

in the period is indicated by the substantial increase in electric power generated and by the new capacity that will become available by 1960. The nation's output of 43,425,000,000 kwh. in 1947 advanced to 78,004,000,000 kwh. in 1956 and will reach an estimated 110,000,000,000 kwh. by 1960.

Capital outlays by the railways have fluctuated considerably, but during the period they added to motive power and rolling-stock, constructed additional yard and siding track and extensions serving industrial sites, and built new lines to link newly developing areas with established settlements.

The commencement of work on the St. Lawrence Seaway late in 1954 involved a rapid growth of capital expenditures on water transport, while construction of pipelines for the transmission of oil and gas made this the most rapidly growing element in the utilities program. Expansion of outlays in the communications industry has been more continuous than in the other major utilities although the level of expenditures anticipated in 1957 involves a rate of increase substantially higher than in most postwar years.

A notable feature of postwar capital expenditure in manufacturing was the relatively small increase in outlays in the consumer soft-goods industries (foods and beverages, tobacco, rubber, leather, textiles, clothing, and printing and publishing). These industries in the first postwar years accounted for about 30 p.c. of all capital outlays in manufacturing but by 1956 the proportion had fallen to 15 p.c., the same percentage as in 1952 when the Korean war was influencing the pattern of expansion.

Heavy manufacturing industries have been expanding since the end of the War under varied influences. The iron and steel industry advanced sharply in 1952 to supply war materials for the Korean conflict, and again during 1956 and 1957 in line with the general expansion in the investment program. This latter influence also had a substantial effect on investment for primary cement production during 1956. Pulp and paper, Canada's largest manufactured export industry, grew steadily until 1953, in which year most firms were consolidating their rapid postwar growth. However, a second round of pulp and paper expansion commenced in 1955, indicating continued confidence in the export market for these products. Important developments have taken place in petroleum refineries in the Sarnia area of Ontario following the construction of the Interprovincial pipeline, and in the Vancouver area of British Columbia at the terminal of the Trans Mountain oil pipeline. A further development of considerable importance to the Canadian economy in recent years has been the development of a petrochemical industry based on the new discoveries of large amounts of oil and gas in the Prairie Provinces. The automobile industry's major rebuilding in 1953 and establishment of the chemical industry's synthetic plants in that period increased substantially the importance of these industries among Canada's manufactures.

The growth and redistribution of Canada's population has required substantial increases in capital expenditures in the trade, financial and commercial sectors of the economy, ranging from \$137,000,000 in 1946 to an estimated \$607,000,000 in 1956. Although, as a proportion of the total program, expenditures in these sectors have remained relatively stable, there has been a tendency for such expenditures to form a larger portion of the total at a time when investment in commodity-producing industries was slowing down. For example, in 1950 and in 1954 when some other sectors showed declines these groups accounted for 10.3 p.c. of the total program, whereas in 1956 when the general economy rose the proportion was only 7.7 p.c. The pattern of expenditures for institutional services—schools, hospitals, churches, etc.—was similar during the period, with the highest proportions of 6.0 and 6.4 p.c. in 1954 and 1955 respectively.

Capital expenditures by government departments have remained relatively constant as a proportion of the total except for 1952 when outlays for defence purposes rose sharply.

Investment in housing was at a high level and represented from 21 to 25 p.c. of the total investment program in the period 1946 to 1950. These high rates of building reflected accumulated needs backed by accumulated savings, a high rate of family formation, and favourable terms of financing. With the firming of interest rates in 1951, and renewed