



STATEMENTS AND SPEECHES

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CANADIAN RESOURCES IN A CHANGING WORLD

An address by Mr. R.H. Winters,
Minister of Resources and
Development, delivered to the
Women's Canadian Club, in
New York, on October 14, 1950.

.... Canadian resources and their place in a changing world is a broad subject. Perhaps I might tell you a little about how Canadians are getting adjusted to changing world conditions. And as the Canadian Minister of Resources and Development I might say a few words about the part played by our bountiful resources in the struggle for survival and betterment.

By a changing world I mean that sequence of events which brings wars followed by more or less peaceful intervals; periods of prosperity interrupted by depressions; and efforts to safeguard freedom and strengthen democratic institutions undone by ruthlessly opposing forces. Our present generation has had a full measure of all this. Still, we have come out of these difficulties with our heads high and with a firm resolve to do better in the future. In this, democratic nations the world over have been greatly assisted by the moral strength of their people and the material wealth that comes from full and effective use of available resources.

When the second World War ended we were all hoping for "peace in our generation." But Canadians as well as the people of many other nations realized that words alone would not achieve this. We thought that we had learned the lesson of the inter-war period. Then we relied mainly on pious exhortations and polite smiles. This time we were determined to make things work through constructive economic measures and military preparedness. All this was to be achieved in an atmosphere of good will and orderly exchange of international opinions on a world forum: the United Nations.

When we learned on that fateful day, June 25, 1950, that aggression was on the march again, Americans and Canadians alike were asking themselves: Had all that effort over the last five years to build a peaceful world been in vain?

The answer was given quickly: Aggression was met head on, thanks to the splendid leadership given by the United States. The Korean incident became a rallying point of peace and freedom-loving nations both large and small. Would all this identity of interest have been so abundantly clear, and would action have been taken so promptly if it

had not been for the persistent and earnest endeavours within the framework of the United Nations in the last five years? I don't think so.

The Canadian Contribution

As Canadians you may be interested to hear about how the folks back home feel about all this, and what contributions Canada has been and is making towards the United Nations cause.

Ever since formation of the United Nations, Canada has supported the setting up of a United Nations military force to be made up of contributions of individual member nations and to be available for service where the United Nations considered it appropriate and necessary. In fact, it was hoped that the existence of such a force and the declared intention that the whole military might of all peace-loving members of the United Nations was behind it, would act as a deterrent to would-be aggressors.

However, because of the opposition of certain nations, it became apparent some time ago that it would not be possible to form a United Nations force. Canadians therefore decided to do three things: first, to step up their national defence efforts in terms of men and equipment; secondly, to reedy Canadian industry so that it could again become an important munitions arsenal of democratic countries the world over; and thirdly, to strive with other like-minded nations to arrive at an understanding about collective self-defence within the framework of the United Nations. The Atlantic Pact was the result of this endeavour.

Following the aggression in Korea, Canadian ships and transport planes were made available with despatch to the United Nations for service in the Korean theatre of war. Further, realizing that aggression in that far distant land might be only the first instance of a series of aggressive moves in various parts of the world, the Canadian Government took steps to create a special military force for service in accordance with our obligations as a member of the United Nations, and of the North Atlantic alliance. Canadians are proud of the fact that they are in the forefront with those nations who support United Nations principles both by word and by deed.

But beyond these specific steps taken following the Korean incident, our whole economy has been geared to much greater military and economic preparedness than at any time since the end of the last war. Our defence budget has been about doubled. Our military forces are being augmented. Our production of airplanes, ships and ammunitions is expanding rapidly. In fact, we are in a position to produce much more military equipment than we have people to use it. We have worked out arrangements with our friends in the United States as to the best ways of exchanging materials and weapons which each country is able to produce most efficiently. But we are thinking not only of North American pooling of resources and integration. Together with important contributions which the United States is making to strengthen the Atlantic community, Canada has declared herself ready to do her share in this important cause of collective security in terms of men and materials.

Preparedness and Resources

Now you might ask: Is it not sad that so short a time after the most destructive of all wars has ended we should find it necessary to devote substantial efforts to preparedness and defence? Are we not using valuable resources for destruction instead of the betterment of living conditions for our families, neighbours and all the other people whose living standards in many instances are so unbelievably low? I agree with this. Military efforts do entail a waste of resources. But these efforts are made for a purpose - and that is to ensure that we can make even better and more effective use of our resources in the future, without a pistol-packing policeman behind our backs.

There is another important point. Among the democratic nations the North American continent enjoys an abundance of natural resources. Now if we use these resources effectively and follow a wise course of dividing them between defence and civilian uses, there is no reason why we cannot be both strong in military matters and well-off in our everyday life. This is in fact the target which the Governments of the United States and Canada have set themselves - and many of our allies are striving to achieve the same goal.

