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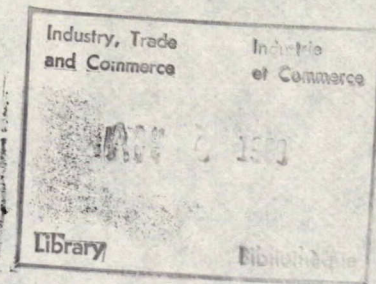
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et Commerce

REPORT OF THE
I.T.&C CAPITAL INVESTMENT
INTENTIONS SURVEY
CONDUCTED IN APRIL 1980

Economic Policy and Analysis
Analyse et élaboration de la
politique économique



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I.T.&C CAPITAL INVESTMENT
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June, 1980
Capital Expenditures Group
Department of Industry, Trade
and Commerce, Ottawa

L. Canolo

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We are grateful to the many business executives who entrusted their forward plans to us and took time to discuss relevant matters with us, thereby making the IT&C Capital Investment Intentions Survey possible.

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Mr. A. Skahen, Analyst, Capital Expenditures Group, has been assigned the responsibility for answering detailed questions about this report.

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PREFACE

This report is based on the Capital Investment Intentions Survey of the Department of Industry, Trade and Commerce covering some 300 large corporations carried out in April 1980. Companies covered account for about two-thirds of Canada's non-agricultural business outlays on new plant and equipment. Sectors excluded are housing, agriculture and fishing. It should be noted that the spending patterns of the surveyed firms may differ from those of smaller companies and from the spending patterns of the sectors not covered by the Survey. Results, therefore, cannot be extended directly to the economy as a whole.

The data in this report should be regarded as the investment intentions or plans of a sample of large firms at the time of the Survey. Caution is required in interpreting these data which may not give the entire investment picture. These investment projections may be altered, of course, to reflect changing domestic and foreign market conditions, financial circumstances, labour disputes, the degree of uncertainty in the investment climate, etc. Nevertheless, the data of this report are useful to show changes in planned outlays from that reported in an earlier survey, and investment intentions at the regional level, as well as factors underlying them.

EXECUTIVE SUMMARY

The Capital Investment Intentions Survey of the Department of Industry, Trade and Commerce conducted in April 1980, covering some 300 large corporations, gives a revised reading on business capital spending for 1980. Several highlights from the current report are given below.

- i) The Survey results, after adjustments, suggest that the level of business spending in the total economy in 1980 will increase by 15-18 percent in current dollar terms. As reported earlier in the ITC press release of June 11, 1980, this represents a 5-7 percent advance in real terms which is lower than the 9 percent real growth in capital spending reported for 1979 in the recent National Accounts publication. It also suggests that for the second year in succession business capital formation will be one of the few dynamic areas in a generally sluggish economy.
- ii) Ontario is seen as an area of strength. Companies reporting in this Survey expect to increase their capital spending in Ontario by about 40 percent in current dollar terms (28 percent in constant 1979 dollars) in 1980 over the 1979 level. (Some downward adjustment should be applied to these figures to estimate increased capital spending for the entire business sector in Ontario). Transportation equipment, primary metals and forest product companies are the principal contributors to this increase.
- iii) The Survey also shows a strengthening of earlier investment plans for the 1981-1984 period compared to a similar Survey conducted in October 1979.

iv) The private sector, rather than the public sector, in the Survey panel, accounts for all the upward revision in spending intentions for 1980 between the October 1979 and April 1980 Surveys.

HIGHLIGHTS OF THE APRIL 1980 SURVEY

HIGHLIGHTS OF THE APRIL 1980 SURVEY

The Aggregate Picture

The April 1980 Survey* showed that the large corporations in the Survey panel continued to have relatively buoyant plans for capital spending in 1980.

In the Fall of 1979 the 300 large firms expected that their capital spending for 1980 would increase by about 19 percent in current dollars. (Unless otherwise stated, dollar levels and percent changes are based on current dollars). Currently the companies expect that their capital spending will increase by about 25 percent in 1980 up from the 19 percent anticipated in October 1979. This change is the result of both a downward revision of the 1979 level of spending (about -2.5 percent) and an upward revision of investment plans for 1980 of an equal amount between the October 1979 and the April 1980 surveys.

Responding firms expect their level of current dollar spending on new plant and equipment for 1980 to be about \$27.7 billion (Table 1). This is an increase of about \$700 million or 2.7 percent from the plans for 1980 reported by these same companies in October 1979.

Although the large firms covered in the Survey account for about two-thirds of Canada's non-agricultural business outlays on new plant and equipment, it should be noted that the spending patterns of the surveyed firms may differ from those of smaller companies and the sectors not covered in the Survey, i.e. agriculture and fishing, housing, institutions and government departments. Therefore, these

* See appendix for details on Survey coverage.

results cannot be extended directly to the economy as a whole. After adjustments, the results suggest that the realized increase in the level of real business spending on new plant and equipment in the Canadian economy (excluding housing) in 1980 may be in the 5-7 percent range. This is lower than the 9 percent (real) reported in the National Accounts for 1979 in this sector, but compares favourably with an annual average increase of about 1 percent reported in the National Accounts for the period 1976-1978 inclusive.

These most recent Survey results suggest that business capital investment, for the second year, will be one of the few dynamic areas in a generally sluggish economy.

Outlook for Manufacturing

The buoyant outlook for large firm capital spending in 1980 reported in the October Survey continues to be evident in the manufacturing sector. Spending by manufacturing firms in 1980 on new plant and equipment is now expected to be about \$7.0 billion in current dollars or 48 percent above the revised 1979 level of spending. This level of spending represents an increase of about \$195 million from the plans reported last October and can be attributed largely to forest product companies and several firms in the "other manufacturing" industry. Transportation equipment, primary metals and forest products show the largest year to year percentage as well as dollar increases for 1980. The particular strength in the transportation equipment sector is related to the automotive sector which is currently involved in product change-overs and new plant expansion (Table 1 and 2).

Outlook for Non-Manufacturing

Present spending plans for the non-manufacturing sector in 1980 are somewhat higher than reported in October 1979. An increase of 19 percent, to a level of about \$21 billion, is indicated for 1980

(Table 1 and 2). Notable strength is now apparent in oil and gas pipelines as well as in the mining industry. However, spending plans of electric utilities for 1980 continue to be weak, with an anticipated increase of 6.5 percent.

The large revision between the October 1979 and April 1980 surveys by oil and gas pipelines in their expected spending for 1980 is largely due to two companies, one which more than tripled its investment plans while another more than doubled its plans. These plans were considered tentative in earlier surveys and as such were not included by the companies.

Reasons for and Types of Changes in Investment

For 1979, the major factors or reasons for downward revisions in spending were better estimates, followed by carry-overs, domestic market demand and government regulations (Table 19). For 1980, reasons for upward changes in investment spending centred around better estimates, domestic market demand, carry-overs, and capacity requirements (Table 20).

For the 1981-84 period, the major factors for increasing spending intentions were domestic market demand, better estimates, expected rates of return and capacity requirements (Table 21). For further details, see Tables 18-27.

Cost of Capital Goods

The average cost adjustment factor, or inflation rate used by the large firms in their capital budgets for 1980 is now 9 percent over the cost level for 1979. This is an increase from the 8.6 percent reported for 1980 in the October 1979 Survey and from the percentage increase of 8.6 percent reported for 1979. The expected cost adjustment factors range from 8.3 percent for 1980 for the Atlantic region to 9.2 percent for the Prairie Region (Table 6).

On an industry basis, the average cost factors are provided in Table 7. Forest product companies and primary metal companies are expecting cost increases in the period 1980-1984 to be higher than does the manufacturing sector as a whole. Similarly, within the non-manufacturing sector, oil and gas pipelines and mining show a higher level of expected cost increases than the total non-manufacturing group. The sectors with higher than average expected cost increases broadly correspond to those with strong capital spending expectations for 1980.

Public Compared to Private Capital Spending

Capital spending in the public or government segment of the large firm panel, (i.e. crown corporations) is now expected to increase by 9 percent in 1980 compared with about 34 percent for the private sector (Table 11). Private spending on plant and equipment accounts for all of the upward revision of \$700 million to the investment plans for 1980 between the April and October surveys. Revisions to investment intentions by the public segment of the survey panel for 1980 amounted to a reduction of about \$200 million while the private sector expanded their intentions by about \$900 million - thus the \$700 million change. The public segment in the survey panel represents about 31 percent of the total capital spending for 1980 (Table 10). For 1979, the public and private sectors indicated downward revisions in the level of spending reported earlier of 3.4 percent and 1.9 percent respectively. For 1980, the private sector indicated a 5 percent between survey upward revision and the public sector about a 2 percent downward revision (Table 11).

On a regional basis the government portion of capital investments in 1980 range from 17 percent in the Prairies to 60 percent in Quebec (Table 10). Within the public sector, Ontario stands out as an area of strength with an expected year-over-year advance of 16 percent (Table 11). For 1979, within this sector, the

reported levels of investment were reduced from earlier estimates in all but the Atlantic region. For 1980, the expected spending in Quebec has been reduced substantially from that reported in the October 1979 Survey, while spending levels in the Atlantic and Ontario have been raised.

Within the private sector for 1980, Ontario again is the leader with an anticipated advance of 53 percent. For 1979, the reported levels of spending were reduced from those reported earlier in all but the Prairie region. In contrast, the expected level of spending for 1980, in all regions, has been increased.

Foreign versus Domestic Companies

Dividing the entire Survey panel into domestic majority owned and foreign majority owned firms, it was found that the former plan an increase of about 21 percent in their capital spending for 1980 compared with about 33 percent for foreign owned firms (Table 9). Domestic majority owned firms represent approximately 60 percent of total capital spending reported by the Survey panel while the foreign owned firms account for the remainder.

On a regional basis, the proportion of investment in a region associated with domestic majority owned firms ranges from a high of 85 percent in Quebec for 1980 to 44 percent in the Prairies (Table 8). Domestic firms show upward revisions in spending for 1980 for all areas but Quebec from that reported in October 1979. Foreign majority owned firms' spending for 1980 has been increased in all but the B.C. region (Table 9).

Tentative Medium Term Investments

Capital investments of about \$4.6 billion were not included by the large corporations in their capital spending budgets but were nevertheless thought to hold high potential for introduction over the

medium term. On a regional basis, Ontario (about \$1.5 billion or 33 percent of the total) and the British Columbia region (about \$1.2 billion or 27 percent of the total) would absorb the major proportions of these investments. The tentative investment in the B.C. region is about equally split between the manufacturing and non-manufacturing sectors. The manufacturing sector within Ontario and the non-manufacturing sector in the Prairies collectively account for almost 40 percent of the tentative investment plans (Table 14).

Factors Affecting Outlays

As noted in earlier surveys, federal government industry specific economic policies were the most often cited factor affecting both current and tentative outlays (Table 15). The cost of funds is a current concern as 62 of the 300 companies made reference to it. Expected cash flow and economic conditions in Canada were also deemed important as were other government's policies. Exchange rates, rates of return and expected sales abroad were less frequently mentioned than six months ago as factors affecting outlays.

Purpose of Investment

Of the 300 corporations in the Survey panel, 267 reported the breakdown of their capital spending by purpose; thus, about 85 percent of the total reported capital spending for 1980 was allocated to the various purpose categories. The larger portions of capital spending continues to be directed to new facilities at existing sites, however, there are some shifts occurring. For example, the proportion of capital spending for research and development has increased from 0.9 percent in 1979 to 1.4 percent in 1980 and the absolute dollar amount has doubled. This increase is mainly due to the oil and gas companies as they account for 67 percent of the increase from 1979 to 1980 in investment on research and development. The transportation equipment companies are responsible for 9 percent of the advance. For further details, see Tables 28, 29 and 30.

