

RECORD YEAR OF INVESTMENT ACTIVITY

CAPITAL GOODS EXPENDITURES HIGH: Canadian expenditures for capital goods in 1949 are now estimated at approximately 3.4 billion dollars, which is 11 per cent higher than the estimated actual expenditure of \$3 billion last year, the Minister of Trade and Commerce, Mr. Howe, announced on June 30.

The \$3.4 billion estimate is an upward revision of a forecast made at the beginning of the year by the Department of Trade and Commerce. The earlier forecast was for a total expenditure of \$3.3 billion.

LITTLE CHANGE IN PLANS

In releasing this report, which was prepared by the Economic Research and Development Branch of the Department with statistical assistance from the Bureau of Statistics, the Minister noted that the mid-year review indicated little change of investment plans by Canadian business, individuals, institutions and governments formulated six months ago.

If these investment plans are realized, 1949 will be a record year of investment activity in Canada. Most of the increase of investment indicated in the mid-year survey appears to be owing to greater availability of materials and labour and improved deliveries of machinery and equipment. While there appears to have been little change in the total demand for capital goods, investment plans of individual firms vary more significantly than in past years with some firms spending more than they expected and others less. On the whole, demand for capital goods remains strong. Where reduction in expenditures has occurred, the main reason given has been the high construction costs currently prevailing.

Other details of investment expenditures revealed by Mr. Howe were:

(1) The upward revision of this year's forecast of investment expenditures comprises an increase in construction expenditures of 2 per cent to \$2 billion, and of expenditures on machinery and other equipment of 6 per cent to \$1.4 billion. As a result, construction expenditures for 1949 are estimated to be 14

per cent greater and machinery and equipment expenditures 8 per cent greater than estimated actual expenditures in 1948.

(2) The 3 per cent upward revision of estimated investment expenditures for 1949 as shown in the mid-year survey comprises increases of 11 per cent in the primary industries and construction industry, 4 per cent in the commercial, merchandising and service group, 2 per cent in manufacturing, with the utilities group about unchanged. In the non-business sector, the direct expenditures of governments have been revised upward by 5 per cent, and of home builders by 3 per cent, while expenditures of institutions are slightly lower.

5 PER CENT INCREASE

(3) As closely as can be ascertained, the expected increase of 11 per cent in estimated total investment expenditures over the estimated realized expenditures in 1948 (\$3.4 billion compared with \$3 billion) will represent a 5 per cent increase in the physical volume of investment, the other 6 per cent being accounted for by higher prices prevailing in 1949.

(4) A regional breakdown is possible for manufacturing, mining, forestry, selected utilities and housing -- about half the total investment expenditures. There has been an upward revision of first-of-the-year estimates in this group of 7 per cent in British Columbia, 5 per cent in Quebec, and 3 per cent in both Ontario and the Prairie Provinces. In the case of the Maritimes the revision is downward by 11 per cent, nearly all of which would be accounted for by a downward revision of the residential construction estimates.

(5) In addition to the upward revision of new investment in building, machinery and other capital equipment, an upward revision is also indicated for repair and maintenance. At mid-year this type of expenditure at \$1.5 billion will be 2 per cent higher than forecast six months ago and 7 per cent more than the estimated expenditures in 1948.

AEROBATIC VAMPIRES: Canadian Vampire jet fighters will show the maple leaf roundel of the RCAF to large crowds at three air shows in the United States this summer, it was announced on June 30 by Air Force Headquarters, Ottawa. An aerobatic team of several Vampires from 410 Fighter Squadron of the Regular Force, stationed at St. Hubert, P.Q., performed at Orchard Field, Chicago, July 3 and 4, and will perform at Willow Run Field, near Detroit, August 6 and 7. A similar team of Vampires drawn from one of the Auxiliary Squadrons in Western Canada will fly at St. Paul, Minn., from August 28 to September 6.

The Vampires flying at the Chicago show

were accompanied by a Dakota carrying ground crew personnel for servicing the speedy jet fighters. The aircraft appeared at Chicago at the request of the American Air Force Association, which held a convention there.

