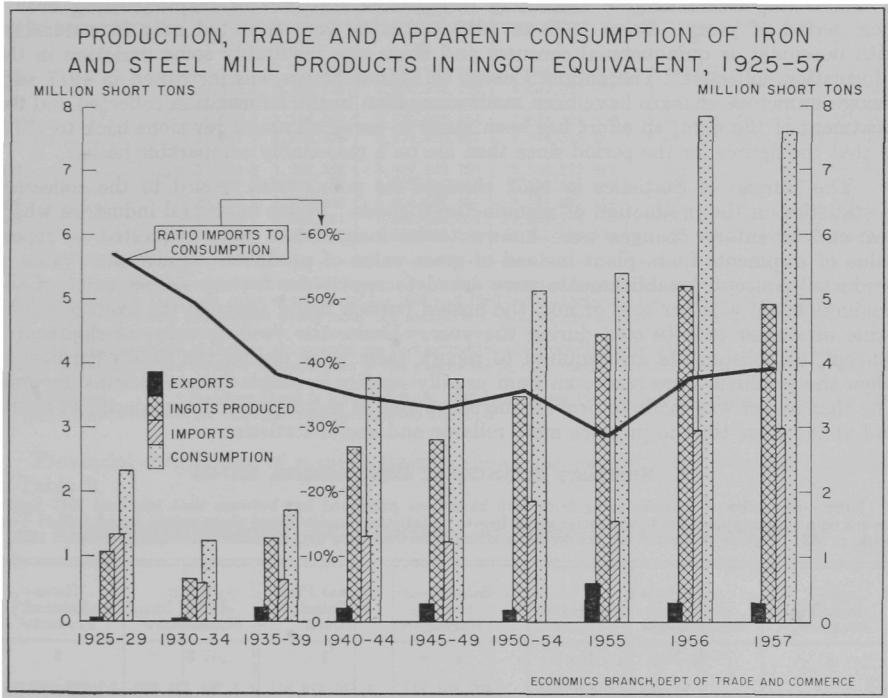


About 80 p.c. of the steel imported into Canada since 1956 came from the United States, 10 p.c. from the United Kingdom, 6.5 p.c. from Belgium and about 1 p.c. from Germany.



It is evident that the long-run trend indicates an increase in steel consumption in Canada, but there can be considerable fluctuation in short-run tendencies which present even greater difficulties for producers of individual types and forms of steel. One of the major problems, then, of the Canadian steel industry is to judge when the market has grown sufficiently for the expansion of facilities. Since 1946 the industry has invested over \$498,000,000 in new plant and equipment, placing it fourth among all manufacturing industries in terms of new investment since the end of World War II. There is every indication that investment will continue at the same pace in the future. It is particularly noteworthy that not only has there been a considerable volume of capital expenditure, but the industry has been willing to invest in new techniques and processes well ahead of many other major steel-producing countries. The budget of June 1958 included a major revision in the tariff items relating to steel rolling-mill products and steel pipes and tubes. This change was the first thorough review of the tariff in over fifty years. It eliminated many items that had fallen into disuse and offered incentives for the expansion of the domestic industry to meet the future needs of Canadian industry, construction and transportation. Though the Canadian per capita consumption of 973 lb. a year is still considerably below the United States figure of 1,323 lb., the gap has narrowed in recent years and gives every indication of continuing to do so. This, along with a steadily rising population, presents a bright future for the Canadian steel industry.