Whether in peace or in war, or in a twilight period like the present, natural resources constitute a nation's life blood. Their existence within a country's boundaries entails both privileges and responsibilities. Let me sketch briefly for you the Canadian situation.

Canadian Resources and Industrial Growth

The high standard of living which Canadians enjoy and which is close to that of the United States, the country with the highest standard of living in the world, has been the result of two major factors: an abundance of natural resources and an energetic people who have made effective use of these resources.

As a result Canadians now rank among the world's greatest developers of natural resources. And this has led to making Canada the world's leading producer and exporter of many ores, minerals, wood and wood products and agricultural commodities. Canada ranks first in world output of newsprint, nickel, asbestos and platinum, second in world output of hydro-electric power, pulp, gold and zinc, and third in the production of sawn lumber, wheat, oats and silver.

Canadians have not only developed their resources at home and exchanged surpluses for other raw materials and manufactured products abroad, but they have also been processing more of their natural resources in their own country and using more of the materials to manufacture goods domestically. As a result Canada has experienced a particularly rapid rate of industrialization in the life of the present generation. Since the end of World War I Canada's population has increased by about three-quarters, the volume of manufacturing production has tripled and the output of electric power - an essential factor in industrialization - has increased nearly eight times. One out of every four persons working in Canada is now employed in manufacturing. This is the same proportion as prevails in the United States, the world's most industrialized nation.

The contributions of resources development to Canadian well-being are manifold. One aspect is the large capital outlay required to make effective use of resources in the twentieth century. Development of such resources as oil, gas, ores, timber and water has contributed significantly towards making the volume of investment in the post-war period the largest ever experienced in Canada's history. The other two major contributing factors were the re-equipment programme of Canadian industry and the housing boom. This year Canadians are spending a total of \$3.7 billion on both private and public investment, or 22 per cent of their gross national product. I am told that the United States is devoting a smaller proportion, about 17 per cent of her total output, to the expansion of capital facilities. In manufacturing particularly, where the United States is the leading country, Canadians are presently spending on plant expansion at a rate of about 20 per cent more per year in relation to total production than our friends to the south. Not that there is much prospect of overtaking the United States. But spurred on by the splendid example of achievements in that country, Canadians are certainly making efforts to catch up to the United States. In this endeavour we are greatly aided through making effective use of natural resources, the skill of our working force, the scientific and technical genius of our professional people, and the competence of our business managers.

Development Under Way and Future Possibilities

Since the end of the war Canada has entered a new phase of resources development, which in its intensity and promise has hardly any equal in the history of our country. The outstanding examples are: oil, iron ore and water power.

In 1946 only a trickle of our domestic requirements of oil was met from domestic production, about 10 per cent. By the end of 1950 when the inter-provincial pipe line from Alberta to Wisconsin on Lake Superior will be completed, Canadian crude will be supplying about half of our domestic consumption, which is presently running at 330,000 barrels a day.

In iron ore the most well-known discoveries are those in northern Quebec and Labrador. Nearly 400 million tons of high grade ore have been proved by drilling, and vast resources beyond it are indicated. Arrangements to develop these tremendous ore bodies are under way. Present plans visualize an annual output of 10 million tons to be realized between 1955 and 1960, increasing to 20 million tons per year if the St. Lawrence Waterway is built.

Encouraging reports have also been received about the existence of major ore bodies in the northern parts of the Ungava Peninsula in Quebec which because of their closeness to the sea may become an important source of low cost ores.

But this is not all. Large iron ore deposits are also being developed in Ontario north of Lake Superior. Annual production in this region has already reached 2 million tons. Further expansion up to 10 million tons per year is anticipated. Most of this ore as well as the ore from northern Quebec and Labrador is or will be going to United States steel mills whose appetite for imported iron ores is continuously increasing.

Water power is another of these phenomenal developments in our country. Little of this is widely known. With a population of less than one per cent of the world's total, Canada produces about six per cent of the world's estimated electric power output. On a per capita basis Canada produces twice as much electric power as the United States on an average at about half the cost. Rapid as Canadian progress in power development has been, tremendous water resources remain untapped. Canada is utilizing only about one-quarter of her potential water power resources. There are some two dozen new hydro projects in various stages of development in Canada. Most of these are expected to be completed within the next three years, increasing Canadian water power output by close to one-quarter. These new developments coming into operation would provide enough power to supply with electricity all the homes in the States of New York, New Jersey and Pennsylvania, including Greater New York and Philadelphia.

Northland: Challenge of Tomorrow

Most of the development presently under way has taken place in the more settled parts of Canada. But in the process of carrying out these developments Canadians have pushed further north all the time. And in so doing they are finding that undreamed-of opportunities are opening up in the development of our northland.

