

fully mechanized strip mills and cold-rolling mills capable of producing lighter and finer quality strips and sheets. New and improved facilities for the production of galvanized sheets, tinplate and various special alloy steels have added to the variety of products.

Undoubtedly, the most rapid build-up of capital facilities within the manufacturing group took place in the petroleum products industry. In the five-year period preceding 1951, capital expenditures in the petroleum, natural gas and coal products industry averaged less than \$30,000,000 annually; from 1951 onward they have run close to \$100,000,000 a year. Consequent upon the plentiful supply of low-cost petroleum and natural gas has been the establishment of a fast-growing petrochemical industry in Canada. From a small wartime start of two plants—one at Calgary in Alberta and the other at Sarnia in Ontario—the industry now comprises over two dozen plants and has an annual production valued at over \$160,000,000.

Capital investment by public utilities has recorded a much higher rate of growth than has capital investment in manufacturing industries, especially in recent years. New investment by public utilities during the period 1946-57 amounted to about \$12,400,000,000. Each year, except 1954 and 1955, recorded increases, particularly 1956 and 1957. Nearly half the capital investment in utilities was in central electric stations; growing demand for electric power, coincident with Canada's industrial development, led to increasingly large outlays for the erecting and equipping of new power-generating plants and the expansion of existing installations. Numerous hydro-electric power plants have been constructed ranging in capacity from a few hundred to more than 1,000,000 h.p.; installed hydro-electric capacity has about doubled in the postwar period.

The construction of gas and oil pipeline mileage has called for heavy expenditure. In the earlier postwar years capital outlays by pipeline companies were insignificant, averaging less than \$3,000,000 a year from 1946 to 1949. However, the principal oil pipeline projects were started in 1950 and the major gas pipelines in 1956, so that expenditures have remained high throughout that period. New investment in gas-distributing facilities has accompanied the extension of gas pipelines; in the ten-year period 1946-55, new investment in such facilities averaged \$9,000,000 a year but in 1957 it was \$70,500,000 and in 1958, \$82,300,000.

Capital outlays by railroads have been directed more towards increasing efficiency and speed of service than towards increasing track mileage. However, several new railways have been built recently, mainly to link new resource developments with main lines. Capital expenditures by the telephone group have increased in each year since 1946 with the exception of 1950—the number of telephones in use has more than doubled and mechanical and technical advances have been made to improve service.

Generally speaking, the service industries—trade, financial and commercial services—have kept pace with the rising level of private and public investment. In 1957, capital investment by these industries amounted to \$857,000,000—nearly four times the 1946 total. Although this increase reflects considerable growth of the industries concerned, capital outlays by the group represented only about 8 p.c. of total new investment in the economy. Expenditures by institutions represented somewhat less than 4.5 p.c. of total new investment since 1946, the larger part of it going into educational institutions followed in order by hospitals and churches.

The importance in the Canadian economy of capital expenditures on housing is indicated by the fact that the value of new dwelling units built since 1946 has been close to one-third of the total value of new construction during the period. The amount spent on new houses, including those financed with government assistance, increased each year from 1946 to 1956, declined slightly in 1957 mainly because of financing difficulties, and