Medium Term Investment

A comparison of this Survey's results with those taken in October 1979 shows a strengthening of earlier investment plans for 1981 to 1984 in Canada as a whole in both the manufacturing and non-manufacturing sectors (Tables 12, 16 and 17). On a regional basis, changes in the levels of investment in Ontario, the Atlantic and Prairies regions compensate for downward changes in Quebec and the B.C. region (Table 13). Revisions in spending plans for the oil and gas companies in the Survey panel for Newfoundland were revised significantly upward. For Ontario and the Prairies, primary metal companies and mining companies (especially in Alberta) showed the largest revisions, respectively. For both Quebec and the B.C. region, increases in the expected level of spending by the manufacturing sector were more than offset by reduced expectations of the non-manufacturing sector.

Regional Perspectives

Atlantic Region

Spending on plant and equipment for 1980 by companies in the Survey panel which invest in the Atlantic region is now expected to be \$1.6 billion (current dollars). This current level of spending represents an increase of 12 percent from 1979, whereas in the October 1979 Survey these same companies expected a 6 percent advance. (Table 31)

Investment spending for 1980 by the manufacturing sector in the Atlantic region is expected to advance by 9.5 percent to a level of \$286 million. Within this sector the forest products and food & beverage sectors register the largest increases for 1980.

In the non-manufacturing sector for the Atlantic Region capital spending is expected to reach \$1,302 million, up \$60 million from October 1979 estimates. Increased spending intentions by electric utilities account for most of this improved outlook.

Crown corporations, which account for about 50 percent of total capital spending in the Atlantic region (Table 10), have increased their spending plans in the Atlantic region for 1980 by 9 percent from the level reported in October 1979. As such it is the government sector which accounts for the improved 1980 outlook as the private sector recorded very little change in investment plans for 1980 since the last Survey. (Table 33)

Of the 15 companies in the Survey panel with headquarters in the Atlantic, four identified a total of \$375 million in investment plans which were not included in their reported budgets during the April 1980 Survey. The manufacturing sector could be the recipient of 99 percent of this amount.

Quebec

The April 1980 Survey shows that the large corporations investing in plants and equipment in Quebec now expect to spend \$5.0 billion (current dollars) in 1980. This current level of spending represents a 9.4 percent increase over 1979 levels, but a decrease of 6.8 percent or \$360 million from October 1979 estimates for 1980 spending. (Table 35)

Capital spending for 1980 in Quebec by the manufacturing sector is expected to reach \$960 million, an increase of 21 percent over 1979. Primary metals and forest products continue to indicate the strongest year-over-year percentage increases; the food and beverages and the transportation equipment sectors report declines.

The increase in the spending plans of 7 percent in 1980 for the non-manufacturing sector in Quebec is well below the national average increase of 19 percent for this sector. It should be noted that the non-manufacturing sector in Quebec is heavily influenced by the investment of crown corporations. All the broad non-manufacturing industry classifications for Quebec show year-to-year increases in 1980. The largest percentage increases are reported by the mining and oil companies. The mining companies reported increased levels of spending for both 1979 and 1980 which is in contrast to the oil and gas companies which reduced their levels for both years.

Crown corporations, which account for about three-fifths of the total capital spending in Quebec (Table 10), are expecting to increase spending in 1980 by only 0.5 percent. Private sector spending in Quebec which is expected to advance by 26 percent in 1980 provides the impetus to the overall spending increases of 9 percent.

Companies headquartered in Quebec are more optimistic about prospects for 1981 than they are about 1980. This is particularly true with respect to Canadian sales and business conditions as well as profits. (Table 38) In April 1980, Quebec headquartered companies reported considered investments of about \$562 million which were not included in their reported spending plans but were nevertheless thought to hold high potential for introduction over the medium term. (Table 14)

"Canadian federal government policies" and expected cash flow were the factors that were most frequently mentioned as affecting the spending plans of Quebec headquartered companies. (Table 15) An increase in the frequency of response indicating that expected cash flow is having a negative impact on investment plans by Quebec headquartered firms is noteworthy. For companies headquartered elsewhere this factor is less often cited. As is the case for all companies in the Survey, Quebec headquartered firms mentioned rates of

return and exchange rates less frequently than in the October 1979 Survey as factors affecting spending plans.

Ontario

Companies with plant and equipment investments in Ontario reported in the April 1980 Survey that they now expect their level of spending in 1980 to approach \$7.7 billion (current dollars), an increase of 40 percent over the revised 1979 level. (Table 39) In October 1979 these companies had expected to increase their spending by 28 percent. This current level represents an increase of \$370 million in spending plans for 1980 between the October 1979 and April 1980 Surveys.

Investment spending for 1980 in Ontario, by the manufacturing sector, is now expected to reach about \$3.4 billion, an increase of \$1.5 billion or 83 percent from the 1979 level. The transportation equipment, primary metals, and forest products sectors are still the main contributors to the manufacturing sector's advance, however, of these three industries only forest product companies reported increases for 1980 over earlier estimates.

The spending increases for 1980 of the non-manufacturing sector in Ontario at 18 percent is in line with the increase in this sector for Canada as a whole. Six months ago it was expected to show an increase of about 6 percent. The mining and electric utility companies are the principal contributors to the improved non-manufacturing sector outlook for 1980.

Private sector spending in Ontario for 1980 is expected to advance by 53 percent as compared with a 16 percent increase in the public segment of the business sector. (Table 41) Private sector spending on plant and equipment accounts for over 85 percent of the

year-to-year increase for 1980 as well as for about 55 percent of the total revision between the October and April Surveys in capital spending plans for 1980 in Ontario.

Foreign owned firms expect to increase spending in Ontario in 1980 by 75 percent while domestic firms anticipate increases of 27 percent. (Table 40) Strength for 1980, in the foreign owned sector, is centered in manufacturing industries especially in transportation equipment, forest products, and chemicals.

Companies with headquarters in Ontario are somewhat less optimistic about 1981 sales (domestic and export) than about 1980 sales, but they are more optimistic about Canadian business conditions for 1981. (Table 42)

Capital investments of about \$1.5 billion were not included in the capital spending plans of the Ontario headquartered corporations but were thought to hold high potential for introduction over the next few years. About 63 percent of this considered investment was reported by manufacturing firms, in particular, chemical and forest product companies.

In April 1980, the cost of funds was the factor most often cited by Ontario headquartered companies as having a negative affect on spending plans whereas, in October 1979, it was the expected cash flow (Table 15). Expected economic conditions abroad and foreign government policies seem to be more of a concern now for Ontario based companies than in October 1979.

Prairie Region

Capital spending for the Prairies in 1980 is expected to be about \$7.7 billion (current dollars), an increase of 22 percent from revised 1979 levels, and an increase of 7 percent or \$518 million from

that expected for 1980 back in October 1979. (Table 43) All of this \$518 million raise is due to the private segment of the Survey panel, mainly the non-manufacturing sector, which increased its spending intentions for the Prairies. For 1980 spending in Saskatchewan is expected to rise by 36 percent, that for Alberta by 17 percent while investment for Manitoba is advancing by 0.3 percent. Over 70 percent of the investment directed to the Prairies will be allocated to Alberta and as such, spending in Alberta dominates the overall Prairie picture.

Manufacturing spending in the Prairies is expected to advance by 3 percent in 1980. (Table 43) This increase is mainly due to increased spending intentions of the 'other manufacturing' companies. Chemical companies expect to spend 22 percent less in 1980 than in 1979. Spending by manufacturing firms in Manitoba and Saskatchewan is expected to advance by about 28 percent in 1980 while manufacturing spending in Alberta is expected to decline by 10 percent. (Tables 44 and 45)

Non-manufacturing spending in the Prairies at \$7.0 billion for 1980 shows an advance of 24 percent over revised 1979 levels. (Table 47) For Alberta, non-manufacturing spending for 1980, revised upwards from October 1979 anticipations, is now expected to advance by 21 percent. Strength is due to the expected increased spending by the oil and gas sector. (Table 45) Non-manufacturing spending, in Manitoba and Saskatchewan combined, is now expected to advance by 23 percent in 1980. This increase is due to the spending of oil and gas companies in Saskatchewan as well as oil and gas pipeline planned spending in Manitoba and Saskatchewan.

Private sector spending in 1980 for the Prairies is advancing by 23 percent as compared with 14 percent for the public segment of the business sector. The public or government sector since October 1979 has reduced its expected level of spending for 1980 while the private sector reported increased spending intentions (Table 47).

Foreign and domestic firms are expecting percentage increases in their capital spending in the Prairies for 1980, of 19 percent and 25 percent respectively. (Table 46)

Companies with headquarters in the Prairies have varied opinions about prospects for 1981. They are slightly more optimistic about domestic sales in 1981 but less optimistic about export sales. (Table 50)

Capital investments of about \$0.9 billion were not included in the capital spending plans of the Prairie headquartered companies but were thought to hold high potential for introduction over the medium term. About 6 percent of this amount is associated with manufacturing firms. (Table 14)

In April 1980, as was the case in October 1979, the factors most frequently mentioned as affecting capital spending plans were federal and provincial government policies. Concern was expressed, by companies in the oil and gas sector, with respect to export volumes, pricing, royalties, taxes, resource ownership, and regulatory burden and delays. (Table 15) Manpower shortages seems to be more of a concern now than in October 1979.

British Columbia and Northern Region

Spending intentions for 1980 in the British Columbia and Northern Region (including the Yukon and Northwest Territories) are expected to reach \$4.1 billion (current dollars), unchanged from earlier estimates. This current level of spending is 35 percent or \$1.0 billion above the revised 1979 level of \$2.1 billion. (Table 51)

Investment in the manufacturing sector in this region is expected to reach about \$1.2 billion in 1980, up \$412 million or 52 percent from the level in 1979. The forest products and primary metals sectors indicate the largest year-over-year percentage increases for 1980. However, the level of spending for 1980 by the

forest product companies has been reduced by about \$65 million from the October 1979 estimates while the primary metals companies plans have increased by over \$110 million.

Spending by non-manufacturing firms in the British Columbia and Northern Region at \$2.9 billion for 1980 shows an advance of 29 percent over revised 1979 levels. Mining oil and gas and trade, finance and other commercial companies report the largest year-to-year increases.

The private sector spending increase for 1980 is expected to be about 44 percent. (Table 53) Capital spending by the public segment of the business sector is expected to increase by about 9 percent.

