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## CAPITAL EXPENDITURE PROGRAMME

Plans for a total capital expenditure programme in Canada in 1957 of \$8.5 billions are revealed by a recent survey of the Department of Trade and Commerce of Canadian business institutions, governments and housebuilders. This represents an 8 per cent increase over the figure for 1956. The detailed results of this survey will appear in a report entitled "Private and Public Investment in Canada--Outlook 1957", which will be available in the near future.

In total, the rate of increase anticipated for the present year is substantially less than that which occurred in 1956 when, in volume terms, capital outlays were 17 per cent greater than those of the previous year. An expected decline in housebuilding from the unusually high levels of 1955 and 1956 is the major factor contributing to the more moderate upward trend in investment. Present estimates indicate a drop of 18 per cent in expenditures for housing in 1957. On the other hand, outlays for non-residential construction and for the acquisition of machinery and equipment are expected to show further substantial increases amounting to 16 per cent and 13 per cent respectively.

The most important additional increases in capital spending in 1957 are expected to be in the utilities, commercial and institutional groups. Outlays for utilities are planned at a rate 34 per cent above that of 1956. Expenditures for power developments, pipe lines and transportation facilities are the principal

contributors to this increased rate of spending. Increased outlays for such facilities as retail outlets, office buildings and hotels are expected to result in spending by the commercial sector being 20 per cent greater than that of last year. The 17 per cent increase planned in institutional building will be made up of marked increases in expenditures for churches and hospitals and more moderate advances in spending for schools and universities.

Investment by the manufacturing industries is expected to increase by another 9 per cent over 1956 levels. Here, accelerated programmes in the non-ferrous metals, iron and steel and transportation equipment industries will be partly offset by a reduced rate of spending by the wood products, paper and building materials groups.

An investment programme of this type will involve an increased emphasis on construction of an engineering nature. Building construction, as such, will probably show some declines in 1957, with the added strength in commercial and institutional building being more than offset by the anticipated decline in house building. Demands for most types of machinery are expected to be at least equal to those of 1956, with major increases in demand taking place for industrial machinery and transportation equipment.

The 1957 capital programme, as outlined, involves only moderate increases over the rate of activity reached in the latter half of

(Over)

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