



Bulletin

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PRIVATE AND PUBLIC INVESTMENT IN CANADA - MID-YEAR REVIEW

Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce, recently released the highlights of his department's mid-year review of capital investment intentions for 1969. Each year at this time, businessmen and governments are surveyed by the Dominion Bureau of Statistics to determine the extent to which spending plans reported earlier in the year have been changed to reflect the most recent developments.

The results of the survey indicate that 1969 plans for spending on new construction and for the acquisition of new machinery and equipment by all sectors of Canada's economy now amount to \$17,356 million for the current year. The present program represents a further expansion of investment plans of some 2 per cent from the total of \$17,046 million reported at the beginning of 1969, and would involve an 11 per cent increase over the \$15,678 million actually spent in 1968.

As now seen, expenditures on new construction in 1969, including housing, are expected to reach \$11,384 million, an upward revision of 3 per cent from original estimates - a 12 per cent gain from the level achieved in 1968. Expected outlays on new machinery and equipment are now at \$5,972 million, a little below the total reported at the beginning of 1969. Such expenditures would still exceed last year's actual outlays by some 8 per cent.

The upward revision in construction spending is largely the result of expanded plans for industrial construction and construction of electric and gas utilities. Plans for commercial constructions, including store and office buildings, are somewhat below earlier estimates but still involve an increase of 19 per cent over outlays in 1968.

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MAJOR AREAS OF EXPANSION

The results of this most recent survey confirm the expectations of the earlier survey. The major areas of expansion are expected to be in non-agricultural business investment and in house-building. Plans of business, other than agriculture, have been revised upwards further, and at mid-year involve a 13 per cent increase over the 1968 levels. Firms in the manufacturing sector now expect to increase their capital spending in 1969 by more than 20 per cent. Of the 20 individual manufacturing industries tabulated, 15 have now revised their spending plans upwards since the beginning of the year. The most notable of these revisions have been in the textile, wood-products and chemical industries. In the latter case, while plans were expanded from earlier anticipations, total capital spending is still expected to be much below the 1968 level.

In most cases, downward revisions have been small and have occurred largely in industries that still look forward to marked increases in capital spending over the outlays of 1968. Investment plans have also been expanded in the mining industries - in particular in the oil and gas sectors. It is now expected that investment in mining in 1969 will exceed that of 1968. Earlier plans had suggested a moderate decline in spending. Further strength in the area of business investment is provided by moderately increased spending plans for utilities, transportation and communication, and some upward