Foreign owned firms investing in the British Columbia and Northern Region are expecting to increase spending by 30 percent in 1980. Domestic owned firms are recording higher increases for 1980 than the national average, as was the case for 1979, 40 percent compared to 21 percent. Foreign firms have reduced their expected level of spending for 1980 since October 1979 while the domestic firms have increased their spending plans. (Table 52)

Companies with headquarters in the British Columbia and Northern Region show more optimism for prospects in 1981 than for 1980 with respect to all qualitative factors, especially, profits, Canadian business conditions and domestic sales. (Table 54)

The British Columbia and Northern headquartered firms reported \$1.2 billion of capital investments which were not included in their reported budgets but were considered to hold high potential for implementation over the next few years. About 47 percent of this amount was reported by manufacturing firms. (Table 14)

Canadian federal government policies and the cost of funds were the factors most often mentioned as affecting spending plans by the firms in this region. (Table 15)

TABLES

TABLE 1

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1979 AND PLANS FOR 1980 -- CANADA

(Current Dollars Millions)

Industry	1979 Reported in Oct. 1979	1979 Reported in Apr. 1980	1980 Reported in Oct. 1979	1980 Reported in Apr. 1980
Food & Beverages	362.7	368.2	430.7	433.7
Forest Products	1,116.6	1,166.4	1,689.5	1,752.7
Primary Metals	860.0	839.2	1,331.2	1,363.5
Chemicals	646.0	621.3	651.5	680.3
Transportation Equip.	624.5	588.6	1,324.1	1,297.8
Other Manufacturing	1,191.2	1,135.2	1,366.4	1,459.6
<u>Total Manufacturing</u>	<u>4,801.0</u>	<u>4,718.9</u>	<u>6,793.4</u>	<u>6,987.6</u>
Mining Companies	1,020.1	1,004.6	1,556.2	1,646.7
Oil & Gas Companies	4,849.2	4,864.4	5,494.8	5,898.5
Oil & Gas Pipelines	725.7	647.0	667.2	1,055.4
Transp. & Storage	1,328.8	1,246.5	1,451.6	1,436.8
Communications	2,153.4	2,075.2	2,499.2	2,381.5
Electric Utilities	6,649.7	6,454.8	7,071.2	6,880.2
Trade, Finance & Other Commercial	1,140.4	1,118.0	1,466.6	1,448.0
<u>Total</u>				
<u>Non-Manufacturing</u>	<u>17,867.3</u>	<u>17,410.5</u>	<u>20,206.8</u>	<u>20,747.1</u>
<u>TOTAL</u>	<u>22,668.3</u>	<u>22,129.4</u>	<u>27,000.2</u>	<u>27,734.7</u>

* Only those firms which reported for the April 1980 and the October 1979
Surveys for the years 1979 and 1980 are used in this table, namely 299 firms.

TABLE 2

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1979 AND PLANS FOR 1980 -- CANADA

(Current Dollars Millions)

Industry	Revisions between April 1980 & October 1979 Surveys (Percent Change)		1980/79 Year to Year (Percent Change)	
	1979	1980	Reported in Oct. 1979	Reported in Apr. 1980
Food & Beverages	1.5	0.6	18.7	17.7
Forest Products	4.4	3.7	51.3	50.2
Primary Metals	- 2.5	2.4	54.7	62.4
Chemicals	- 3.9	4.4	0.8	9.4
Transportation Equip.	- 5.8	- 2.0	112.0	120.4
Other Manufacturing	- 4.8	6.8	14.7	28.5
<u>Total Manufacturing</u>	<u>- 1.8</u>	<u>2.8</u>	<u>41.4</u>	<u>48.0</u>
Mining Companies	- 1.6	5.8	52.5	63.9
Oil & Gas Companies	0.3	7.3	13.3	21.2
Oil & Gas Pipelines	-10.9	58.1	- 8.1	63.1
Transp. & Storage	- 6.2	- 1.1	9.2	15.2
Communications	- 3.7	- 4.8	16.0	14.7
Electric Utilities	- 3.0	- 2.8	6.3	6.5
Trade, Finance & Other Commercial	- 2.0	- 1.3	28.6	29.5
<u>Total</u>				
<u>Non-Manufacturing</u>	<u>- 2.6</u>	<u>2.6</u>	<u>13.0</u>	<u>19.1</u>
<u>TOTAL</u>	<u>- 2.4</u>	<u>2.7</u>	<u>19.1</u>	<u>25.3</u>

* Only those firms which reported for the April 1980 and the October 1979 Surveys for the years 1979 and 1980 are used in this table, namely 299 firms.

TABLE 3

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1979 AND PLANS FOR 1980 -- CANADA

(Constant 1979 \$ Millions)

Industry	1979 Reported in Oct. 1979	1979 Reported in Apr. 1980	1980 Reported in Oct. 1979	1980 Reported in Apr. 1980
Food & Beverages	362.7	368.2	398.3	395.0
Forest Products	1,116.6	1,166.4	1,549.4	1,600.0
Primary Metals	860.0	839.2	1,228.9	1,237.0
Chemicals	646.0	621.3	600.7	623.2
Transportation Equip.	624.5	588.6	1,224.3	1,193.5
Other Manufacturing	1,191.2	1,135.2	1,269.7	1,348.2
<u>Total Manufacturing</u>	<u>4,801.0</u>	<u>4,718.9</u>	<u>6,271.3</u>	<u>6,396.9</u>
Mining Companies	1,020.1	1,004.6	1,420.5	1,511.4
Oil & Gas Companies	4,849.2	4,864.4	5,030.0	5,383.3
Oil & Gas Pipelines	725.7	647.0	619.0	966.5
Transp. & Storage	1,328.8	1,246.5	1,329.3	1,312.2
Communications	2,153.4	2,075.2	2,319.8	2,201.9
Electric Utilities	6,649.7	6,454.8	6,535.4	6,333.2
Trade, Finance & Other Commercial	1,140.4	1,118.0	1,351.4	1,337.8
<u>Total Non-Manufacturing</u>	<u>17,867.3</u>	<u>17,410.5</u>	<u>18,605.4</u>	<u>19,046.3</u>
<u>TOTAL</u>	<u>22,668.3</u>	<u>22,129.4</u>	<u>24,876.7</u>	<u>25,443.2</u>

* Only those firms which reported for the April 1980 and the October 1979
Surveys for the years 1979 and 1980 are used in this table, namely 299 firms.

TABLE 4

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1979 AND PLANS FOR 1980 -- CANADA

(Constant 1979 \$ Millions)

<u>Industry</u>	Revisions between April 1980 & October 1979 Surveys (Percent Change)		1980/79 Year to Year (Percent Change)	
	<u>1979</u>	<u>1980</u>	<u>Reported in Oct. 1979</u>	<u>Reported in Apr. 1980</u>
Food & Beverages	1.5	-0.9	9.8	7.2
Forest Products	4.4	3.2	38.7	37.1
Primary Metals	-2.5	0.6	42.8	47.4
Chemicals	-3.9	3.7	-7.1	0.3
Transportation Equip.	-5.8	-2.6	96.0	102.7
Other Manufacturing	-4.8	6.1	6.5	18.7
<u>Total Manufacturing</u>	<u>-1.8</u>	<u>2.0</u>	<u>30.6</u>	<u>35.5</u>
Mining Companies	-1.6	6.3	39.2	50.4
Oil & Gas Companies	0.3	7.0	3.7	10.6
Oil & Gas Pipelines	-10.9	56.1	-14.8	49.3
Transp. & Storage	-6.2	-1.3	0.0	5.2
Communications	-3.7	-5.1	7.7	6.1
Electric Utilities	-3.0	-3.1	-1.8	-1.9
Trade, Finance & Other Commercial	-2.0	-1.1	18.5	19.6
<u>Total</u>				
<u>Non-Manufacturing</u>	<u>-2.6</u>	<u>2.3</u>	<u>4.1</u>	<u>9.3</u>
<u>TOTAL</u>	<u>-2.4</u>	<u>2.2</u>	<u>9.7</u>	<u>14.9</u>

* Only those firms which reported for the April 1980 and the October 1979 Surveys for the years 1979 and 1980 are used in this table, namely 299 firms.

TABLE 5.A

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

(Current \$ Millions)

<u>Province</u>	<u>No. of Companies</u>	<u>1979 Reported in Oct. 1979</u>	<u>1979 Reported in Apr. 1980</u>	<u>1980 Reported in Oct. 1979</u>	<u>1980 Reported in Apr. 1980</u>
Newfoundland	35	403.8	382.7	391.1	414.6
Prince Edward Island	7	11.8	11.9	16.4	16.8
Nova Scotia	47	392.0	392.1	416.9	407.5
New Brunswick	37	545.8	558.8	558.8	632.7
Atlantic Provinces	90	1,434.5	1,417.8	1,517.7	1,587.7
Quebec	135	4,609.3	4,536.4	5,325.2	4,964.0
Ontario	189	5,698.8	5,473.3	7,286.4	7,654.0
Manitoba	67	434.5	428.4	431.2	429.9
Saskatchewan	69	801.0	773.8	979.0	1,053.1
Alberta	127	4,802.5	4,815.0	5,290.0	5,648.9
Prairie Region	167	6,397.0	6,349.2	7,208.3	7,726.1
British Columbia	120	2,697.3	2,618.0	3,642.4	3,604.7
Yukon	7	30.7	27.2	78.6	65.5
Northwest Territories	16	342.5	363.8	372.1	423.5
B.C. Region	131	3,134.6	3,073.2	4,139.7	4,147.5
CANADA	299	22,668.3	22,129.4	27,000.2	27,734.7

Note: The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals will not necessarily add to the matched Canada total. See Appendix point (1) for an explanation of "matching".

TABLE 5.B

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

(Percent Changes)

	Year-to-Year Percent Change	Between Survey Revisions	
	<u>1980/1979</u> (%)	<u>1979</u> (%)	<u>1980</u>
Atlantic	11.9	-1.2	4.6
Quebec	9.4	-1.6	-6.8
Ontario	39.8	-4.0	5.0
Prairies	21.6	-0.8	7.1
B.C.	34.9	-2.0	0.1
Canada	25.3	-2.4	2.7

Note: Actual 1979 and revised intentions 1980.

Table 6

YEAR TO YEAR PERCENTAGE CHANGES ESTIMATED
IN THE COST OF CAPITAL GOODS REPORTED APRIL 1980 FOR:

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Atlantic	8.3	8.8	9.0	7.6	8.7
Quebec	8.7	7.9	7.1	7.0	6.9
Ontario	8.9	8.5	8.6	7.6	7.5
Prairies	9.2	8.2	8.3	8.1	8.0
B.C. & Northern	9.1	8.9	8.3	8.2	8.0
Canada	9.0	8.5	8.3	7.9	7.7

TABLE 7

COST ADJUSTMENT FACTORS 1979-1984

<u>INDUSTRY</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Food & Beverages	100.0	109.8	120.4	131.1	142.5	158.9
Forest Products	100.0	109.5	120.1	131.9	144.8	161.6
Primary Metals	100.0	110.2	120.2	131.2	142.2	152.3
Chemicals	100.0	109.1	119.2	127.8	139.6	151.1
Transportation Equipment	100.0	108.7	117.7	127.6	138.6	150.6
Other Manufacturing	100.0	108.3	116.4	125.1	134.1	144.3
TOTAL MANUFACTURING	100.0	109.2	119.0	129.7	140.8	153.3
Mining	100.0	108.9	118.3	128.8	139.2	149.7
Oil and Gas Companies	100.0	109.5	118.8	129.1	139.9	151.4
Oil and Gas Pipelines	100.0	109.2	118.6	127.6	137.5	147.3
Transportation & Storage	100.0	109.4	119.5	129.6	140.1	150.7
Communications	100.0	108.1	116.7	126.0	136.0	147.2
Electric Utilities	100.0	108.6	117.7	126.4	135.5	145.2
Trade, Finance and Other Commercial	100.0	108.2	117.0	126.8	134.5	144.2
TOTAL NON-MANUFACTURING	100.0	108.9	118.2	127.8	137.8	148.4
<u>TOTAL BUSINESS</u>	100.0	109.0	118.3	128.1	138.2	148.9

Table 8

DISTRIBUTION OF CAPITAL INVESTMENT BY
DOMESTIC AND FOREIGN FIRMS WITHIN REGIONS

	<u>Domestic</u>		<u>Foreign</u>	
	<u>1979</u>	<u>1980</u>	<u>1979</u>	<u>1980</u>
	(%)		(%)	
Atlantic	73	77	27	23
Quebec	88	85	12	15
Ontario	74	67	26	33
Prairies	42	44	58	56
B.C. & Northern	51	52	49	48
Canada	65	62	35	38

Table 9

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

	<u>Year to Year Percent Change</u>	<u>Between Survey Revisions</u>	
	<u>1980/1979</u>	<u>1979</u>	<u>1980</u>
	(%)		(%)
<u>Domestic Majority Owned</u>			
Atlantic	17.2	0.5	4.6
Quebec	5.5	-1.4	-8.7
Ontario	27.4	-3.5	6.1
Prairies	25.3	2.1	9.2
B.C. & Northern	39.5	0.4	5.3
Canada	20.8	-1.4	2.6
<u>Foreign Majority Owned</u>			
Atlantic	-2.6	-5.6	4.4
Quebec	38.4	-3.5	5.7
Ontario	75.3	-5.5	2.7
Prairies	18.9	-2.8	5.6
B.C.	30.2	-4.3	-5.0
Canada	33.4	-4.2	2.8

Note: Actual 1979 and revised intentions 1980.

