

a period has frequently provided the necessary relief to enable the business to recover and make further progress. The alternative would in many cases have resulted in losses not only to the Bank but also to the owners of the businesses.

"At September 30, 1960, the Bank had on its books 2,425 loans to 1,966 industrial enterprises. The total amount outstanding or committed under these loans was \$120 million, of which \$103 million was outstanding and \$17 million was committed but not yet disbursed. Of the 1,966 customers on the Bank's books as of this date 874, or 44 per cent, of the total had loans outstanding or committed for amounts of \$25,000 or less. Those having loans outstanding or committed for amounts of \$200,000 or less numbered 1,851, or 94 per cent of the total. The average amount outstanding or committed per customer was \$61,000. Accounts in excess of \$200,000 amounted in total to \$42 million outstanding is committed; the statutory limit on accounts with amounts outstanding in excess of \$200,000 is \$75 million."

### BUILDING OUTLOOK FOR 1961

The president of the Canadian Construction Association, Jack M. Soules of Port Credit, Ontario, said recently that the construction industry of Canada hoped to maintain its \$7-billion a year programme in 1961.

"While the industry does not expect a record year such as it had in 1958, the volume of work in 1961 will probably equal that of 1960 -- over \$7 billion, giving direct employment to an average work force of some 580,000 Canadians. As such, the construction industry will retain its position as Canada's largest single industry and provide the physical means for Canadian economic development. The industry will be working well below its capacity and its efficiency will therefore be further improved because of the stimulus of extremely keen competition for contracts."

Mr. Soules said that it was still too early to assess the effect that the Federal Government's "baby budget" announcements would have on the construction programme. "We are very glad to see the introduction of the principle of incentives as a means of promoting business investment in construction and machinery but there is some fear that the effect of accelerated depreciation will be offset by the measures designed to reduce the amount of U.S. investment in Canada. Moreover, the double capital cost allowance (depreciation) may only be applied for one year. A lot will depend upon the Government's regulations which will define the scope of the double depreciation incentive."

"The increases in the physical volume of construction have been one of the phenomena and main bulwarks of Canada's post-war development. Notwithstanding setbacks experienced

in other industries, a new record was chalked up in the construction industry in each successive year until 1958 and until construction expenditures amounted to more than 20 per cent of Canada's gross national product."

### STABILIZATION OF PROGRAMME

"Since then the construction industry's programme has stabilized on this high plateau valued at from \$7 billion to \$7.25 billion annually. For the first time the mid-year survey in 1960 by the Federal Government of investment intentions showed a fractional decline from the total recorded at the beginning of the year. This reduction reflected a fall-off in housing starts not offset by gains in other categories of construction. The new amendments to the National Housing Act should stimulate a larger housing programme in both the home ownership and rental sectors in the year ahead. The industry also expects an increase in the amount of 'urban renewal' projects as inferior housing is replaced."

"Assistance to the municipalities in the waterworks, sewage disposal and anti-pollution fields is expected to bring about larger programmes of civil engineering projects. It is hoped that at least a start will be made on large-scale hydro-electric power developments in British Columbia -- gigantic engineering jobs in the same league as Kitimat. Institutional projects -- hospitals, schools, universities and other public buildings -- still are needed in greater numbers to meet the requirements of present backlogs and a growing population. The same is true with regard to roads and highways, including bridges."

The CCA president said that predictions were risky in the construction field since decisions concerning new projects were mainly dependent upon outside factors not within the industry's control or even influence. "One thing is sure -- purchasers of construction can obtain excellent value for their construction dollar. Whereas the volume of construction has levelled off, the industry's capacity has continued to increase by proverbial leaps and bounds. Shortages are a thing of the past and firms right down the line -- general and trade contractors, manufacturers and suppliers -- are all competing in large numbers for the construction work offering."

### NEW CUBAN ENVOY

On December 19, His Excellency Dr. Americo Cruz y Fernandez presented his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Cuba to Canada. The ceremony took place at Government House.

The Canadian Chief of Protocol, Mr. H.F. Feaver, presented the Ambassador to the Governor-General, Mr. N.A. Robertson, Under-Secretary of State for External Affairs, and Mr. Esmond Butler, Secretary to the Governor-