

principal source of employment and income. In fact, but for the high level of industrial activity we would not be enjoying a standard of living which is one of the highest in the world.

But the development of Canadian industries has involved more than simply an expansion in output providing more jobs and incomes. Equally important, they are ever extending the range of their products and turning out many existing articles with much greater efficiency.

Canadians have come to take the rate and intensity of their industrial progress pretty much for granted. They have grown accustomed to the idea that they are able to keep pace with the manufacturing expansion going on in the United States, the world's most industrialized nation. They take in their stride the fact that industrial production in their country, as in the United States, has doubled in a little over a decade. Perhaps we are sometimes not as conscious of the fact that this rapid progress puts North America rather into a category by itself. Countries like the United Kingdom and France have been able to increase their industrial output only by about one-quarter. And this has been an uphill struggle all the way, achieved in an atmosphere of intermittent crises. In the same period, Sweden's industrial output expanded by two-thirds, Holland's by about one-half, Western Germany's by one-third and Belgium's by one-seventh.(1)

Factors Contributing to Industrial Development

Now the question arises, "Why have Canadians been so fortunate? You may have come across a number of answers which are cited frequently: the abundance of natural resources; the industriousness of the Canadian people; their willingness to save and thus provide the wherewithal to pay for the development; the enterprise of Canadian businessmen; the establishment of foreign branch plants and the inflow of foreign capital.

These answers all have a bearing on why Canada is growing so rapidly industrially. There are, however, two other points I should like to mention. As Canada's domestic market grows and industry expands, this process by itself breeds new industries. First, an assembly plant may be established. Then it might become profitable to move into the manufacture of component parts and ultimately into production of the basic material from which the parts are made. The evolution of aircraft production in Canada is a case in point. Canadian firms produced airframes first, then they started to manufacture a great deal of the equipment that went into aircraft. More recently Canadian industry has passed another milestone by going into the production of jet aircraft engines, which is one of the most complicated engineering feats that modern technical genius can conceive. Then only last week the production in Canada of magnesium alloys required in the manufacture of jet engines was initiated, when the new plant of Light Alloys Limited, a Dominion Magnesium subsidiary, was opened at Haley Station, Ontario. In the chemical field, when nylon was first produced in Canada it was made from imported nylon salt. A few years ago, C.I.L. built facilities at its Kingston plant for making nylon salt out of two imported constituent chemicals. Now they are building a big plant at Maitland to manufacture the chemicals out of Canadian materials.

(1) Based on the industrial production index for the period 1937 to 1951 taken from the Monthly Bulletin of Statistics of the United Nations.