

1949, although the groundwork for this had been laid in 1947 and 1948. In 1949, the Canadian electorate, now including Newfoundland, gave him an overwhelming victory with a majority of nearly 70 seats.

#### 2.4.4 Postwar development

The St. Laurent era covered the first years of remarkable postwar development in Canada. Gross national product rose from \$12 billion in 1946 to \$31 billion in 1956 and to \$61 billion in 1966. Much of this growth came from profound changes in the structure of the Canadian economy: the development of the service industries, the increased development of forest and mining products and their processing, and the expansion of the steel and aluminum industries. Oil discoveries, however, provided the real impetus to the economy. Before 1947 the old Turner Valley field accounted for less than 10% of Canadian consumption. Then in February 1947 Leduc No. 1, just south of Edmonton, came in, the first revelation of the enormous potential in both oil and natural gas. By 1956 oil led all other minerals in value and supplied 75% of Canada's needs. Much the same story is true in the development and exploitation of iron ore in Ungava, along the Quebec - Labrador boundary. The first shipment of ore in 1954 spurred the development of the St. Lawrence Seaway which was completed in 1959.

One of these developments was the natural gas pipeline planned to run 2,200 miles from Alberta to Montreal. The financing was complicated, involving substantial amounts of American capital and with Canada building the uneconomic sections through northern Ontario. The measure passed through Parliament but it was a stormy and disputed passage. The famous pipeline debate contributed heavily to the fall of the St. Laurent government in the 1957 election. The Progressive Conservative party, under the leadership of John G. Diefenbaker (b.1895), won the most seats in this election, although it was by no means a clear majority. Another election was held in 1958 and Mr. Diefenbaker secured the largest majority of any party in Canadian history with 208 seats to the Liberals' 49 and the CCF's 8. However, in the next election held in 1962 Mr. Diefenbaker was reduced to leading a minority government and in 1963 the Liberal party took over again, a minority government itself, but one which managed to stay in office.

Lester B. Pearson (1897-1972) became leader of the Liberal party on the retirement of Mr. St. Laurent in 1958, and was Prime Minister from 1963 to 1968. Mr. Pearson's career paralleled the development of the nation from a country concerned primarily with its own internal problems to one of international stature and importance. Canada's participation in the creation of the United Nations brought the attention of the world to the value of diplomacy as practised by a "middle" power. While that role has been modified by recent events it was at the time of considerable importance in world affairs.

The domestic economy also experienced radical changes during this period. In response to the demand of returning veterans for a better deal on demobilization and pressure from the general public not to allow a return to prewar economic conditions, the government embarked on social programs which were similar to those being introduced in Britain and other Commonwealth countries. The Unemployment Insurance Act was introduced in 1940, Family Allowances in 1944, Old Age Security in 1951, Unemployment Assistance in 1956, the Canada and Quebec Pension Plans in 1965, the Guaranteed Income Supplement and the Canada Assistance Plan in 1966.

After much debate a new Canadian flag was chosen and raised on Parliament Hill for the first time on February 15, 1965. Perhaps it can be said that the single maple leaf symbolizes a political entity built upon a diversity of regional, even local, loyalties. The Canadian federation is not only a political reality, but one might almost say an emotional one. Canada has survived as a federation because the binding political and emotional forces have been stronger than the forces favouring disintegration. Canadians are conscious of both their country and their province, but the weight given to the orders of jurisdiction varies greatly from province to province, and over time. The very survival of a federal state of Canada's size - 3.85 million sq miles, and the second largest country in the world - is a feat in itself. Canadians have committed large material resources and invested considerable emotional energy in efforts to preserve national unity against internal disruption, to establish national independence, and to maintain that independence in the face of a neighbour to the south of nearly Canada's area but with ten times its population and economic power.