This is in fact the last frontier of the North American continent. It includes Alaska; the Yukon and Northwest Territories, and the northern parts of British Columbia, the Prairie Provinces, Ontario, Quebec and Labrador. The outstanding characteristic of this region is its vastness. It is larger in area than the continental United States.

I have only recently returned from a tour of Canada's northern territories. I have come back greatly impressed by the challenges that lie ahead in developing this untamed but beautiful and potentially wealthy country. I have become convinced that large rewards await many of those who will invest and participate in this development.

I saw a great deal of activity in the Yukon and Northwest Territories, more or less typical of what is going on in the whole vast northland. Most of it is development for peace. Some of it is preparedness against aggression. The north country is stirring to the quickening pulse of mining and power development. New wealth is being created, and more is in prospect - gold, silver, uranium, lead, zinc, copper, iron ore, coal and petroleum. And yet it is literally true to say that the surface has not been scratched at more than a few points. Potential power sites are plentiful too. Incidentally, one in Labrador is higher than Niagara. This is the Grand Falls on the Hamilton River.

The products of our northland are finding their way into the homes of people in far away places. It is amazing, for example, how Canadian mink seems to be at home on Fifth Avenue.

I was so impressed by the opportunities that appear to exist both in our Canadian northland and in Alaska that I could not help thinking how right the United States elder statesman-economist Bernard Baruch was when he answered an inquirer: If I were a young man again I would go north - to Canada, that's where the future lies.

Resources Entail Privileges and Responsibilities

There is another important feature about our resources. This is the fact that they are complementary to the resources of the United States. As a result of our forest wealth Canada is the biggest supplier of United States newsprint. Our mineral wealth has enabled us to supply important quantities of base metals to the United States. With the development of iron ore deposits, Canada is likely to become the major foreign source of iron ores for the United States. Canadian resources and the resourcefulness of her people, added to the wealth and genius of the American people, place the North American continent in a singularly fortunate position in the twentieth century.

Resources and skill were never more needed than in these days when one way of life is being challenged by another way of life. And around the challenger and the challenged there live hundreds of millions of other people who watch with hungry and wistful eyes the struggle for survival. To them - and I am referring to the many undeveloped countries where the standard of living is only a fraction of that on the North American continent - it is not victory of one or the other that matters. What these people want is a chance to do better, to use their own resources more effectively and get some help in doing something about it now.

Those of us who are on the side of the challenged realize that the improvement of the world standard of living is a highly desirable goal - one that all broad minded and freedom-loving nations will want to strive for. But we also know that this goal can only be achieved in a world at peace. Thus preparedness, both military and economic, goes hand in hand with trying to improve our own lot and that of our fellow men.

Now I implied earlier that the tremendous resources available on the North American continent entail both privileges and responsibilities.

By privileges I mean the opportunity of making use of the resources for our own good. The fact that the standard of living on the North American continent is the highest in the world is ample proof that Americans and Canadians alike know a good thing when they see it.

By responsibilities I have three things in mind. First, resources are not inexhaustible. Some are renewable, like forests, but others are not renewable, like mineral wealth. Unless waste is reduced, conservation is practised, and new development is encouraged, we are misusing the heritage that is ours. Anyone who has seen thousands of acres of forest go up in smoke, communities hard hit by rampaging waters, and dust storms play havoc with fertile fields, will know what I mean. I am glad to report that increasing attention by national governments is being paid to this problem and encouraging results have already been achieved in both the United States and Canada.

Secondly, resources used solely for war would hasten the end of civilization. Under present conditions resources used solely for peacetime pursuits would invite war. There is then need for a balanced use of resources, and to work for a happy and fuller life and be prepared and equipped to defend it when challenged. The very fact of being prepared

and equipped may be the strongest deterrent against aggression. United Nations action in Korea, the building of a unified army command by the Atlantic nations in Europe, and preparedness at home are ample signs that this important principle is now an integral part of military and economic policies of freedom-loving nations.

Thirdly, resources used solely for own benefit means closing our eyes to the hunger, misery and distress that exist in many countries, near and far. And there can be no secure foundation for peace if nations who have an abundance of resources are unwilling to help their less fortunate neighbours to help themselves. The Canadian post-war programme of loans and credits, the American Marshall Aid and the Point IV programme, the many developmental efforts of international agencies, the Food and Agriculture Organization, the International Bank for Reconstruction, and the United Nations and Commonwealth assistance programme for under-developed countries, are all steps in this direction.

In coming to the end of my remarks, I am convinced that the North American continent has an important contribution to make to happiness and peace in our generation. The fact that we have an abundance of resources makes such a contribution not only possible but also imperative. For if we do not work towards a better life abroad we may have to defend our own way of life on our own shores.

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