

Investment outlays during the past year, as in 1956, have been unusually large in resource industries and related developments. These expenditures have been directed toward the creation of extensive new capacity in such fields as oil and natural gas, pulp and paper, chemicals, non-ferrous metals, uranium, electric power and various forms of transportation and communication. An unusually large number of expansion projects were started in 1955 and 1956 and many of these, if not already completed, are in a relatively advanced stage. Meanwhile the amount of new work started during 1957 has been less than in either the two preceding years and the carry-over of uncompleted work at the present time is below that of a year ago.

Residential construction has been lower in 1957 than in either of the two preceding years. Housebuilding activity was at a relatively low level in the first part of 1957 following a substantial decline in starts during the preceding year. Subsequently, the volume of housing starts has risen sharply, and by the last quarter is close to the average 1955 level. For 1957 as a whole, it is estimated that close to 120,000 new housing units have been started, compared with 126,000 in the previous year. The present carry-over of uncompleted houses is at least as high as a year ago.

Foreign Trade

World trade has not expanded as rapidly in 1957 as in the two preceding years. Trade in highly manufactured products has continued to mount. However, world markets for most raw and processed materials have softened. In addition, measures adopted by the United States to dispose of agricultural surpluses have adversely affected sales of other countries exporting farm products. In these circumstances, Canada has not experienced as good a trade year as have other more industrialized countries.

On the basis of ten-month figures, the overall value of Canada's merchandise exports has changed little from the \$4.86 billion level of last year. However, sharp ups-and-downs have occurred in certain commodities. Receipts from the sale of wheat, which had increased sharply in 1956, have declined this year though remaining above the 1955 value. Market prospects have been improving recently. Several of the larger wheat-producing countries have smaller crops this year. In addition, the United States had discontinued certain of the more damaging practices previously used to dispose of surplus wheat. Other items showing relatively large declines during the past year include lumber, which was adversely affected by less residential construction in the United States, and in the early part of the year by high ocean freight rates; copper, which has declined substantially in price; and aircraft, following completion of certain orders. Newsprint exports, although higher in the early part of the year, have recently declined moderately as a result of slightly lower consumption in the United States and liquidation of excessive stocks. All base metals are in much easier supply in the international market, nickel being the only item in this group to show higher sales. Oil exports have increased by about