See Table 9A for the dollar levels for 1979 and 1980.

TABLE 9.A

CAPITAL EXPENDITURES OF SELECTED
LARGE COMPANIES 1979-1980

(current \$ millions)

DOMESTIC OWNED COMPANIES/FOREIGN OWNED COMPANIES

ALL INDUSTRIES

<u>DOMESTIC</u>	<u>1979</u>	<u>1980</u>
Atlantic	1,038	1,219
Quebec	4,007	4,231
Ontario	4,054	5,166
Prairies	2,683	3,364
B.C. & Northern	1,557	2,173
Canada	14,291	17,273
 <u>FOREIGN</u>		
Atlantic	379	370
Québec	530	733
Ontario	1,419	2,488
Prairies	3,666	4,362
B.C. & Northern	1,516	1,975
Canada	7,838	10,462

Note: Actual 1979 and revised intentions 1980.

Table 10

DISTRIBUTION OF CAPITAL INVESTMENT
BY PUBLIC AND PRIVATE FIRMS
WITHIN REGIONS

	Public		Private	
	1979	1980	1979	1980
	(%)		(%)	
Atlantic	51	49	49	51
Quebec	65	60	35	40
Ontario	36	30	64	70
Prairies	19	17	81	83
B.C. & Northern	26	21	74	79
Canada	36	31	64	69

Table 11

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

	Year to Year	Between Survey	
	Percent Change	Revisions	
	1980/1979	1979	1980
	(%)	(%)	
<u>Public Majority Owned</u>			
Atlantic	7.9	0.5	9.4
Quebec	0.5	-2.2	-11.6
Ontario	16.0	-4.7	7.7
Prairies	14.1	-4.5	-1.8
B.C. & Northern	9.1	-1.4	-0.9
Canada	9.1	-3.4	-2.2
<u>Private Majority Owned</u>			
Atlantic	16.2	-2.9	0.2
Quebec	26.2	-0.6	1.3
Ontario	53.0	-3.6	3.9
Prairies	23.3	0.1	9.2
B.C. & Northern	44.0	-2.2	0.4
Canada	34.4	-1.9	5.1

Note: Actual 1979 and revised intentions 1980.

See Table 11.A for the dollar levels for 1979 and 1980.

TABLE 11.A

CAPITAL EXPENDITURES OF SELECTED
LARGE COMPANIES 1979-1980

(current \$ millions)

PRIVATE COMPANIES/PUBLIC COMPANIES

ALL INDUSTRIES

<u>Public</u>	<u>1979</u>	<u>1980</u>
Atlantic	726	784
Quebec	2,969	2,984
Ontario	1,957	2,270
Prairies	1,176	1,343
B.C. & Northern	800	874
Canada	7,987	8,720
 <u>Private</u>		
Atlantic	692	804
Quebec	1,568	1,980
Ontario	3,517	5,384
Prairies	5,173	6,383
B.C. & Northern	2,273	3,274
Canada	14,142	19,014

Note: Actual 1979 and revised intentions 1980.

TABLE 12

CAPITAL INVESTMENT INTENTIONS
OF SELECTED LARGE COMPANIES
1979-1984

(current \$ millions)

<u>SURVEY/REGION</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>TOTAL</u>
<u>April 1980</u>							
Atlantic (63)	1,194	1,236	1,283	1,364	1,248	1,186	7,511
Quebec (107)	4,218	4,555	4,580	4,625	5,397	5,920	29,295
Ontario (140)	4,828	6,445	7,403	7,469	7,187	6,735	40,067
Prairies (122)	5,679	6,771	8,362	8,785	8,964	9,226	47,787
B.C. & Northern(102)	2,710	3,666	3,890	4,423	4,843	5,044	24,576
Canada (247)	20,251	24,854	28,058	29,258	30,434	31,072	163,927
<u>October 1979</u>							
Atlantic (63)	1,202	1,162	1,001	977	976	1,049	6,367
Quebec (107)	4,274	4,847	4,796	5,110	5,172	5,539	29,738
Ontario (140)	4,994	6,154	6,567	6,309	5,943	5,751	35,718
Prairies (122)	5,745	6,252	7,042	7,655	7,992	8,293	42,979
B.C. & Northern(102)	2,790	3,616	3,867	4,423	4,914	5,000	24,610
Canada (247)	20,758	24,145	25,802	27,125	27,997	28,584	154,411

Note: Actual 1979, and intentions 1980-84. Only those firms which reported for the October 1979 and April 1980 Surveys for the years 1979-1984 (each and every year) are used in this table, i.e. a matched panel. The number of reporting companies is provided in brackets after the name of each region. See Appendix, point (1) for the explanation of matching.

Table 13

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

(Percent Changes)

Between Survey Revisions

	<u>1979 - 1980</u>	<u>1981 - 1984</u>	<u>1979 - 1984</u>
Atlantic	2.8	26.9	18.0
Quebec	-3.8	-0.5	-1.5
Ontario	1.1	17.2	12.2
Prairies	3.8	14.1	11.2
B.C. & Northern	-0.5	0.0	-0.1
Canada	0.4	8.5	6.2

Table 14

CONSIDERED INVESTMENT
Percent Distribution

<u>Companies with H.Q. in:</u>	<u>Manufacturing</u>	<u>Non-Manufacturing</u>	<u>Total</u>
Atlantic (4 of 15)	8.1	0.1	8.1
Quebec (5 of 50)	1.5	10.7	12.2
Ontario (16 of 145)	20.9	12.0	32.9
Prairies (8 of 57)	1.3	18.7	20.0
B.C. & Northern (8 of 33)	12.6	14.1	26.8
All Companies (41 of 300)	44.4	55.6	100.0 (\$4610)

Note: The number of reporting companies is provided in brackets.

TABLE 15

FACTORS REPORTED AS AFFECTING
CURRENT AND CONSIDERED
INVESTMENT SPENDING

(Frequency of Response)

FACTOR/REGION OF H.Q.	ATLANTIC		QUEBEC		ONTARIO		PRAIRIES		B.C. NORTHERN		TOTAL	
	P80	S80	P80	S80	P80	S80	P80	S80	P80	S80	P80	S80
Cdn. Fed. Gov't Policies	2	2	15	12	29	29	14	18	11	7	71	68
Other Cdn. Gov't Policies	3	1	9	10	21	21	11	12	11	3	55	47
For. Gov't Policies	2	1	3	4	7	14	1	3	-	3	13	25
Exchange Rates	1	1	8	3	24	20	7	6	6	3	46	33
Non-Tariff Barriers Canada	-	-	1	-	3	1	1	-	-	-	5	1
Cdn. Tariffs Too High	1	1	-	-	-	-	-	-	-	-	1	1
Cdn. Tariffs Too Low	-	-	2	1	-	1	-	-	-	-	2	2
Barriers Abroad	-	-	1	-	3	1	1	-	1	1	6	2
Other Trading Factors	-	-	1	-	4	3	-	-	-	-	5	3
Expected Cash Flow	3	3	9	12	38	29	9	6	8	5	67	55
Rates of Return	2	1	11	5	30	28	10	4	9	-	62	38
Other Internal Fin. Cond.	2	1	3	2	5	9	3	-	1	-	14	12
Cost of Funds	2	4	7	8	30	34	9	10	7	6	55	62
Availability of Funds	-	-	6	2	8	10	-	1	3	4	17	17
Other External Fin. Cond.	-	-	1	1	-	3	1	-	-	-	2	4
Other Fin. & Mon. Factors	-	-	-	1	1	3	-	1	1	-	2	5
Raw Material Shortages	1	-	5	3	7	8	1	2	7	5	21	18
Mach. & Equip. Shortages	-	-	1	1	1	1	1	2	-	-	3	4
Manpower Shortages	1	1	2	-	5	5	4	7	2	1	14	14
Labour Problems	-	-	4	1	11	6	-	2	1	-	16	9
Expected Sales in Canada	3	3	4	4	24	25	5	5	1	2	37	39
Expected Sales Abroad	1	-	6	3	16	13	7	5	3	3	33	24
Expected Econ. Conditions in Canada	2	1	6	8	22	28	6	3	1	5	37	45
Expected Econ. Conditions Abroad	1	1	5	5	9	17	-	1	7	3	22	27
Other Factors	-	-	1	2	3	4	3	2	-	-	7	8
Sample Size	14	15	52	50	140	145	54	57	32	33	292	300

P80 = October 1979 Survey

S80 = April 1980 Survey

TABLE 16

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
1979-84 -- AS REPORTED IN CURRENT DOLLARS
FOR THE APRIL, 1980 SURVEY

(1979 = 100.0)

<u>Industry</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Food & Beverages	100.0	119.7	114.0	104.3	95.4	94.0
Forest Products	100.0	157.4	189.7	176.2	152.9	160.6
Primary Metal	100.0	162.5	207.9	189.5	165.6	153.4
Chemicals	100.0	109.5	136.5	157.5	146.1	109.6
Transportation Equip.	100.0	193.4	104.6	82.6	116.7	82.4
Other Manufacturing	100.0	117.5	123.8	119.8	118.6	120.3
<u>Total Manufacturing</u>	<u>100.0</u>	<u>142.5</u>	<u>158.1</u>	<u>150.8</u>	<u>140.0</u>	<u>130.2</u>
Mining Companies	100.0	171.3	190.5	176.7	135.5	160.0
Oil & Gas Companies	100.0	119.9	141.2	166.0	181.0	188.6
Oil & Gas Pipelines	100.0	162.5	197.5	127.5	130.2	108.3
Transp. & Storage	100.0	115.0	170.6	167.3	178.6	169.1
Communications	100.0	114.8	122.7	124.1	127.4	137.9
Electric Utilities	100.0	106.6	113.7	127.3	145.7	152.4
Trade, Finance & Other						
Commercial	100.0	126.8	136.9	135.6	118.7	122.3
<u>Total</u>						
<u>Non-Manufacturing</u>	<u>100.0</u>	<u>118.3</u>	<u>134.2</u>	<u>143.1</u>	<u>152.6</u>	<u>158.6</u>
<u>TOTAL</u>	<u>100.0</u>	<u>122.7</u>	<u>138.6</u>	<u>144.5</u>	<u>150.3</u>	<u>153.4</u>

* Only those firms which reported for the October 1979 and again for April 1980 Survey for the years 1979-84 (each and every year) are used in this table, namely 246 firms.

