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## MID-YEAR REVIEW OF CAPITAL EXPENDITURE

The Department of Trade and Commerce has released a mid-year review of public and private investment in Canada-outlook 1959. The introduction follows:

The June survey of capital expenditure intentions of Canadian business, institutions, governments and housebuilders reveals that, in total, 1959 spending intentions now involve outlays of more than \$8.5 billion. This represents a significant increase from the \$8.3 billion planned at the beginning of the year. The accomplishment of these intentions would mean that investment spending in 1959 will surpass the \$8.4 billion of last year.

Spending plans for both non-residential construction and the acquisition of machinery and equipment have been revised upwards from those formulated previously. Outlays for both these purposes are now expected to exceed those expenditures made last year. The non-residential construction programme is two per cent above the 1958 level and that for machinery acquisition four per cent greater. Housebuilding activity is still expected to be moderately below the levels of 1958 and the decline here partly offsets the expected increase in other types of construction. Nevertheless, it is now anticipated that new construction outlays, in total, will approximate \$6 billion. This would be the largest construction programme on record, slightly surpassing the previous peak achieved in 1958.

The major upward revision from the January intentions occurs in business investment where

plans now call for capital spending to about equal the levels of 1958. This represents a significant expansion from the programme previously planned. Plans for social capital spending have been little changed from those outlined at the beginning of the year and still involve outlays about four per cent above those of last year.

All major categories of business investment have revised their capital programmes upwards from those stated last January. In the forest and mineral products group greater strength than previously is being shown by the wood, paper products and primary iron and steel industries. The upward revision in this group, as a whole, however, was insufficient to bring its spending back to the 1958 levels. Similarly in the fuel and power group the 1959 programme is still expected to be significantly below that of last year but an expansion of the investment plans of electric and gas utilities and pipe line companies has modified the extent of the decline. In all other areas of business investment present spending intentions involve increases over the 1958 levels and these increases offset the declines still anticipated in the resource oriented industries. The greatest additional strength is expected in commercial building, particularly for office buildings and shopping centres, in agriculture and in the communications industry.

In the area of housing and social capital, only the spending intentions of institutions

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