We are faced with questions such as the following:

Should we use part of our limited steel production to expand our steel industry? The industry would like to proceed with a badly needed expansion amounting to about 30 per cent of our present productive capacity. We have given this expansion the green light.

How much of our productive capacity should be used in expanding our petroleum industry? Canada, in the last war, was largely dependent upon the United States for this vital war material. Since then, discoveries in Western Canada have made it possible for Canada to approach self-sufficiency and, in due time, to contribute to your requirements. We think this programme is essential.

The last war sadly depleted your iron ore reserves in the Mesabi area. Important new discoveries have been made in Canada, on the Quebec-Labrador border, at Steep Rock in northern Ontario, and at Sault Ste. Marie, Ontario. Vast quantities of material are needed to bring these three projects into full production but, without them, your steel industry and ours can hardly continue to operate at capacity.

We produce most of the nickel in the world and are important suppliers of copper, zinc, lead, aluminum and other strategic minerals, all of which are in short supply. These sources of supply can be expanded, but the question is how much material and manpower should we devote to that task?

Canada is an important producer of uranium, the basic material for the atom bomb, and is in process of expanding its production of plutonium. Surely that work cannot be neglected?

Supplies of synthetic rubber and strategic chemicals should be expanded. What of wood pulp and paper and hydro-electric power? Use of these fundamentals for wartime production is constantly expanding and Canada is one of the few free nations capable of keeping up with the demand.

What of the St. Lawrence Seaway? It is becoming daily more obvious that we cannot transport required quantities of iron ore from northern Quebec to the steel mills of the Great Lakes until this waterway is built. We also badly need our share of the hydro-electric power which is incidental to its construction. I have come to the conclusion that the development of the St. Lawrence Seaway is a "must" as a part of effective mobilization of our resources for war. Without this development, it is obvious that the steel industry, presently centered on the Great Lakes, must before long migrate to the Atlantic coast.

These are only a few of the headaches. We have already applied end-use control to steel and have prohibited the use of steel for office buildings, shops,