

## NATIONAL PRODUCTION DOUBLES IN DECADE

**MR. ABBOTT'S WHITEFIELD ADDRESS:** The following is an excerpt from the address of the Minister of Finance, Mr. Abbott, entitled, "Your Northern Neighbour," delivered before the Savings Banks' Association of Connecticut, at Whitefield, New Hampshire, October 16:

"...The picture of the present and the recent past in Canada is one of vigorous expansion and sustained prosperity. The volume and value of our production have multiplied at a rate more rapid than that of our population growth. In 1939, the gross national production of Canada was \$5 1/2 billion; by 1949 this had reached \$15.9 billion; it is now running at an annual rate of \$17 billion. In the short period of ten years we have tripled our output in money terms and just about doubled it in physical terms.

### MORE BALANCED ECONOMY

"Even more significant than the gross changes in our production over the last decade are the changes which those years have wrought in the fabric of the economy. Before the war the primary raw material industries dominated our economic life. Our prosperity depended largely upon world demand for the products of our farms, forests and mines. Its primary industries are still very important to Canada and have shown considerable growth in the last decade. But the most spectacular advances have been made in the manufacturing and secondary industries and in the development of new sources of basic raw materials which ten years ago we produced in small quantities or did not produce at all. All this, of course, has contributed to a significant diversification of our economic life and to a more balanced economy.

"Let me cite a few examples. Over the decade our production of primary iron and steel has nearly tripled, our electrical equipment production has more than tripled, our aluminum production has grown nearly five-fold. In the first five months of 1950, we produced more electric refrigerators than in the calendar years 1938 and 1939 combined. We have in Canada today highly developed and efficient output of the more complex industrial products, including machine tools and aircraft, and we are in fact now selling some of the products of our manufacturing industry in the markets of the most highly industrialized countries of the world.

"Perhaps more dramatic and better known to you are some of our most recent discoveries of new basic raw materials -- oil in Alberta, high-grade iron ore at Steep Rock in Ontario, and much larger deposits in Northern Quebec and Labrador, titaniferous ore in Quebec, uranium and base metals in the northwest.

"Recent progress in the Alberta oil fields would appear to confirm the most optimistic view of the probable magnitude of oil reserves

in this field, -- and, I might also add, of natural gas reserves as well. Since the discovery of the Leduc field in November 1947, our estimated oil reserves have increased more than fifteen times. Last year they were more than doubled by the finding of several new major and minor fields. The current rate of exploratory activity as measured by the number of crews at work is second only to that of Texas. So far the efforts of the industry to find new oil fields has covered only a small fraction of Canada's 655,000 miles of prospective oil territory. According to the experts, we have a good chance of achieving national petroleum self-sufficiency within a few years. This, of course, has important implications for our international balance of payments as the importation of petroleum products last year cost us \$275 million. Even now the Alberta oil fields which are pro-rated down to much less than their optimum output are meeting the requirements of the Prairie Provinces and are already saving us about \$90 million each year in foreign exchange. A fortnight ago the new pipeline from Edmonton to Regina was opened. Within a few months this line will be completed to the northern tip of Lake Superior, at which time Alberta will be the major source of petroleum supplies for Ontario.

### RECIPROCAL FLOW OF OIL

"It seems fair, however, that over the long term the most economic use of western oil will require that some of it be shipped to neighbouring areas in the United States while the large oil-using centres in Eastern Canada continue to obtain a portion of their supplies in the United States. It would, I think, be unfortunate if our two countries did anything to prevent this reciprocal flow of oil back and forth across the common boundary line and the more efficient utilization of North America's economic resources which that makes possible.

"The Steep Rock iron ore project has been exporting high-grade ore to the United States for some years and plans are now under way to raise the amount to 3 million tons by 1952. The Ungava-Labrador project offers much greater possibilities. The Hollinger-Hanna interests have already proven reserves in excess of 350 million tons and these are considered to be only a fraction of what the field will eventually yield. Six American steel companies have an option to participate in the financing and development of this \$200 million project. Tentative plans call for a railway from the ore body of 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