

Canadian demand for rolling-mill products has been growing steadily in recent years. In 1949 and 1950 the supply was not increasing at a comparable rate. This is the principal reason why inventories were drawn down during the latter half of 1950.

The pattern of consumption of steel by end-use industries has also been changing significantly in recent years. Between 1949 and 1950, consumption of rolling-mill products declined in the farm machinery, railway rolling stock and shipbuilding industries. At the same time, demand from firms making motor vehicles, electrical apparatus and consumer durables increased. Larger tonnages were also required for the construction of oil pipelines and refineries, and for petroleum and natural gas exploration and development. Usage of steel also increased in mines and smelters, in railway operations, in electric-power development and in the construction of industrial and commercial buildings, and for public works.

In 1951 different trends were established. The principal increases in consumption took place in defence, defence-supporting and resource-development industries. Manufacturers of railway rolling-stock, motor vehicles and electrical and other machinery and equipment, as well as shipbuilding yards, took tonnages substantially above those consumed the preceding year. Increased investment in construction of new manufacturing plants (including oil refineries and smelters), electric power projects and railways have raised total Canadian steel requirements. In the petroleum and natural gas industries completion of the major pipeline projects has more than offset increased demands for oilwell pipe casing arising out of the accelerated development programme. Declines in consumption of steel were confined to housing and the construction of commercial buildings.

While total figures for the current year indicate a decided improvement in the steel-supply situation, this is not true of all types of steel. Requirements of structural steel, re-inforcing bar and plate has so far been running ahead of supply. In the case of large structural-steel sections and heavy plate, Canada's dependence on imports has presented particular difficulty in procurement. The demand for re-inforcing bars produced largely by Canadian mills is also greater than supply due to the heavy dependence of the defence and defence-supporting programmes on re-enforced concrete for construction purposes.

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