

## GOVERNMENT SLOWS BUILDING PROGRAMME

The Prime Minister announced recently a number of measures being taken by the Government to relieve the pressure on the construction industry in 1965 and 1966, and urged others to do likewise as a means of sustaining a steady rate of economic growth throughout Canada. This action did not appear to be necessary in the area east of Trois Rivières, Quebec, or in parts of the Prairie Provinces, Mr. Pearson said. In these areas, construction workers and equipment were generally still available for additional work.

The Prime Minister drew attention to the report on the mid-year outlook for private and public investment in Canada published by the Minister of Trade and Commerce, which shows a further substantial increase in the intended level of capital expenditures, particularly by business firms. The report indicates that the cost of construction during 1965, including repairs, is expected to be just over \$10 billion. Capital expenditure for new construction is expected to be about \$8.3 billion, or 19 per cent higher than the record level attained in 1964. This is more than 3 per cent above the level indicated for 1965 in the survey made early this year.

### EFFECTS OF HIGH EXPENDITURE

The Prime Minister said there had been widespread evidence in recent weeks that the high level of expenditure on construction this year in most parts of Canada — particularly in the large metropolitan areas — was leading to a rapid increase in the costs of construction and to difficulties in securing satisfactory tenders for construction contracts.

The Government believed, he said, that the total demand upon the industry was larger than it could properly meet. This could only lead to abnormal pressures on costs and failure to complete some important projects.

It is expected that this excessive demand in many parts of Canada is likely to continue throughout the construction season of 1966. Consequently, the Government feels that it is desirable that a number of capital-construction projects be deferred, especially in the large metropolitan areas, until after the autumn of 1966. The Prime Minister said that, to help meet this situation and increase the volume of work after 1966 (when the capacity of the construction industry can be expected to have grown) rather than during the next 16 months, the Government was deferring commencement of a number of its own construction projects.

The Government will ask Parliament to amend three statutes to extend the period during which inducements are offered to provinces and municipalities to undertake certain types of construction work. These changes relate to the construction of technical and vocational schools, the Trans-Canada Highway and sewerage projects.

### CUT-BACK IN SEWAGE PROGRAMME

The National Housing Act authorizes loans to provinces or municipalities for the construction of sewage treatment projects, and authorizes the "forgiveness"

of 25 per cent of the loan for projects completed before the end of March 1967. In order to remove this special inducement for construction work this year and next, while continuing to support projects intended to reduce the pollution of lakes and rivers in Canada, the Government will ask Parliament to extend until March 1970 the period within which such projects may be completed, in order to qualify for "forgiveness" of 25 per cent of the loan. The Government intends to consult the provincial authorities concerned in each case to ensure that loans granted for this purpose during the next 15 months in those areas where construction expenditures are at a high level warrant a high priority.

Mr. Pearson expressed the hope that businesses and others planning to undertake construction projects during the next sixteen months would consider carefully the possibility of deferring certain of the work until later. Deferment of projects until after the 1966 construction season in major metropolitan centres and in other areas where actual and projected expenditures were already excessive would help to sustain economic growth and prosperity over the years ahead, the Prime Minister said. In this way it would contribute most effectively to attaining the goals set forth by the Economic Council of Canada.

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## STAMP HONOURS CHURCHILL

A Canadian postage stamp honouring Sir Winston Churchill is to be issued on August 12. This will be the first Canadian stamp printed by the duotone offset process, a method of printing particularly suited to the reproduction of photographs. It features the famous "roaring lion" portrait of Sir Winston by Yousuf Karsh. Complementary design is the work of Philip Weiss, Canadian artist and director of the Department of Industry's National Design Branch.

The stamp will be printed in brown by the Canadian Bank Note Company Limited of Ottawa. The total issue is to be 35 million.

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## SEAWAY PARK FOR EXPO '67

The St. Lawrence Seaway Authority and the Department of Tourism, Game and Fisheries of the Province of Quebec have reached agreement on the development of a provincial park and camping ground on land owned by the Authority near the site of EXPO '67.

The province will lease 128 arpents of riverside land upstream from the Cote Ste. Catherine lock, near the municipality of Cote Ste. Catherine, for a 20-year period. A premium campsite will be developed on the land, which overlooks the Lachine Rapids and affords an excellent view of the Laprairie Basin, with the Montreal skyline as a background. Space will be provided for several thousand campers at a time.

The park, expected to open in 1966, will be an important addition to tourist accommodation facilities for visitors to the Montreal metropolitan area as well as to the world exposition in 1967.