



increased again to reach a record high in 1958. Action by the Federal Government in 1957 and early 1958 making available, under the National Housing Act, funds to finance the construction of homes and rental units for low and moderate income families and the easing of the conditions under which NHA loans are granted, contributed to the house-building activity in 1958.

A slight decline in total new investment is anticipated for 1958. Private investment is expected to be down about 11.5 p.c. The entire western world had, by 1957, reached a stage where substantial over-capacity existed for a number of basic products and until world demand grows sufficiently to match these new levels of productive capacity, a decline in the rate of investment in Canada's basic industries can be expected. Investment in most utilities should be maintained at high levels with only a slight decline for the group as a whole. Investment in commercial, merchandising and service groups shows differing trends—the financial sector shows signs of advancing slightly but trade and commercial services will decline moderately. However, the weakening in the private sector will be largely offset by greater spending in the non-business group, particularly on residential building. Institutional investment has still a large backlog to make up and higher levels of activity are anticipated for 1958. Direct government investment is expected to increase