

## BUSINESS INVESTMENT - 1970

Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce, recently released the results of a field survey of the 1970 capital-spending intentions of some 150 large companies in Canada. This annual survey is intended to provide a preliminary indication of likely trends in business investment as a whole in the coming year.

The firms surveyed plan to increase expenditures on new construction, machinery and equipment from \$5,328 million in 1969 to \$6,064 million in 1970 - a gain of 14 per cent. In 1969 the same companies raised their spending by about five per cent, compared to the 1968 figure. The increase indicated for 1969 is somewhat less than these firms had planned earlier in the year. To a considerable extent this shortfall resulted from delays caused by work stoppages in the construction industry and others. For the most part, programs that were delayed in 1969 have been carried over into 1970 and account for a significant part of the gain in spending planned.

Most major industry groups expect to raise their outlays on new construction, machinery and equipment in 1970, with special activity in the manufacturing sector, where plans involve a 30 percent advance. Only mining companies expect that their outlays on new capital will be lower in 1970 than in 1969.

### THE REGIONAL PICTURE

Since the coverage of the survey varied considerably by geographic regions, it is impossible to provide any precise measure of the regional changes. The available information suggests that much the sharpest increase in the value of plant and equipment put in place by business in 1970 will occur in Ontario, with smaller but still significant advances in the Atlantic Provinces and Quebec. There are indications that business investment in the Prairie Provinces may be a little greater than in 1969, whereas in British Columbia, as well as the Yukon and Northwest Territories, it may fall below this year's levels.

The 150 large companies covered by the survey account for about three-fifths of Canada's total non-agricultural business investment. Past experience shows that their investment plans reflect very closely the intentions of Canadian business as a whole.

### OTHER TYPES OF INVESTMENT

The capital-spending plans outlined relate to major sectors of private business investment only. Consideration of investment by agriculture, fishing, house-builders, governments and institutions is excluded. Preliminary indications are that any increases in 1970 capital programs in these sectors will be moderate, reflecting, in the main, the prevailing conditions of restraint. On this basis, expenditure on new construction, machinery and equipment for 1970 for the economy as a whole is likely to advance at a much more moderate rate than that now indicated for large business firms.

Under these circumstances, the sharp gains in business-expansion programs now foreseen is more likely to result in a shift of available investment resources toward business expansion, particularly in goods-producing industries, than in excessive new pressure on such resources.

The survey of business investment intentions for 1970 was carried out in conjunction with a survey by the Economic Council of Canada covering investment plans of large companies over the next five years. These results will appear in a subsequent report to be published by the Economic Council of Canada.

## FRANCO-CANADIAN SCIENTIFIC SUBCOMMITTEE

In accordance with a recommendation by the Franco-Canadian Cultural Commission at its third session on February 18, 1969, a scientific subcommittee held meetings in Ottawa on November 17 and 18.

The Canadian delegation was led by Mr. Jacques Gignac, Director of Cultural Affairs in the Department of External Affairs, who was chairman of the meetings. The French delegation was led by Mr. Charles Maisonnier, Deputy Director of Scientific Affairs in the Ministry of Foreign Affairs.

The Committee noted that the objectives of the scientific exchange program for the present year had been achieved in a very satisfactory way. After listening to descriptions of the scientific research structures in both countries, the Committee decided on the terms and quantities of exchanges for 1970 and 1971.

In view of the increasing interest on both sides in expanded scientific co-operation, the Committee gave consideration to the possibilities of its future development.

## WHO'S UP THERE?

Ever since Prime Minister Trudeau stressed Canadian sovereignty in his defence policy statement of April 3, Canadian Forces planners have been paying more attention to the Arctic and Canada's northern territories.

As a minor indication of this shift of attention, two small military detachments are being opened at Whitehorse in the Yukon and Yellowknife, Northwest Territories, in February 1970, to provide a link between the Canadian Forces and territorial authorities. These detachments, each consisting of a major and a staff of three, will provide close liaison with the territorial commissioners in the development of future military plans for the North.

At present, roughly half the 397 servicemen stationed permanently in the Far North are concentrated at Inuvik, 1,150 miles north of Edmonton, near the mouth of the Mackenzie River. Five men are stationed at each of four main DEW line stations.