

Private and public investment in Canada – outlook 1973

Capital expenditures of \$23.8 billion are planned for 1973 by all sectors of the Canadian economy including business, housebuilding, institutions and governments. This level of spending, if accomplished, would exceed by nearly 9 per cent the \$21.9 billion spent for these purposes in 1972.

These plans were contained in the report *Private and Public Investment in Canada, Outlook 1973*, which was tabled in the House of Commons on April 12.

The report indicates that capital investment plans for 1973 involve a sharply-increased emphasis on business investment, now planned at a level more than 13 per cent above that of the previous year. Outlays in the housing and social capital sectors in total are expected to rise by less than 2 per cent. Plans for 1973 represent a much different pattern from that which prevailed in 1972, when spending on both business and non-business capital advanced by 8 to 9 per cent.

Planned outlays on new production facilities show a more rapid rate of increase in 1973 in the service-producing industries than in the goods-producing sector – 13 per cent, compared to 7 per cent. Last year, however, the goods-producing sector did not exhibit any growth and all the increase in capital expenditures occurred in the service-producing industries.

Manufacturing investment spending is expected to rise by about 9 per cent in 1973, following two years of declining capital outlays. This planned advance contributes significantly to the improved prospects for 1973 in the goods-producing sector as a whole. Added strength comes also from sharp increases in investment plans by the agriculture and forest industries.

Paper products and mining decline

Most sectors of manufacturing are involved in the expanded level of spending, with the petroleum refining and chemicals industries showing particularly large gains in dollar outlays. A major exception occurs in the paper-products industry, where the recent declining trend in capital expenditures is expected to continue.

The mining sector constitutes the

Ottawa receives memorial to Argentine hero

On the morning of April 19, Minto Park in downtown Ottawa was the animated scene of the unveiling of a bronze bust of the Argentine hero General José de San Martín, liberator of his homeland and of Chile and Peru. The bust, which was the work of the Argentinian sculptor José Vian, was presented by the Argentine Ambassador to Canada, Dr. Pablo Gonzales Bergez, to Mayor Pierre Benoit of Ottawa. During the ceremony it was guarded by several members of the famous regiment of mounted grenadiers founded in 1812 by General San Martín, dressed in the uniform of the liberation period.

The unveiling was attended by a large number of official guests, and was witnessed by numerous onlookers attracted by the spectacle. Prominent among the Argentine representatives was General Carlos A. Salas, Chairman of the San Martín National Institute. The ambassadors of the following states were also in attendance: Bangladesh, Belgium, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador, France, Haiti, the Holy See, Italy, Mexico, Peru, Spain, the United States and Venezuela. The youngest guests were the delegations from Toronto's Argentina Public School and from the Ottawa area branch of the Girl Guides of Canada.

In his presentation address, Ambassador Bergez called for increased cul-



Bust of General José de San Martín which was unveiled at Minto Park, Ottawa, on April 19.

tural and economic contacts between Argentina and Canada. He described General San Martín as one whose main motive, throughout an active life, had been the pursuit of honour and justice. In his speech of acceptance Mayor Benoit described the bronze as a symbol of the friendship that had long existed between the two countries.

principal area of weakness. Investment by mining firms is likely to decline somewhat further in 1973, following a drop of 10 per cent in 1972. Significant increases in the petroleum and natural gas sectors and planned advances in spending by non-metallic mineral mines fail to offset expected declines in outlays by iron mines and non-ferrous metal mines.

The business sector is buoyant in the service-producing industries as well. Spending plans by utilities for 1973 involve a sharp increase of 18 per cent from the level attained a year earlier. Expansion is concentrated in electric power as well as in projects of telephone systems and air transport companies. Capital expenditures are to increase by more than 20 per cent in the trade, finance and commercial ser-

vices sector. The only weak component is wholesale trade. Planned outlays for 1973 by wholesale firms are below the unusually high spending level of the previous year. Investment plans for non-business services involve an increase of 3 per cent from the 1972 total. Spending by government departments is expected to advance by 9 per cent, more than offsetting a probable decline of 11 per cent in outlays by institutions, that is expected swing to the reduction in programs for educational facilities which outweighs the proposed expansion of hospitals. The federal and municipal governments plan to increase capital spending by 18 per cent and 14 per cent respectively in 1973, while expenditures by provincial governments will probably remain at about the 1972 level.