

great as in preceding years, continued on a substantial scale. Capital spending in manufacturing amounted to \$1.1 billion. Housebuilding has been maintained at a high level, but is lower than in 1958 when the volume of residential construction far surpassed that in any preceding year. It is estimated that housing starts for this year will reach the 140,000-mark, compared with 165,000 in 1958, while completions will approximate last year's record of 147,000 units.

Though only slightly higher for 1959 as a whole, the trend of total capital spending has been moving upward since the beginning of the year. New orders in capital-goods industries are rising and employment in construction has increased. The recent pick-up in housing starts, following the resumption of the loans-to-builders program during the fall months, and the continuation of the winter works program should provide a significant boost to construction activity during the winter.

Foreign Trade

Canada's exports in 1959 have moved upward with the general recovery in world conditions, after having been maintained in the preceding year despite a lower level of trade in the world at large. On the basis of figures available to date, the total value of exports in 1959 will approximate \$5.2 billion, an increase of about 5 per cent compared with the previous year and the highest figure ever recorded. The principal increases appear in wood, mineral and metal products, including lumber, woodpulp, newsprint, iron ore, uranium, iron and steel and asbestos. Among more highly manufactured products, farm implements and beverages have shown notable gains. Sales of wheat have held close to the high level of the preceding calendar year. Restraining elements in the upward trend of total exports have come from the tapering off in last year's heavy flow of beef to the United States and the completion in 1958 of non-recurring contracts for military aircraft to NATO countries.

Looking at Canada's exports by broad market areas, the principal increase in sales has been to the United States. Despite the dampening effect of the steel strike upon industrial activity during the latter part of the year, exports to this market for the year as a whole have increased by 11 per cent. Sales to the United Kingdom have remained steady and those to the rest of the Commonwealth have declined slightly. Shipments to all other countries combined are down, but if aircraft are excluded the trend is roughly unchanged. Within the total, however, sales to Japan have risen by about one-third from a level of \$105 million in 1958.

Canada's foreign purchases have risen in response to the improvement in economic conditions domestically. On the basis of 10-month figures, total imports have increased by 9½ per cent compared with 1958, but remain below the level reached in the preceding year. The increase from last year