

## INVESTMENT IN CANADA - MID-YEAR REVIEW

Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce, released on August 21 the report *Private and Public Investment in Canada - Outlook 1970 Mid-Year Review*, which indicates that capital spending plans for 1970 by all sectors of the Canadian economy, as reported at mid-year, involve total outlays of \$18 billion. This capital program is slightly larger than the \$17.9 billion that had been planned for 1970 earlier in the year and, if accomplished, would exceed by about 8 per cent the \$16.6 billion spent for similar purposes in 1969.

The report summarizes the results of a recent survey by the Dominion Bureau of Statistics of the investment intentions of selected businessmen, institutions, governments and house-builders. These respondents had been surveyed at the turn of the year, and the present survey asked for any revisions in their investment intentions. Such plans may be further revised as the year progresses and their accomplishment may be affected by factors such as work stoppages in the construction industry and other problems that may arise.

Planned expenditures for both non-residential construction and the acquisition of machinery and equipment have been revised upwards moderately since the beginning of the year - 3 per cent is planned for the purchase of machinery and 1 per cent for non-residential construction outlays. Such programs involve increases of 11 and 14 per cent respectively over outlays made in 1969. Housing expenditures are now expected to total a little more than \$3 billion, about 10 percent below actual spending last year. For new construction, including both housing and other types, total outlays of \$11.4 billion are planned, slightly less than earlier expectations but still 6 percent above the 1969 expenditures.

## BUSINESS INVESTMENT RISE

The most recent survey confirms the earlier indication of a significant rise in business investment in 1970. Earlier plans by businessmen have been revised upward and now involve a 14 percent increase over their expenditures in 1969. A rise of 16 per cent

in non-agricultural business investment will be partially offset by the 9 percent decline expected in capital spending by the agricultural sector.

The most important upward revisions in business investment are in manufacturing and mining, where plans have been expanded by a further 6 per cent over earlier expectations. The present programs involve increases of 31 per cent over those in 1969 in manufacturing and 13 per cent in mining. Plans have also been expanded moderately in the utilities sector. Major contributors to further expansion in these areas are the paper-products industry in the case of manufacturing and electric power in the utilities field. Besides agriculture, there has been some scaling down of earlier plans in the area of commercial construction and in the forestry industry.

The capital programs of institutions and governments have been little changed from those formulated at the beginning of the year and involve increases over those in 1969 of 6 per cent for institutions and 10 per cent for governments.

## PROVINCIAL CAPITAL SPENDING

The report also provides estimates of capital spending in the individual provinces. Revisions to earlier plans have been most marked in the Maritime provinces and in Manitoba, where spending programs have been increased and in Saskatchewan, where they have been reduced. On the basis of these revised estimates the changes from 1969 in capital spending for individual provinces are Nova Scotia (+19 per cent), Prince Edward Island (+16 per cent), Newfoundland (+15 per cent), Ontario (+13 per cent), British Columbia and New Brunswick (+7 per cent), Alberta (+6 per cent), Quebec (+5 per cent), Manitoba (+3 per cent), and Saskatchewan with a decline of 9 per cent.

The Minister, in commenting on the report, stated that the significantly larger investment programs planned for 1970, particularly those in the business sector, reflected underlying confidence in future market prospects, notwithstanding current softness in some sectors.

## FISH FOR VIETNAM

Vietnam is to receive 500 metric tons of preserved fish from Canada for distribution to refugees from Cambodia.

The expenditure of \$450,000 will be provided from Canada's 1970-71 food aid allocation for South and Southeast Asia.

Canada provided \$365,000 for codfish and \$260,000 for milk powder in an emergency food program last year. With the great influx of refugees more supplies are urgently needed.

## MILITARY BASES CLOSE

The Minister of National Defence, Mr. Léo Cadieux, has announced a Government decision to phase out military operations at the Canadian Forces bases at Rivers and Gimli, Manitoba, during the next year. The process will be gradual, lasting until September 1, 1971.

Several government departments, including Regional Economic Expansion and Manpower and Immigration, will be working with the Department of National Defence and local authorities to mini-