

and an additional 38,000 barrels per day is expected to be installed before the end of 1951. Starting in 1950 an oil pipe line will be laid from Edmonton to Superior, Wisconsin, a distance of 1,150 miles; this will widen the field of distribution of western oil.

Important iron-ore fields are being developed. Operations at Michipicoten, Ont., are being enlarged and exploration extended. At Steep Rock, Ont., a second ore-body is expected to be brought into production in 1951, and a third deposit, larger than either of the two now being developed, was discovered in 1949. On the Quebec-Labrador boundary approximately 350-400 miles north of the Gulf of St. Lawrence, exploration has established a field of over 350,000,000 gross tons of ore, largely of Bessemer grade, and the presence of manganese ore. Bringing this field into production will take a number of years and a large investment, since it will be necessary to build a railway inland from the Gulf.

A smaller but nevertheless important resource development is taking place at Allard Lake, Que., where a 27-mile railway is being built and a plant established to mine ilmenite ore for processing at Sorel, Que., to obtain titanium oxide slag and pig iron. An asbestos ore-body in northern Ontario is also being developed and is expected to be in production soon.

If investment intentions of business, home-buyers, institutions and governments are realized, the level of investment in 1950 will exceed that of 1949 by 5 p.c. and will probably amount to \$3,600,000,000. The indications are that larger capital expenditures will be made by the utility industries, the finance, insurance and real estate industries, the commercial service industries, the mining industries, the institutional services and in direct outlays of governments; that expenditures on housing and trade will remain unchanged; and that expenditures of the manufacturing industries, agriculture and fishing, forestry and construction industries will be lower.\*

**Consumer Expenditures.**—Consumer spending in 1949 stood at \$10,750,000,000, nearly 7 p.c. higher in value terms and 2.5 p.c. higher in volume terms than in 1948. Among the factors contributing to the increase were a 5 p.c. rise in personal income, referred to earlier, reduction in personal income taxes, payment of the refundable portion of wartime income taxes and a somewhat lower rate of personal savings. Although the rate of these savings dropped, the amount saved remained fairly steady at a little less than \$1,000,000,000 in both 1948 and 1949.

The largest increase in consumer expenditures was on durable goods like automobiles, furniture and household appliances. Expenditures on services, such as household operations and utilities, maintenance of automobiles, etc., were also higher. Expenditures on perishable goods, mostly food, increased only slightly, and expenditures on semi-durable goods, mostly clothing, decreased slightly in volume terms.

**Government Expenditures.**—Government expenditures on goods and services (i.e., excluding subsidies and transfer payments to individuals and between governments) at \$2,100,000,000 increased more than any other group of expenditures in 1949 over 1948, the increase being 18 p.c. in value terms and 11 p.c. in volume

\**Private and Public Investment in Canada Outlook 1950*, published by the Economic Research and Development Branch, Department of Trade and Commerce.