

scarcities of labour and materials, investment in housing declined in 1951 and 1952. New legislation in 1954, which broadened the mortgage market, strongly reinforced the upward trend in house-building activity that had begun in 1953. During 1956, difficulties in financing again began to have a restraining effect on house-building activity and the shortage of serviced land in some localities was a further complicating factor.

The development of Canada's natural resources has led to substantial investment in related industries as is evidenced by a brief examination of the effect of petroleum and natural gas output in Canada.

In the early postwar years, Canada's supply of petroleum was sufficient to meet only a very small part of the demand and most of the available supply was located far from the major markets. To help meet growing demand, refineries were built during 1947 and 1948 in the Montreal area of Quebec based on the use of imported crude oil. However from 1947, when the first major discoveries of new oil fields in Western Canada were made, the whole nature of the industry in Canada changed rapidly. Production of crude oil which in 1946 amounted to 7,600,000 bbl. advanced to 172,000,000 bbl. in 1956. To utilize these newly discovered resources, pipelines were laid from the Prairie Provinces to Central Canada and to the Pacific Coast. New refineries were built at Sarnia in Ontario and later in the Toronto area and in the Vancouver area of British Columbia as well as in the Prairie Provinces. Oil companies operating with increased refinery capacity found that although the market for gasoline products was expanding it was also becoming more competitive. To improve their position in the market, major oil companies launched a service station modernization and expansion program in 1952. Increased production of crude oil and natural gas also provided the base for a rapid rise of the petrochemical industry in Canada.

Although the construction of oil pipelines followed fairly closely the development of oil fields in the Prairie Provinces, it was not until the latter part of 1955 that gas trunk-pipeline construction was undertaken. The first of these was a line from the Peace River area through the mountains to the United States border and Vancouver. In 1956 a pipeline to bring natural gas from the Prairie Provinces to Eastern Canada was started.

Capital expenditures made directly in the petroleum and natural gas industry have increased very substantially in every phase of operations—development, refining, transporting and distributing. Total capital expenditures in 1946 were \$20,000,000 as compared with an estimated \$821,000,000 in 1957. This very large expansion has also generated large capital expenditures in such industries as iron and steel to supply steel pipe for the pipelines, in the utilities which distribute natural gas to the consumer when the pipelines reach the more populated areas, and in the chemical industry which uses petroleum products as raw materials.

As further evidence of major resource development in mining, the uranium and iron ore industries are outstanding examples. Development of uranium mining has been so rapid during the past few years that it may soon rank first in value of production of all metal mining. During World War II small-scale development was undertaken at Great Bear Lake by the Government followed by larger operations at Beaverlodge Lake in northern Saskatchewan. However, the Blind River area of Ontario is now the major source of supply. As for iron ore, the development of the Quebec-Labrador area has been most prominent, involving construction of a railway running 360 miles north from the St. Lawrence, a new townsite at Schefferville, dock facilities and the changing of a small village into a substantial shipping port at Sept-Îles, and hydro-electric developments close to the mining and dock areas. Large-scale expansion has also taken place in the Steep Rock area of northwestern Ontario. These developments have increased the importance of iron ore to the point where, in 1956, it occupied fourth place among the minerals of Canada, following oil, copper and nickel.