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WEEK'S EVENTS IN REVIEW

ECONOMIC OUTLOOK: Private and public investment outlay for new construction and for new machinery and equipment in Canada is expected to be increased by 8 per cent this year, the Minister of Trade and Commerce, Mr. Howe, announced on March 1 in a report tabled in the House of Commons.

In a second report tabled at the same time, the Minister predicts continued improvement in the supply of building materials even though a few items will continue to be in short supply.

In tabling in Parliament his report entitled, "Private and Public Investment in Canada - Outlook 1949", Mr. Howe indicates that public and private investment intentions call for 1949 capital expenditures of \$3.3 billion, as against the \$3 billion spent in 1948. The program will comprise \$2.0 billion for new construction and \$1.3 billion for new machinery and equipment.

After allowing for price rises during 1948 averaging 7 per cent, the 1949 program in terms of volume will involve a slight increase over 1948. In these terms, volume of construction will be higher by about 6 per cent, and equipment lower by about 6 per cent.

Private outlay on capital goods covering expenditures related to privately-owned bus-

ness, institutions and housing is estimated at \$2.4 billion, 3 per cent higher than in 1948. Corresponding public outlay is expected to reach \$921 million, or 21 per cent above the previous year. Most of this increase is due to expansion of publicly-owned utilities and to greater outlay for housing and for institutions. Expected investment expenditures to be made directly by federal, provincial and municipal governments are 16 per cent above last year's level.

Dollar capital construction outlays contemplated by the business sector of the economy amount to \$1.9 billion or 2 per cent above realized capital construction investment in 1948. With allowance made for higher prices this indicates that business investment, in physical terms, will be lower in 1949.

With respect to some of the principal groups within the economy, the forecast indicates new investment outlays of \$200 million for institutions, representing a 56 per cent increase over the 1948 level; \$607 million for utilities, up 16 per cent; \$741 million for housing, up 9 per cent; \$515 million for the primary and construction industries, up 2 per cent; \$260 million for trade and services, down 2 per cent; and \$522 million for manufacturing, down 8 per cent.