TABLE 17

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
1979-84 -- AS REPORTED IN CURRENT DOLLARS
FOR THE OCTOBER, 1979 SURVEY

(1979 = 100.0)

<u>Industry</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Food & Beverages	100.0	125.2	110.0	100.6	88.0	95.5
Forest Products	100.0	146.7	168.9	147.6	128.2	126.3
Primary Metal	100.0	154.8	177.9	167.3	142.5	136.9
Chemicals	100.0	100.9	133.9	124.7	121.5	108.3
Transportation Equip.	100.0	200.3	93.0	79.2	102.6	87.9
Other Manufacturing	100.0	109.7	106.8	107.3	107.9	113.5
<u>Total Manufacturing</u>	<u>100.0</u>	<u>136.1</u>	<u>140.9</u>	<u>130.2</u>	<u>120.9</u>	<u>117.3</u>
Mining Companies	100.0	156.5	179.5	156.6	127.5	137.2
Oil & Gas Companies	100.0	111.5	124.1	144.5	161.0	167.1
Oil & Gas Pipelines	100.0	91.0	78.4	93.9	96.8	93.4
Transp. & Storage	100.0	107.5	160.6	159.7	186.5	171.7
Communications	100.0	116.0	121.9	126.1	131.1	143.2
Electric Utilities	100.0	106.3	108.5	120.6	126.1	129.8
Trade, Finance & Other						
Commercial	100.0	126.6	123.9	120.3	111.8	115.5
<u>Total</u>						
<u>Non-Manufacturing</u>	<u>100.0</u>	<u>112.0</u>	<u>120.7</u>	<u>130.8</u>	<u>138.0</u>	<u>142.2</u>
<u>TOTAL</u>	<u>100.0</u>	<u>116.3</u>	<u>124.3</u>	<u>130.7</u>	<u>134.9</u>	<u>137.7</u>

* Only those firms which reported for the October 1979 and again for April 1980 Survey for the years 1979-84 (each and every year) are used in this table, namely 246 firms.

TABLE 18
TYPES OF CHANGES IN PLANS
(Percent Distribution of Response)

<u>Type of Change</u>	<u>1979</u>	<u>1980</u>	<u>1981-1984</u>
Abandoned Plans	2.1	2.5	2.7
Deferred Plans	14.8	9.4	7.3
Reduced Existing Plans	14.8	12.7	5.7
Expanded Existing Plans	10.3	19.1	17.8
Introduced New Plans	6.4	12.7	19.3
Brought Forward Plans from Future Years	4.8	7.2	6.0
Re-introduced Deferred Plans	0.3	3.9	4.2
No Change in Plans	45.5	31.0	35.6
Not Specified	0.9	1.4	1.2
TOTAL	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Number of Responses	330	361	331
Number of Companies	251	251	232

TABLE 19

REASONS FOR CHANGES IN PLANS

1979

(Percent Distribution of Total Response)

<u>Reason for Change</u>	<u>Upward Revisions</u>	<u>Downward Revision</u>	<u>No Change</u>	<u>Total</u>
Market Demand-Domestic	6.5	5.0	0.8	12.3
Market Demand-Foreign	1.3	1.0	-	2.2
Capacity	3.0	1.5	-	4.5
Rate of Return	1.5	2.0	-	3.5
Financing - External	-	1.0	-	1.0
Financing - Internal	2.0	1.8	-	3.8
Costs - Labour	1.3	0.3	-	1.5
Costs - Other	1.0	0.3	-	1.2
Strikes	-	1.0	-	1.0
Government Regulations	0.5	3.8	0.3	4.5
Better Estimates	7.8	13.3	1.3	22.3
Carry-overs	2.3	9.3	0.3	11.8
Other Reasons	3.8	4.0	0.5	8.2
Not Specified	5.8	5.3	11.3	22.2
TOTAL	<u>36.5</u>	<u>49.3</u>	<u>14.3</u>	<u>100.0</u>
Number of Responses	146	197	57	400
Number of Companies	76	122	53	251

TABLE 20

REASONS FOR CHANGES IN PLANS

1980

(Percent Distribution of Total Response)

<u>Reason for Change</u>	<u>Upward Revisions</u>	<u>Downward Revision</u>	<u>No Change</u>	<u>Total</u>
Market Demand-Domestic	8.1	7.4	0.4	15.9
Market Demand-Foreign	3.2	1.5	0.2	4.9
Capacity	5.5	2.3	-	7.9
Rate of Return	2.3	2.3	-	4.7
Financing - External	0.4	1.1	-	1.5
Financing - Internal	1.7	0.4	0.2	2.3
Costs - Labour	1.1	-	0.4	1.5
Costs - Other	2.5	1.1	0.2	3.8
Strikes	-	0.4	-	0.4
Government Regulations	2.1	1.5	0.4	4.0
Better Estimates	10.2	7.0	1.1	18.3
Carry-overs	7.4	3.8	0.4	11.7
Other Reasons	4.2	5.3	0.2	9.8
Not Specified	4.5	1.9	7.0	13.4
TOTAL	<u>53.3</u>	<u>36.1</u>	<u>10.6</u>	<u>100.0</u>
Number of Responses	251	170	50	471
Number of Companies	124	84	43	251

TABLE 21
REASONS FOR CHANGES IN PLANS

1981 - 1984

(Percent Distribution of Total Response)

<u>Reason for Change</u>	<u>Upward Revisions</u>	<u>Downward Revision</u>	<u>No Change</u>	<u>Total</u>
Market Demand-Domestic	14.7	5.4	0.5	20.6
Market Demand-Foreign	5.0	1.8	0.2	7.0
Capacity	5.4	2.7	1.4	9.5
Rate of Return	6.1	2.0	0.2	8.4
Financing - External	0.5	0.2	-	0.7
Financing - Internal	1.8	0.5	0.2	2.5
Costs - Labour	0.9	-	0.2	1.1
Costs - Other	2.0	-	0.2	2.3
Strikes	0.2	-	-	0.2
Government Regulations	3.4	-	0.5	3.9
Better Estimates	7.7	2.7	1.8	12.2
Carry-overs	2.5	1.4	0.2	4.1
Other Reasons	5.4	1.8	0.5	7.7
Not Specified	5.9	2.5	11.3	19.7
TOTAL	<u>61.7</u>	<u>21.1</u>	<u>17.2</u>	<u>100.0</u>
Number of Responses	272	93	76	441
Number of Companies	121	49	62	232

TABLE 22

TYPES AND REASONS FOR DOWNWARD REVISIONS IN CAPITAL SPENDING - CANADA

1979

(Percent Distribution of Response)

TYPES OF CHANGES

[illegible]

TABLE 23

TYPES AND REASONS FOR UPWARD REVISIONS
IN CAPITAL SPENDING - CANADA

1979

(Percent Distribution of Response)

TYPES OF CHANGES

<u>Reasons for Change</u>	<u>Abandoned</u>	<u>Deferred</u>	<u>Reduced</u>	<u>Expanded</u>	<u>New Plans</u>	<u>Brought Forward</u>	<u>Re-introduced Deferred Plans</u>	<u>No Change</u>	<u>Not Specified</u>	<u>Total</u>
Market Demand-Domestic	1.4	1.4	2.1	4.1	4.1	3.4	.7	-	-	17.8
Market Demand-Foreign	-	-	-	-	1.4	2.1	-	-	-	3.4
Capacity	-	-	1.4	2.7	1.4	2.7	-	-	-	8.2
Rate of Return	.7	-	-	1.4	2.1	-	-	-	-	4.1
Financing - External	-	-	-	-	-	-	-	-	-	-
Financing - Internal	-	1.4	.7	1.4	.7	1.4	-	-	-	5.5
Costs - Labour	-	-	-	2.1	-	-	-	1.4	-	3.4
Costs - Other	-	-	-	.7	-	-	-	1.4	.7	2.7
Strikes	-	-	-	-	-	-	-	-	-	-
Government Regulations	-	.7	-	-	.7	-	-	-	-	1.4
Better Estimates	-	-	1.4	6.2	.7	.7	-	12.3	-	21.2
Carry-overs	-	.7	.7	2.1	.7	.7	-	1.4	-	6.2
Other Reasons	-	-	-	1.4	4.1	2.1	-	2.7	-	10.3
Not Specified	-	-	-	1.4	-	.7	-	13.7	-	15.8
TOTAL	2.1	4.1	6.2	23.3	15.8	13.7	.7	33.6	0.7	100.0

Number of Responses 146

Number of Companies 76

TABLE 24

TYPES AND REASONS FOR DOWNWARD REVISIONS
IN CAPITAL SPENDING - CANADA

1980

(Percent Distribution of Response)

TYPES OF CHANGES

Reasons for Change	Abandoned	Deferred	Reduced	Expanded	New Plans	Brought Forward	Re-introduced Deferred Plans	No Change	Not Specified	Total
Market Demand-Domestic	1.2	4.1	7.1	1.8	3.5	1.8	.6	-	.6	20.6
Market Demand-Foreign	-	2.4	1.2	-	-	.6	-	-	-	4.1
Capacity	-	1.2	.6	1.2	2.4	1.2	-	-	-	6.5
Rate of Return	1.8	2.4	1.2	-	.6	-	.6	-	-	6.5
Financing - External	-	1.8	.6	-	-	-	-	-	.6	2.9
Financing - Internal	.6	.6	-	-	-	-	-	-	-	1.2
Costs - Labour	-	-	-	-	-	-	-	-	-	-
Costs - Other	-	1.2	.6	-	.6	-	-	-	.6	2.9
Strikes	.6	-	.6	-	-	-	-	-	-	1.2
Government Regulations	-	1.2	1.8	-	-	.6	-	.6	-	4.1
Better Estimates	-	3.5	5.9	.6	1.2	-	-	8.2	-	19.4
Carry-overs	-	2.4	5.3	.6	.6	.6	-	1.2	-	10.6
Other Reasons	.6	4.1	5.3	.6	1.2	2.4	-	.6	-	14.7
Not Specified	-	-	.6	.6	-	.6	-	3.5	-	5.3
TOTAL	4.7	24.7	30.6	5.3	10.0	7.6	1.2	14.1	1.8	100.0

Number of Responses 170

Number of Companies 84

TABLE 25

TYPES AND REASONS FOR UPWARD REVISIONS
IN CAPITAL SPENDING - CANADA

1980

(Percent Distribution of Response)

TYPES OF CHANGES

<u>Reasons for Change</u>	<u>Abandoned</u>	<u>Deferred</u>	<u>Reduced</u>	<u>Expanded</u>	<u>New Plans</u>	<u>Brought Forward</u>	<u>Re-introduced Deferred Plans</u>	<u>No Change</u>	<u>Not Specified</u>	<u>Total</u>
Market Demand-Domestic	.8	.4	.4	5.6	4.4	2.4	.4	.8	-	15.1
Market Demand-Foreign	-	-	-	1.6	2.8	1.6	-	-	-	6.0
Capacity	-	-	.4	3.6	4.0	1.6	.4	.4	-	10.4
Rate of Return	.8	.8	-	.8	1.6	.4	-	-	-	4.4
Financing - External	-	-	.4	-	-	-	-	-	.4	0.8
Financing - Internal	-	.4	-	.8	.8	.4	.8	-	-	3.2
Costs - Labour	-	-	-	1.2	-	-	.4	.4	-	2.0
Costs - Other	-	-	-	2.4	.8	-	-	1.6	-	4.8
Strikes	-	-	-	-	-	-	-	-	-	-
Government Regulations	.4	.4	-	.8	1.2	.8	-	.4	-	4.0
Better Estimates	-	.4	1.2	5.2	.8	1.2	1.6	8.4	.4	19.1
Carry-overs	-	-	1.2	6.0	.8	.4	2.8	2.4	.4	13.9
Other Reasons	-	-	-	2.4	3.2	.8	-	1.6	-	8.0
Not Specified	-	-	.4	2.4	.4	-	-	5.2	-	8.4
TOTAL	2.0	2.4	4.0	32.7	20.7	9.6	6.4	21.1	1.2	100.0

