

THE EXPANDING CANADIAN ECONOMY

MR. WINTERS' ADDRESS: Canadian petroleum today provides almost 40 per cent of domestic requirements and proven oil reserves are about 40 times what they were in 1946, the Minister of Resources and Development, Mr. Robert H. Winters, said at the opening ceremonies of the new petrochemical plant, BA-Shawinigan Limited, Montreal East, on May 27.

The plant, he said, represented a linking of interests between the petroleum industry and the chemical industry whereby the knowledge and organization of two great companies were pooled. Here, he said, a chemical process for converting cumene to phenol and acetone "is being put into commercial operation for the first time in the world."

Starting with the petrochemical industry, for which he had seen a figure indicating that capital expenditures on plants in recent years may have amounted to something like \$125,000,000, he touched on general industrial development. The Canadian chemical industry had doubled in size since 1939, taking as yardstick the number of people employed. In 1951 the industry produced goods worth more than three quarters of a billion dollars.

MAJOR EXPANSION

He then proceeded, in part:

"The Canadian economy is an expanding universe. Not only has our total production of goods and services doubled since 1939, but there is good reason to believe that we are only at the beginning of a new period of major expansion. Our rapid industrial growth in the postwar period has coincided with the development of new and very rich resources of oil, hydro-electric power, and above all of metals. These two kinds of economic growth are at work together. As the London Economist has said, the pace they are working at would be remarkable in either alone; in the two combined, it is as exciting and impressive as any achievement of industrial civilization.

"It is the story of great resources, human and material. The richness and variety of this country's natural wealth have made Canada one of the world's great producing nations. Our farmers harvest the world's fourth largest wheat crop and our inland and ocean fisherman the free world's fifth greatest catch of fish. Canada produces more than 90 per cent of the free world's nickel, half of its platinum and two-thirds of its asbestos. We rank second in zinc and gold production, third in silver and fourth in copper. More than half of the world's newsprint comes from Canadian mills. Again, although our population amounts to less than one per cent of the world total, Canada develops over 10 per cent of the world's electric power, and still has 75 per cent of its hydro-electric potential to draw upon.

"Since these resources of ours enable us to produce more than our own requirements of many raw materials and manufactured goods, they have established Canada as one of the world's great trading nations. Last year the value of our commodity exports reached four and one-third billion dollars. That works out at 300 dollars for every man, woman and child in Canada, or very nearly one-fifth of our entire national production. In return, we bought four billion dollars' worth of goods from other countries. Only two countries, the United States and the United Kingdom, can report a heavier volume of foreign trade than Canada.

"The rate at which we are developing our natural resources stands out as the most arresting feature of our recent economic history. Last year resource developments accounted for something like one-quarter of the more than five billion dollars that we laid out for capital expenditures....

IRON ORE OUTPUT

"Our national output of iron ore has already been raised from a mere 125,000 tons in 1939 to 5,200,000 tons in 1952. Going on from there, it is estimated that our production of this ore may reach 33 million tons annually within the next decade. The project that will contribute most to its expansion is located, of course, on the border between this Province and Labrador. Even now, with much more exploration yet to be carried out, more than 400 million tons of strikingly high-grade ore have been proved, and something like a total of one billion tons indicated. Production is expected to begin next year with the mining of two and a half million tons of ore, and to reach 10 million tons by 1960. Given the St. Lawrence Seaway this figure could be expanded to 20 million tons annually. In this Province too, you have at Allard Lake what are believed to be the world's largest deposits of titanium ore, and in the Gaspé the great Noranda copper deposits.

"Our production of nickel will soon be boosted by the Lynn Lake project in northern Manitoba, which in two years' time will give us an extra 8,500 tons annually. Again, the Kitimat development on the British Columbia coast is busy harnessing a massive block of hydro-electric power for what could eventually be the largest aluminum smelting plant in the world. This project will bring in about 85,000 tons of new aluminum capacity by next year, and could have an ultimate capacity of 550,000 tons....

"Coming to the strategic metals, we know that this country has been an important source of uranium for some time. Beginning this spring, however, the mine at Port Radium on

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