

latter group are aluminum, chemicals, plastics, aircraft, machine tools and electrical apparatus. During the war years, entirely new products, such as synthetic rubber and synthetic textiles, came into production. Our primary iron and steel industry was expanded by 70 per cent.

Another outcome of the past eight years has been the better integration of Canadian industry. Before the war, our industry was heavily dependent on imported parts. Today, Canada's manufacturing industries have become important users of one another's products, and have thus gained a greater degree of flexibility of output. Over 200 products which were formerly imported are now being produced in Canada. With all this, Canada remains an important market for imported machinery and equipment, imports in this class running at about five hundred million dollars a year.

There is no mystery about the sources of the great increase and variety in Canadian output. Canada is endowed with natural resources equalled by a few countries in the world. The greatest asset we have is an abundance of low cost hydro electric power. Practically every mineral that is found anywhere in the Northern Hemisphere can be produced in abundance in this country. Our forest and our farms are the foundation of important industries, as well as being the backbone of our export trade.

New discoveries of petroleum and natural gas in Alberta promise to make that province the equal of Texas as a source of these products. A petroleum pipeline is now being constructed from the oil fields of Alberta to a terminus on Lake Superior. Plans are under way for a gas pipeline from Alberta to the West Coast. You are well aware of the industrial potential of a plentiful supply of petroleum and natural gas.

The largest known deposit of titanium is in Northern Quebec, and a refinery for this metal is being built near Montreal. An important source of high grade iron ore has been opened up on the boundary between Quebec and Labrador, which rivals in magnitude the Mesabi deposits in Minnesota. By the end of the 1948 season, over 300 million gross tons of iron ore had been proved, with many known outcrops still to be drilled. Development of this iron deposit is closely linked up with the St. Lawrence Seaway, which, when built, will provide low cost water transportation from the mines to the steel industry on the Great Lakes. The Labrador ore possibilities may well turn the balance in favour of the rapid development of the St. Lawrence Seaway.

During the war years, the Government of Canada helped to finance industrial expansion which, from 1939 to 1945, totalled $4\frac{1}{2}$ billion dollars. Practically all of the plant which was financed by the Government in this period has been sold or leased to private industry. During the four post-war years, an additional 6 billion, 800 million dollars has been invested by Canadian business, of which 2 billion 200 million dollars represents investment in plant and equipment of manufacturing industries. This four-year post-war investment represents an outlay of over \$1,700. of tool power per worker employed in the manufacturing industries. In 1948 alone, 564 million dollars was invested in manufacturing facilities, this figure being approximately one-third greater, in terms of national income, than similar investment in the United States.

Great progress has been made in improving managerial efficiency and know-how and the skill and effort of our working force. Skills of Canadian labour have been improved through up-grading and training of civilian workers in war production, and by improvising methods that permit entry of unskilled workers into the labour force. All this has produced a more versatile army of working men and women. Canadian industrialists are gaining new confidence in their ability to undertake new and larger enterprises.