Number of Responses

251

Number of Companies

124

TABLE 26

TYPES AND REASONS FOR DOWNWARD REVISIONS IN CAPITAL SPENDING - CANADA

1981-84

(Percent Distribution of Response)

TYPES OF CHANGES

[illegible]

TABLE 27

TYPES AND REASONS FOR UPWARD REVISIONS
IN CAPITAL SPENDING - CANADA

1981-84

(Percent Distribution of Response)

TYPES OF CHANGES

<u>Reasons for Change</u>	<u>Abandoned</u>	<u>Deferred</u>	<u>Reduced</u>	<u>Expanded</u>	<u>New Plans</u>	<u>Brought Forward</u>	<u>Re-introduced Deferred Plans</u>	<u>No Change</u>	<u>Not Specified</u>	<u>Total</u>
Market Demand-Domestic	1.1	1.1	-	6.6	10.7	2.2	1.8	.4	-	23.9
Market Demand-Foreign	-	.4	-	2.2	4.4	1.1	-	-	-	8.1
Capacity	-	-	.4	3.7	2.2	1.5	.7	-	.4	8.8
Rate of Return	.4	1.5	.4	2.6	4.0	.4	.7	-	-	9.9
Financing - External	-	-	-	-	-	-	.4	-	.4	0.7
Financing - Internal	-	.4	-	.4	1.1	.7	.4	-	-	2.9
Costs - Labour	-	-	-	.7	-	-	.4	.4	-	1.5
Costs - Other	-	.4	.4	.7	.7	.4	-	.7	-	3.3
Strikes	-	-	-	.4	-	-	-	-	-	0.4
Government Regulations	.4	.4	-	1.5	1.1	1.8	.4	-	-	5.5
Better Estimates	-	.7	-	1.8	.7	1.1	1.1	7.0	-	12.5
Carry-overs	-	.4	-	1.8	.4	-	.7	.7	-	4.0
Other Reasons	.4	.4	.4	.7	5.5	1.1	-	.4	-	8.8
Not Specified	-	-	-	2.2	.7	-	.4	6.3	-	9.6
TOTAL	2.2	5.5	1.5	25.4	31.6	10.3	7.0	15.8	0.8	100.0

Number of Responses 272

Number of Companies 121

Table 28

TOTAL CAPITAL EXPENDITURES
BY PURPOSE

	<u>Number of</u> <u>Reporting Companies</u>	<u>1979</u> (\$ Millions)	<u>1980</u>
Research and Development	82	158.1	329.4
Pollution Abatement	110	516.6	639.5
Working Environment	93	102.8	138.2
Expansion of Facilities - Existing Sites	191	5,333.8	7,026.4
Upgrading & Replacement of Existing Facilities	217	3,017.5	3,975.0
Expansion of Facilities - New Sites	118	7,458.2	8,388.9
Other	87	1,735.2	2,556.3
TOTAL	267	18,322.2	23,053.7

Note: Actual 1979 and revised intentions 1980.

TABLE 29

TOTAL CAPITAL EXPENDITURES
BY PURPOSE

(Percent Distribution* of Total)

	<u>Manufacturing</u>		<u>Non-Manufacturing</u>		<u>Total</u>	
	<u>1979</u>	<u>1980</u>	<u>1979</u>	<u>1980</u>	<u>1979</u>	<u>1980</u>
Research and Development	1.3	1.4	0.7	1.4	0.9	1.4
Pollution Abatement	3.4	4.0	2.6	2.3	2.8	2.8
Working Environment	1.2	1.0	0.4	0.4	0.6	0.6
Expansion of Facilities - Existing Sites	33.2	35.3	27.9	28.7	29.1	30.5
Upgrading & Replacement of Existing Facilities	36.7	33.4	10.6	11.3	16.5	17.2
Expansion of Facilities - New Sites	13.1	9.7	48.7	46.2	40.7	36.4
Other	11.1	15.2	9.0	9.6	9.5	11.1
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

* Percentages may not add to 100% due to rounding.

TABLE 30

CAPITAL EXPENDITURES
BY PURPOSE

(Year to Year Percent Change in Level of Spending)

	<u>Manufacturing</u>	<u>Non-Manufacturing</u>	<u>Total</u>
Research and Development	62.6	131.9	108.3
Pollution Abatement	76.0	4.1	23.7
Working Environment	29.1	39.2	34.4
Expansion of Facilities - Existing Sites	60.9	21.6	31.7
Upgrading & Replacement of Existing Facilities	37.6	25.8	31.7
Expansion of Facilities - New Sites	11.3	12.5	12.4
Other	106.4	26.2	47.3
TOTAL*	51.1	18.5	25.8

* The year-to-year changes in total investment here are different from those reported on Table 2. This is due to differences in coverage.

TABLE 31

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES - 1979-1980

ATLANTIC REGION

(Current \$ Millions)

			Year to Year		
			Percentage	Between Survey	
			Change	Revisions (%)	
	<u>1979</u>	<u>1980</u>	<u>1980/1979</u>	<u>1979</u>	<u>1980</u>
Manufacturing	261(4719)	268(6988)	9.5(48.0)	6.5(-1.8)	1.9(2.8)
Non-manufacturing	1157(17410)	1302(20747)	12.5(19.1)	-2.8(-2.6)	5.2(2.6)
<u>Total</u>	1418(22129)	1588(27735)	11.9(25.3)	-1.2(-2.4)	4.6(2.7)

Note: Actual 1979 and revised intentions 1980.

These are dollar amounts reported for the years 1979-80 from the April 1980 Survey by firms who reported in both the April 1980 and October 1979 Surveys of Capital Investment.

For comparison purposes, figures for Canada are provided in round brackets.

TABLE 32

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

ATLANTIC REGION

	<u>Year-to-Year</u> <u>Percent Change</u>	<u>Between Survey</u> <u>Revisions</u>	
	<u>1980/1979</u> (%)	<u>1979</u> (%)	<u>1980</u> (%)
<u>Foreign Majority Owned</u>			
Manufacturing	-20.2(47.6)	7.0(-3.2)	18.0(0.8)
Non-Manufacturing	6.4(26.8)	-11.0(-4.6)	0.0(3.9)
<u>Total</u>	- 2.6(33.4)	-5.6(-4.2)	4.4(2.8)
<u>Domestic Majority Owned</u>			
Manufacturing	38.1(48.5)	5.9(0.0)	-5.3(5.2)
Non-Manufacturing	14.2(15.7)	-0.3(-1.7)	6.6(2.0)
<u>Total</u>	17.2(20.8)	0.5(-1.4)	4.6(2.6)

Note: Actual 1979 and revised intentions 1980.

For comparison purposes, figures for Canada are provided in round brackets.

Table 33

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

ATLANTIC REGION

	Year-to-Year Percent Change	Between Survey Revisions	
	<u>1980/1979</u> (%)	<u>1979</u> (%)	<u>1980</u>
<u>Total Government</u>			
<u>Majority Own.</u>	7.9(9.1)	0.5(-3.4)	9.4(-2.2)
<u>Total Private Majority Own.</u>	16.2(34.4)	-2.9(-1.9)	0.2(5.1)
Manufacturing	14.3(50.3)	6.8(-1.7)	3.2(3.0)
Non-manufacturing	17.1(26.9)	-7.3(-1.9)	-1.2(6.3)

Note: Actual 1979 and revised intentions 1980.

For comparison purposes, figures for Canada are provided in round brackets.

Table 34

EXPECTATIONS FOR 1979 AND 1980
BY COMPANIES HEADQUARTERED IN THE ATLANTIC REGION*

(Percent Distribution of Response)

	1980/79			1981/80		
	UP/ BETTER	NO CHANGE	DOWN/ WORSE	UP/ BETTER	NO CHANGE	DOWN/ WORSE
Canadian Sales	75.0(72.9)	16.6(17.4)	8.3(9.6)	75.0(75.1)	25.0(20.8)	- (4.0)
Export Sales	85.7(65.2)	14.2(20.1)	- (14.6)	71.4(56.1)	14.2(32.2)	14.2(11.6)
Profits	54.5(63.3)	36.3(18.3)	9.0(18.3)	54.5(64.8)	36.3(25.7)	9.0(9.3)
Corporate Employment						
in Canada	25.0(44.8)	75.0(46.5)	- (8.6)	33.3(46.6)	58.3(46.2)	8.3(7.0)
Corporate Financial						
Conditions	8.3(39.3)	83.3(37.6)	8.3(23.0)	0.0(46.8)	91.6(39.1)	8.3(13.9)
Canadian Business						
Conditions	8.3(10.5)	33.3(39.2)	58.3(50.2)	25.0(30.5)	33.3(40.2)	41.6(29.1)
Foreign Investment						
Climate	33.3(25.0)	33.3(50.9)	33.3(24.0)	33.3(36.1)	33.3(50.9)	33.3(12.9)

Note: For comparison purposes, figures for Canada are provided in round brackets.

* There are 15 firms in the Survey panel with headquarters in the Atlantic Region.

Table 35

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES - 1979-1980

QUEBEC

(Current \$ Millions)

			Year-to-Year		
			Percentage	Between Survey	
			Change	Revisions (%)	
	<u>1979</u>	<u>1980</u>	<u>1980/1979</u>	<u>1979</u>	<u>1980</u>
Manufacturing	791(4719)	958(6988)	21.0(48.0)	- 0.5(-1.8)	-1.2(2.8)
Non-manufacturing	3745(17410)	4006(20747)	6.9(19.1)	- 1.9(-2.6)	-8.1(2.6)
Total	4536(22129)	4964(27735)	9.4(25.3)	- 1.6(-2.4)	-6.8(2.7)

Note: Actual 1979 and revised intentions 1980.

These are dollar amounts reported for the years 1979-80 from the April 1980 Survey by firms who reported in both the April 1980 and October 1979 Surveys of Capital Investment.

For comparison purposes, figures for Canada are provided in round brackets.

Table 36

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

QUEBEC

	Year-to-Year Percent Changes	Between Survey Revisions	
	1980/1979 (%)	1979 (%)	1980
<u>Foreign Majority Owned</u>			
Manufacturing	26.4(47.6)	- 1.8(-3.2)	4.4(0.8)
Non-Manufacturing	53.2(26.8)	- 5.5(-4.6)	7.1(3.9)
<u>Total</u>	38.4(33.4)	- 3.5(-4.2)	5.7(2.8)
<u>Domestic Majority Owned</u>			
Manufacturing	17.7(48.5)	0.4(0.0)	-4.4(5.2)
Non-Manufacturing	3.8(15.7)	- 1.6(-1.7)	-9.4(2.0)
<u>Total</u>	5.5(20.8)	- 1.4(-1.4)	-8.7(2.6)

Note: Actual 1979 and revised intentions 1980.

For comparison purposes, figures for Canada are provided in round brackets.

