the second world war the situation created as a result of Canada's strategic position as a source of food and armaments had far-reaching effects on the magnitude and diversification of Canadian manufacturing production, with the result that Canada, with greatly increased skills and plant capacity, has now entered a new era in manufacturing development.

Outstanding economic factors of 1950, such as the record gross national product of $18,029,000,000, the level of capital investment at $3,791,000,000 and foreign trade at $6,000,000,000, are the immediate manifestations of trends over the past decade. With a labour force less than 14 p.c. larger than in 1939, the Canadian economy has shown remarkable growth. Production of durable goods has expanded the most, especially automobiles, trucks and electrical apparatus. Electric power output has doubled and aluminum has advanced five times. Steel production is up two and one-half times. Mineral production has doubled. Canada's pulp and paper industry has continued its premier position with Canadian newsprint production leading the world.

The discovery of oil at Leduc, Alta., in February 1947, altered Canada's industrial destiny. Output of oil had been dwindling; more than 90 p.c. of the oil used in Canada was being imported and causing a heavy drain on holdings of United States currency. In the three years following the Leduc strike, Canada's oil reserves jumped from 35,000,000 bbl. to 1,500,000,000 bbl. and potential output rose to approximately 145,000 bbl. daily, or 40 p.c. of Canadian consumption. Developments in the oil industry of Alberta have been closely paralleled by developments in natural gas. Expansion in this industry, too, has been nothing short of spectacular. In the past five years, household, commercial and industrial sales of natural gas increased by about 55 p.c. Natural gas is the cheapest source of energy for many purposes and, when available in large quantities and at relatively low price, plays an important role in manufacturing production.

Another new source of industrial wealth lies in the huge iron deposits on the Quebec-Labrador boundary, 320 miles north of the St. Lawrence River. More than 400,000,000 tons of ore have already been proven and plans call for production by 1955 at an annual rate of 10,000,000 tons.

Oil, gas and iron will transform the base of Canadian industry and widen the horizon for manufactured goods. The gross value of manufactured products in Canada reached $12,480,000,000 in 1949 and was approximately $13,817,526,000 in 1950. About one-half of the 1950 total was accounted for by 15 leading industries based on the utilization of forest and food resources, iron and steel, and fuel and power. Development in these industries has been outstanding, but this advance must not be allowed to detract from the solid, steady growth of Canadian manufacturing as a whole. In the years 1946 to 1950, 1,031 entirely new companies began operations in manufacturing. These firms employed 41,000 people, paid salaries and wages of $70,000,000 and had a gross value of production of $350,000,000. Thus, nearly 4 p.c. of the jobs in manufacturing currently available to Canadians are the direct result of operations of new companies.