The appearance of the St. Hubert aerobatic team at Willow Run will be in conjunction with the Michigan International Air Fair, and the performance of the Western Vampires at St. Paul will be before crowds attending the Minnesota State Fair.

Appearance of the Canadian jet fighters in the United States is a two-way arrangement, American Air Force planes having appeared at similar Canadian shows. Thirty-six F-51 aircraft of the USAF 107th Fighter Group, Niagara Falls, N.Y., flew over Hamilton on May 15, and numerous other American Air Force planes have appeared in Canada on various occasions.

MAGNIFICENT'S DAMAGE \$275,000: Survey to the hull of H.M.C.S. "Magnificent" has been completed at Saint John, N.B. drydock and cost of repair is expected to be somewhat less than \$275,000, it was announced at Naval Headquarters on June 30.

The aircraft carrier entered the drydock at Saint John on Saturday June 18 and a survey of damage was commenced immediately under the supervision of Constructor Commander C.V. Green, R.C.N., manager of the Constructor Department at H.M.C.S. Dockyard, Halifax.

The survey reveals it will be necessary to replace 26 plates which were damaged beyond repair and to repair another five plates making a total of 31 plates which were damaged either severely or slightly during the grounding. The damage extends over approximately 170 feet of the carrier's bottom.

Now that the damage has been surveyed repair work is expected to get underway soon and the drydocking job will take an estimated ten weeks.

EXPORT OF CHEESE: Permits for the export of all types of cheese to any destination will be granted freely, effective immediately, the Minister of Trade and Commerce, Mr. Howe, announced on June 30.

This decision results from the increase in production of cheddar cheese over last year, and the fact that there is every indication the United Kingdom contract for 50 million pounds will be filled in the near future.

MR. CLAXTON VISITS NEWFOUNDLAND: It was announced at National Defence Headquarters on June 30 that the Minister of National Defence, Mr. Claxton, would leave on Friday, July 1, by R.C.A.F. plane to visit Newfoundland.

On this visit Mr. Claxton inspected the Canadian Naval, Army and R.C.A.F. establishments, discussed arrangements with regard to the organization of reserve units and looked

into recruiting possibilities as well as examined the very considerable number of defence properties including those to be acquired from the British Admiralty.

In the course of the visit, he visited all the air fields on the island including the bases at Stephenville, Argentina and Fort Pepperall which the United States has under the lease made in 1941.

Mr. Claxton represented the Government of Canada in laying a wreath in connection with the ceremonies to commemorate the people of Newfoundland who gave their lives in the First World War, which were held at noon on Sunday, July 3.

These were attended by the crew of the Nootka and a detachment from the Canadian Army as well as by planes of the R.C.A.F.

Mr. Claxton was accompanied on this visit by Brigadier C.M. Drury, Deputy Minister of National Defence; Major-General E.G. Weeks, Commodore Bidwell of the Navy and Air Commodore Miller of the Air Force as well as by Brigadier H.L. Cameron, Defence Secretary.

TRAINING FOR UNEMPLOYED: The Minister of Labour, Mr. Mitchell, reported on July 4 that 1,076 unemployed persons in various parts of Canada had received training to fit them for employment during the year ending March 31, 1949, under an agreement between the provinces and the federal Government.

Of this total, 535 were men and 541 were women and their combined training amounted to a total of 74,216 days, Mr. Mitchell pointed out.

Although the agreement had been accepted by all provinces, training had not been undertaken in Prince Edward Island, Quebec or Ontario, because the need for it was not thought to have developed, the Minister stated.

The Minister explained that the federal Government shared all approved expenditures on a 50-50 basis with the provinces. These expenses included the payment of living allowances where persons who were approved for the training did not have Unemployment Insurance benefits. Federal Government expenditures for this purpose amounted to approximately \$166,000.

Training was provided for the purpose of assisting unemployed, who were unemployed mainly because of their lack of employable skill or knowledge. It was designed to prepare them for entry to gainful employment.

The actual selection of trainees to follow any course was made by representatives of the province and the National Employment Service working together in mutual agreement on each application for a training course, the Minister said.

Persons were not recommended for training when they had reasonable prospects of immediate or early employment without such training, or who could be indentured as an apprentice in a trade designated under a provincial apprenticeship act.