Table 37

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

QUEBEC

	Year-to-Year Percent Change	Between Survey Revisions	
	<u>1980/1979</u> (%)	<u>1979</u>	<u>1980</u> (%)
<u>Total Government</u>			
<u>Majority Own.</u>	0.5(9.1)	- 2.2(-3.4)	-11.6(-2.2)
<u>Total Private Majority Own.</u>	26.2(34.4)	- 0.6(-1.9)	1.3(5.1)
Manufacturing	24.5(50.3)	0.2(-1.7)	- 2.0(3.0)
Non-manufacturing	27.7(26.9)	- 1.2(-1.9)	4.3(6.3)

Note: Actual 1979 and revised intentions 1980.

For comparison purposes, figures for Canada are provided in round brackets.

Table 38

EXPECTATIONS FOR 1980 AND 1981
BY COMPANIES HEADQUARTERED IN QUEBEC*

(Percent Distribution of Response)

	1980/79			1981/80		
	UP/ BETTER	NO CHANGE	DOWN/ WORSE	UP/ BETTER	NO CHANGE	DOWN/ WORSE
Canadian Sales	76.4(72.9)	14.7(17.4)	8.8(9.6)	82.3(75.1)	17.6(20.8)	- (4.0)
Export Sales	79.3(65.2)	10.3(20.1)	10.3(14.6)	65.5(56.1)	24.1(32.2)	10.3(11.6)
Profits	65.7(63.3)	11.4(18.3)	22.8(18.3)	62.8(64.8)	25.7(25.7)	11.4(9.3)
Corporate Employment						
in Canada	37.1(44.8)	60.0(46.5)	2.8(8.6)	41.1(46.6)	55.8(46.2)	2.9(7.0)
Corporate Financial						
Conditions	39.3(39.3)	42.4(37.6)	18.1(23.0)	42.4(46.8)	36.3(39.1)	21.2(13.9)
Canadian Business						
Conditions	6.0(10.5)	42.4(39.2)	51.5(50.2)	32.3(30.5)	38.2(40.2)	29.4(29.1)
Foreign Investment						
Climate	18.7(25.0)	56.2(50.9)	25.0(24.0)	47.0(36.1)	41.1(50.9)	11.7(12.9)

Note: For comparison purposes, figures for Canada are provided in round brackets.

* There are 50 firms in the Survey panel with headquarters in Quebec.

Table 39

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES - 1979-1980

ONTARIO

(Current \$ Millions)

	Year to Year				
	Percentage			Between Survey	
	Change			Revisions (%)	
	<u>1979</u>	<u>1980</u>	<u>1980/1979</u>	<u>1979</u>	<u>1980</u>
Manufacturing	1836(4719)	3357(6988)	82.8(48.0)	-4.5(-1.8)	1.7(2.8)
Non-manufacturing	3637(17410)	4297(20747)	18.1(19.1)	-3.8(-2.6)	7.7(2.6)
Total	5473(22129)	7654(27735)	39.8(25.3)	-4.0(-2.4)	5.0(2.7)

Note: Actual 1979 and revised intentions 1980.

These are dollar amounts reported for the years 1979-80 from the April 1980 Survey by firms who reported in both the April 1980 and October 1979 Surveys of Capital Investment.

For comparison purposes, figures for Canada are provided in round brackets.

Table 40

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

ONTARIO

	<u>Year-to-Year</u> <u>Percent Change</u>	<u>Between Survey</u> <u>Revisions</u>	
	<u>1980/1979</u> (%)	<u>1979</u> (%)	<u>1980</u> (%)
<u>Foreign Majority Owned</u>			
Manufacturing	90.8(47.6)	-5.5(-3.2)	-2.1(0.8)
Non-Manufacturing	35.6(26.8)	-5.6(-4.6)	24.7(3.9)
<u>Total</u>	75.3(33.4)	-5.5(-4.2)	2.7(2.8)
<u>Domestic Majority Owned</u>			
Manufacturing	72.7(48.5)	-3.1(0.0)	7.6(5.2)
Non-Manufacturing	16.0(15.7)	-3.5(-1.7)	5.6(2.0)
<u>Total</u>	27.4(20.8)	-3.5(-1.4)	6.1(2.6)

Note: Actual 1979 and revised intentions 1980.

For comparison purposes, figures for Canada are provided in round brackets.

Table 41

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

ONTARIO

	<u>Year-to-Year</u> <u>Percent Change</u>	<u>Between Survey</u> <u>Revisions</u>	
	<u>1980/1979</u> (%)	<u>1979</u> (%)	<u>1980</u> (%)
<u>Total Government</u>			
Majority Own.	16.0(9.1)	-4.7(-3.4)	7.7(-2.2)
<u>Total Private Majority Own.</u>	53.0(34.4)	-3.6(-1.9)	3.9(5.1)
Manufacturing	81.0(50.3)	-4.7(-1.7)	2.0(3.0)
Non-manufacturing	23.8(26.9)	-2.4(-1.9)	6.9(6.3)

Note: Actual 1979 and revised intentions 1980.

For comparison purposes, figures for Canada are provided in round brackets.

Table 42

EXPECTATIONS FOR 1979 AND 1980
BY COMPANIES HEADQUARTERED IN ONTARIO*

(Percent Distribution of Response)

	1980/79			1981/80		
	UP/ BETTER	NO CHANGE	DOWN/ WORSE	UP/ BETTER	NO CHANGE	DOWN/ WORSE
Canadian Sales	79.3(72.9)	12.0(17.4)	8.6(9.6)	76.3(75.1)	17.5(20.8)	6.1(4.0)
Export Sales	61.9(65.2)	19.5(20.1)	18.4(14.6)	52.2(56.1)	33.3(32.2)	14.4(11.6)
Profits	65.2(63.3)	18.2(18.3)	16.5(18.3)	66.3(64.8)	23.8(25.7)	9.7(9.3)
Corporate Employment						
in Canada	43.5(44.8)	43.5(46.5)	12.8(8.6)	45.2(46.6)	45.2(46.2)	9.5(7.0)
Corporate Financial						
Conditions	45.2(39.3)	31.3(37.6)	23.4(23.0)	54.8(46.8)	33.6(39.1)	11.5(13.9)
Canadian Business						
Conditions	12.7(10.5)	39.0(39.2)	48.1(50.2)	33.3(30.5)	42.5(40.2)	24.0(29.1)
Foreign Investment						
Climate	27.5(25.0)	46.5(50.9)	25.8(24.0)	33.3(36.1)	52.6(50.9)	14.0(12.9)

Note: For comparison purposes, figures for Canada are provided in round brackets.

* There are 145 firms in the Survey Panel with headquarters in Ontario.

Table 43

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES - 1979-1980

PRAIRIE REGION

(Current \$ Millions)

	<u>1979</u>	<u>1980</u>	Year-to-Year	Between Survey	
			Percentage	Revisions (%)	
			<u>Change</u>	<u>1979</u>	<u>1980</u>
			<u>1980/1979</u>		
Manufacturing	677(4719)	695 (6988)	2.7(48.0)	-3.5(-1.8)	1.4(2.8)
Non-manufacturing	5672(17410)	7031(20747)	23.9(19.1)	-0.5(-2.6)	7.7(2.6)
<u>Total</u>	6349(22129)	7726(27735)	21.6(25.3)	-0.8(-2.4)	7.1(2.7)

Note: Actual 1979 and revised intentions 1980.

These are dollar amounts reported for the years 1979-80 from the April 1980 Survey by firms who reported in both the April 1980 and October 1979 Surveys of Capital Investment.

For comparison purposes, figures for Canada are provided in round brackets.

Table 44

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES - 1979-1980

MANITOBA & SASKATCHEWAN

(Current \$ Millions)

			Year-to-Year		
			Percentage	Between Survey	
			Change	Revisions (%)	
	<u>1979</u>	<u>1980</u>	<u>1980/1979</u>	<u>1979</u>	<u>1980</u>
Manufacturing	100(4719)	128(6988)	27.8(48.0)	1.8(-1.8)	-19.4(2.8)
Non-manufacturing	1102(17410)	1355(20747)	23.0(19.1)	-3.1(-2.6)	8.3(2.6)
<u>Total</u>	1202(22129)	1483(27735)	23.4(25.3)	-2.7(-2.4)	5.2(2.7)

Note: Actual 1979 and revised intentions 1980.

These are dollar amounts reported for the years 1979-80 from the April 1980 Survey by firms who reported in both the April 1980 and October 1979 Surveys of Capital Investment.

For comparison purposes, figures for Canada are provided in round brackets.

Table 45

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES - 1979-1980

ALBERTA

(Current \$ Millions)

			Year to Year	Between Survey	
			Percentage	Revisions (%)	
			Change		
	<u>1979</u>	<u>1980</u>	<u>1980/1979</u>	<u>1979</u>	<u>1980</u>
Manufacturing	563(4719)	508(6988)	- 9.8(48.0)	-3.4(-1.8)	4.6(2.8)
Non-manufacturing	4252(17410)	5141(20747)	20.9(19.1)	0.7(-2.6)	7.0(2.6)
<u>Total</u>	4815(22129)	5649(27735)	17.3(25.3)	0.2(-2.4)	6.7(2.7)

Note: Actual 1979 and revised intentions 1980.

These are dollar amounts reported for the years 1979-80 from the April 1980 Survey by firms who reported in both the April 1980 and October 1979 Surveys of Capital Investment.

For comparison purposes, figures for Canada are provided in round brackets.

Table 46

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

PRAIRIE REGION

	<u>Year-to-Year</u> <u>Percent Change</u>	<u>Between Survey</u> <u>Revisions</u>	
	<u>1980/1979</u> (%)	<u>1979</u> (%)	<u>1980</u> (%)
<u>Foreign Majority Owned</u>			
Manufacturing	-13.2(47.6)	-0.3(-3.2)	2.5(0.8)
Non-Manufacturing	23.5(26.8)	-3.2(-4.6)	5.9(3.9)
<u>Total</u>	18.9(33.4)	-2.8(-4.2)	5.6(2.8)
<u>Domestic Majority Owned</u>			
Manufacturing	35.3(48.5)	-9.4(0.0)	0.1(5.2)
Non-Manufacturing	24.4(15.7)	3.3(-1.7)	10.2(2.0)
<u>Total</u>	25.3(20.8)	2.1(-1.4)	9.2(2.6)

Note: Actual 1979 and revised intentions 1980.

For comparison purposes, figures for Canada are provided in round brackets.

Table 47

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

PRAIRIE REGION

	<u>Year-to-Year</u> <u>Percent Change</u>	<u>Between Survey</u> <u>Revisions</u>	
		<u>1979</u>	<u>1980</u>
	<u>1980/1979</u>		
	(%)	(%)	
<u>Total Government</u>			
<u>Majority Own.</u>	14.1(9.1)	-4.5(-3.4)	-1.8(2.2)
<u>Total Private Majority Own.</u>	23.3(34.4)	0.1(-1.9)	9.2(5.1)
Manufacturing	2.2(50.3)	-3.3(-1.7)	1.7(3.0)
Non-manufacturing	26.5(26.9)	0.6(-1.9)	10.2(6.3)

Note: Actual 1979 and revised intentions 1980.

For comparison purposes, figures for Canada are provided in round brackets.

