

the great developments have taken place in the oil and gas, uranium and iron ore industries, necessitating tremendous expenditures on new construction and equipment. To the heavy expenditures of the past two years may be added those of the nickel industry.

### 1.—Capital Expenditures on Construction and on Machinery and Equipment, 1929-58

NOTE.—Actual expenditures 1929-56; preliminary actual 1957; intentions 1958.

Year	Capital Expenditures	P.C. of Gross National Product	Year	Capital Expenditures	P.C. of Gross National Product
	\$'000,000			\$'000,000	
1929.....	1,518	24.6	1944.....	1,309	11.0
1930.....	1,287	23.2	1945.....	1,284	10.8
1931.....	881	19.3	1946.....	1,703	14.2
1932.....	491	13.0	1947.....	2,489	18.1
1933.....	327	9.2	1948.....	3,175	20.3
1934.....	416	10.3	1949 <sup>1</sup> .....	3,502	21.3
1935.....	505	11.6	1950.....	3,815	21.0
1936.....	590	12.6	1951.....	4,577	21.3
1937.....	828	15.5	1952.....	5,285	22.7
1938.....	773	14.8	1953.....	5,841	23.9
1939.....	765	13.4	1954.....	5,620	23.3
1940.....	1,048	15.3	1955.....	6,350	23.7
1941.....	1,463	17.2	1956.....	8,024	25.1
1942.....	1,542	14.6	1957.....	8,721	26.5
1943.....	1,485	13.3	1958.....	8,521	..

<sup>1</sup> Newfoundland included from 1949.

The rate of annual investment in the manufacturing industries has also increased fourfold since 1946. Within this period, however, there has been considerable year-to-year fluctuation in the amounts invested. Substantial increases took place in 1947, 1951 and 1952, followed by a sharp decline in 1954. Increases occurred again in 1955 and 1956, particularly in the latter year. The investment pattern of some of the smaller industries has deviated widely from the group trend but among the major industries only petroleum and coal products showed any substantial variation. In this industry a sizable increase in capital spending was recorded in 1954, but a decline occurred in 1955.

Of the industries that make up the manufacturing group, pulp and paper is by far the most important. After the War, the demand for the products of this industry began to climb and continued strong during most of the postwar period. As a result, new investment rose steadily, reaching in 1957 a level about 19 times as high as the war-year average. The investment programs in the industry have been typically large-scale, involving mainly the building and equipping of pulp, paper or combined pulp and paper mills. Considerable outlays were also made for modernizing and expanding mills already in operation. Three new mills came into operation in 1957, one each in Ontario, Alberta and British Columbia.

Of particular significance in industrial pace-setting was the rapid expansion of the iron and steel industry. The extension of steel-making facilities that had taken place during the War formed the basis for greater expansion in the postwar period. Basic steel-making capacity rose from less than 2,500,000 tons annually to 3,600,000 during the war years and by the beginning of 1957 amounted to 4,300,000 tons. Old blast furnaces and open hearths were rebuilt and enlarged and several large new units added. The introduction in 1954 of a new oxygen steel-making process also contributed appreciably to raising production efficiency. At the same time, substantial progress was made in increasing the productive capacities of other steel-processing facilities, including the automation of many operations at the rolling-mill level. There are now a number of