Table 48

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

ALBERTA

	<u>Year-to-Year</u> <u>Percent Change</u>	<u>Between Survey</u> <u>Revisions</u>	
	<u>1980/1979</u> (%)	<u>1979</u> (%)	<u>1980</u> (%)
<u>Foreign Majority Owned</u>			
Manufacturing	-27.4(47.6)	-1.4(-3.2)	-3.0(0.8)
Non-Manufacturing	18.6(26.8)	-2.6(-4.6)	4.5(3.9)
<u>Total</u>	12.5(33.4)	-2.4(-4.2)	3.8(2.8)
<u>Domestic Majority Owned</u>			
Manufacturing	34.3(48.5)	-8.0(0.0)	17.0(5.2)
Non-Manufacturing	24.5(15.7)	6.5(-1.7)	10.9(2.0)
<u>Total</u>	25.4(20.8)	5.0(-1.4)	11.5(2.6)

Note: Actual 1979 and revised intentions 1980.

For comparison purposes, figures for Canada are provided in round brackets.

Table 49

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

ALBERTA

	Year-to-Year Percent Change	Between Survey Revisions	
		1979	1980
	1980/1979 (%)	(%)	
<u>Total Government</u>			
<u>Majority Own.</u>	12.3(9.1)	- 2.9(-3.4)	-3.2(-2.2)
<u>Total Private Majority Own.</u>	17.9(34.4)	0.6(-1.9)	8.1(5.1)
Manufacturing	-9.8(50.3)	- 3.4(-1.7)	4.6(3.0)
Non-manufacturing	22.2(26.9)	1.3(-1.9)	8.5(6.3)

Note: Actual 1979 and revised intentions 1980.

For comparison purposes, figures for Canada are provided in round brackets.

Table 50

EXPECTATIONS FOR 1979 AND 1980
BY COMPANIES HEADQUARTERED IN THE PRAIRIE REGION*

(Percent Distribution of Response)

	1980/79			1981/80		
	UP/ BETTER	NO CHANGE	DOWN/ WORSE	UP/ BETTER	NO CHANGE	DOWN/ WORSE
Canadian Sales	78.0(72.9)	19.5(17.4)	2.4(9.6)	80.0(75.1)	17.5(20.8)	2.5(4.0)
Export Sales	58.0(65.2)	32.2(20.1)	9.6(14.6)	54.8(56.1)	32.2(32.2)	12.9(11.6)
Profits	80.4(63.3)	12.1(18.3)	7.3(18.3)	72.5(64.8)	22.5(25.7)	5.0(9.3)
Corporate Employment						
in Canada	65.8(44.8)	31.7(46.5)	2.4(8.6)	65.0(46.6)	30.0(46.2)	5.0(7.0)
Corporate Financial						
Conditions	37.5(39.3)	40.0(37.6)	22.5(23.0)	35.8(46.8)	43.5(39.1)	20.5(13.9)
Canadian Business						
Conditions	7.6(10.5)	46.1(39.2)	46.1(50.2)	21.0(30.5)	34.2(40.2)	44.7(29.1)
Foreign Investment						
Climate	28.5(25.0)	57.1(50.9)	14.2(24.0)	33.3(36.1)	52.3(50.9)	14.2(12.9)

Note: For comparison purposes, figures for Canada are provided in round brackets.

* These are 57 firms in the Survey panel with headquarters in the Prairie Region.

Table 51

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES - 1979-1980

B.C. AND NORTHERN REGION

(Current \$ Millions)

			Year to Year	Between Survey	
			Percentage	Revisions (%)	
			Change		
	<u>1979</u>	<u>1980</u>	<u>1980/1979</u>	<u>1979</u>	<u>1980</u>
Manufacturing	787(4719)	1199(6988)	52.2(48.0)	4.9(-1.8)	5.1(2.8)
Non-manufacturing	2286(17410)	2949(20747)	28.9(19.1)	-4.2(-2.6)	-1.7(2.6)
<u>Total</u>	3073(22129)	4148(27735)	34.9(25.3)	-2.0(-2.4)	0.1(2.7)

Note: Actual 1979 and revised intentions 1980.

These are dollar amounts reported for the years 1979-80 from the April 1980 Survey by firms who reported in both the April 1980 and October 1979 Surveys of Capital Investment.

For comparison purposes, figures for Canada are provided in round brackets.

Table 52

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

B.C. AND NORTHERN REGION

	Year-to-Year Percent Change	Between Survey Revisions	
	<u>1980/1979</u> (%)	<u>1979</u> (%)	<u>1980</u> (%)
<u>Foreign Majority Owned</u>			
Manufacturing	32.1(47.6)	-2.0(-3.2)	-10.3(0.8)
Non-Manufacturing	29.7(26.8)	-4.9(-4.6)	- 3.6(3.9)
<u>Total</u>	30.2(33.4)	-4.3(-4.2)	- 5.0(2.8)
<u>Domestic Majority Owned</u>			
Manufacturing	64.4(48.5)	9.5(0.0)	14.6(5.2)
Non-Manufacturing	28.1(15.7)	-3.3(-1.7)	0.5(2.0)
<u>Total</u>	39.5(20.8)	0.4(-1.4)	5.3(2.6)

Note: Actual 1979 and revised intentions 1980.

For comparison purposes, figures for Canada are provided in round brackets.

Table 53

CAPITAL INVESTMENT COMPARISONS
OF SELECTED LARGE COMPANIES

B.C. AND NORTHERN REGION

	Year-to-Year Percent Change	Between Survey Revisions	
	<u>1980/1979</u> (%)	<u>1979</u> (%)	<u>1980</u> (%)
<u>Total Government</u>			
<u>Majority Own.</u>	9.1(9.1)	-1.4(-3.4)	-0.9(-2.2)
<u>Total Private Majority Own.</u>	44.0(34.4)	-2.2(-1.9)	0.4(5.1)
Manufacturing	52.2(50.3)	4.9(-1.7)	5.1(3.0)
Non-manufacturing	39.7(26.9)	-5.6(-1.9)	-2.1(6.3)

Note: Actual 1979 and revised intentions 1980.

For comparison purposes, figures for Canada are provided in round brackets.

Table 54

EXPECTATIONS FOR 1979 AND 1980
BY COMPANIES HEADQUARTERED IN THE B.C. AND NORTHERN REGION*

(Percent Distribution of Response)

	1980/79			1981/80		
	UP/ BETTER	NO CHANGE	DOWN/ WORSE	UP/ BETTER	NO CHANGE	DOWN/ WORSE
Canadian Sales	30.7(72.9)	42.3(17.4)	26.9(9.6)	52.0(75.1)	44.0(20.8)	4.0(4.0)
Export Sales	64.0(65.2)	20.0(20.1)	16.0(14.6)	56.5(56.1)	43.4(32.2)	- (11.6)
Profits	29.6(63.3)	29.6(18.3)	40.7(18.3)	53.8(64.8)	34.6(25.7)	11.5(9.3)
Corporate Employment						
in Canada	37.0(44.8)	51.8(46.5)	11.1(8.6)	38.4(46.6)	57.6(46.2)	3.8(7.0)
Corporate Financial						
Conditions	30.7(39.3)	34.6(37.6)	34.6(23.0)	56.0(46.8)	36.0(39.1)	8.0(13.9)
Canadian Business						
Conditions	12.0(10.5)	28.0(39.2)	60.0(50.2)	33.3(30.5)	45.8(40.2)	20.8(29.1)
Foreign Investment						
Climate	10.0(25.0)	60.0(50.9)	30.0(24.0)	40.0(36.1)	60.0(50.9)	- (12.9)

Note: For comparison purposes, figures for Canada are provided in round brackets.

* There are 33 firms in the Survey Panel with headquarters in the British Columbia and Northern Region.

APPENDIX

- APPENDIX -

Survey of Business Capital Investment -
Nature and Coverage of the Data

1) All of the tables containing regional data incorporate "matched" company data because of the variation in the number of firms reporting in each year and in different surveys. Matching allows for consistency in making comparisons because only the data of those companies which have reported in the last two surveys for specified years, e.g., 1979 and 1980 are used. This is referred to as a 2 survey - 2 year matched panel.

The above system of matching is applied separately for each of the investment categories specified on a regional table. Hence it is clear that the regional totals obtained on a matched sample basis will not necessarily add to the matched Canada total.

2) The problem of companies in the Survey not reporting their regional distribution of expenditures is minimal. The following table provides a reconciliation between the total dollar amounts reported on Table 1 and the total amounts distributed by region.

	<u>1979</u> (Current \$ Billions)	<u>1980</u>
Totals as per Table 1	22.13	27.73
Amounts reported by region		
Atlantic	1.42	1.59
Quebec	4.54	4.96
Ontario	5.47	7.65
Prairies	6.35	7.73
B.C. & Northern Region	3.07	4.15
Unallocated Region*	<u>.74</u>	<u>.99</u>
Total	21.60	27.07
Difference between totals	.53	.66
Portion of difference explained by "matching"	.29	.28
Portion of difference explained by non-response	.24	.38

Note: Actual 1979 and revised intentions 1980.

* Includes investment which was not specifically allocated to a particular region because it was uncertain which province or region it would take place in and expenditures on movable machinery and equipment which are not allocated to a specific region, i.e., rail rolling stock, ships, etc.

3) The fact that companies reported on a corporate rather than on an establishment basis would definitely affect the sectoral breakdown of both the regional and Canada distribution, i.e., whether outlays were categorized as coming under manufacturing, resource industries, etc. Therefore, the IT&C sectoral coverage cannot be properly related to the Statistics Canada Private and Public Investment in Canada Survey (PPI) because investment data collected on a corporate basis are allocated to the various industrial sectors according to the company's mainline of business.

4) The question has arisen of how the overall regional distribution of expenditures reported in the IT&C Capital Investment Intentions Survey compare to the regional distribution as reported in Statistics Canada's PPI for business (excluding housing).

The regional distribution as seen from both surveys is provided in the table below.

<u>(% Distribution)</u>				
	<u>ITC April 80 Survey</u>		<u>SC PPI (March 80)</u>	
	1979 <u>Actual</u>	1980 <u>Rev. Int.</u>	1979 <u>Prel. Actual</u>	1980 <u>Int.</u>
Atlantic	6.8	6.1	6.8	5.6
Quebec	21.8	19.0	21.9	20.1
Ontario	26.2	29.3	30.4	31.6
Prairies	30.5	29.6	26.6	27.7
B.C. & Northern	14.7	15.9	14.3	15.0
Total	100.0	100.0	100.0	100.0

5) The question has also arisen as to how representative the spending reported by the large firms in the ITC Survey is, on a regional basis, of that reported in PPI for the comparable sector, i.e. the business capital investment sector which excludes housing.

The regional coverage is as follows:

ITC as a Percentage of PPI Non-Agricultural Business

	<u>1979</u>	<u>1980</u>
Atlantic	61.9	71.9
Quebec	61.7	62.9
Ontario	53.8	61.6
Prairies	71.3	70.8
B.C. & Northern	64.3	70.5
Canada	66.1	70.5

6) The following table provides a breakdown of the number of companies reporting to the IT&C Survey, by manufacturing or non-manufacturing sector, and by region of investment. Since the companies in the Survey panel are the larger ones, they tend to have investments in more than one region and as such the figures for Canada are not the sum of the regions.

	<u>Atlantic</u>	<u>Quebec</u>	<u>Ontario</u>	<u>Prairies</u>	<u>B.C.</u>	<u>CANADA</u>
Mfg.	50	91	122	76	61	160
Non-Mfg.	40	44	67	91	70	139
TOTAL	90	135	189	167	131	299

Canada. Dept. of Industry
Report of the IT&C capital
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