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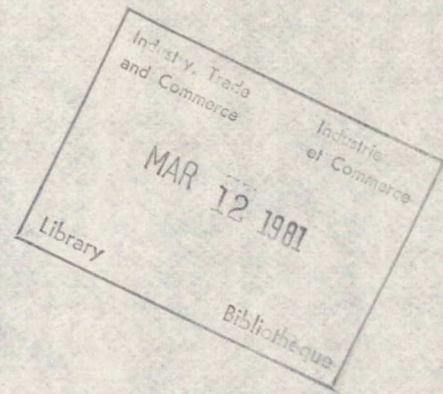
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et Commerce

REPORT OF THE
IT&C CAPITAL INVESTMENT
INTENTIONS SURVEY
CONDUCTED IN OCTOBER 1980

Economic Policy and Analysis
Analyse et élaboration de la
politique économique



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IT&C CAPITAL INVESTMENT
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L Canada.
December, 1980
Capital Expenditures Group
Department of Industry, Trade
Commerce, Ottawa

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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 October 1980. The survey does not cover smaller firms, housing, agriculture, fishing, or direct government outlays. The results therefore, cannot be extended directly to the economy as a whole without adjustment.

The data in this report should be regarded as the investment intentions or plans of a panel of large firms at the time of the Survey. Caution is therefore required in interpreting this data which may not give the entire investment picture. Also, 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 Intention Survey of the Department of Industry, Trade and Commerce conducted in October 1980, covering some 300 large corporations, provides a reading on business capital spending for 1981. 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 1981 will increase by 14-16 percent in current dollar terms. As reported earlier in the IT&C press release of December 10, 1980, this represents a 2-3 percent advance in real terms. This compares with an estimated increase of 5-7 percent for 1980 and a 9.4 percent increase reported for 1979 on a National Accounts basis.
- ii) The Atlantic Region, Ontario and the Prairies are seen as areas of strength, each showing above average rates of percentage increases for 1981; 36 percent, 33 percent and 31 percent in current dollars, respectively. (Some downward adjustment should be applied to these figures to estimate increased capital spending for the entire business sector in each of these areas).
- iii) Compared to a similar Survey conducted in April 1980 this recent Survey also shows a strengthening of investment plans for the 1982-1984 period.

HIGHLIGHTS OF THE OCTOBER 1980 SURVEY

HIGHLIGHTS OF THE OCTOBER 1980 SURVEY

The Aggregate Picture

The October 1980 Survey provides an indication of planned investment for 1981 based on conditions at the time of the survey. The survey results suggest that business capital investment in 1981 will continue to be a source of strength of the Canadian economy. However, the investment plans for 1981 do not exceed GNP growth by as much as they did in 1979 and 1980.

In the Fall of 1980 the approximately 300 large firms expected that their capital spending for 1981 would increase by about 26 percent in current dollars. (Unless otherwise stated, dollar levels and percent changes in this report are based on current dollars). These same companies in April 1980 expected the 1981 increase to be 14 percent. This change is the result of both a downward revision of the 1980 level of spending (-1.7 percent) and an upward revision of investment plans for 1981 of about 8 percent between the April 1980 and the October 1980 surveys.

It should be noted that most of the large companies that reported in this October Survey were unable to take into account the Federal Budget when preparing their investment plans. Also, the Survey does not cover smaller firms, housing, agriculture, direct government outlays, etc. Therefore, the results cannot be extended to the economy as a whole without adjustment.

At the same time, plans or intentions are not the same as actual spending activity. It has been noted that in ten of the past eleven years that these large firms initial investment plans overestimated their actual spending on new plant and equipment. In the present situation of projected slow growth for the domestic economy and for our major external markets, there is little doubt that the present investment plans of the large firms may not be fully realized, particularly as energy related costs and interest rate costs rise steadily.

Thus after adjustments, the October 1980 Survey results suggest that the realized increase in the level of business capital formation (excluding housing) in real terms may be 2-3 percent in 1981. This compares with an estimated increase of 5-7 percent for 1980 and a 9.4 percent increase reported for 1979 on a National Accounts basis.

Responding firms expect their level of current dollar spending on new plant and equipment for 1981 to be about \$34.3 billion (Table 1). This is an increase of about \$2.5 billion (about equally shared by the manufacturing and non-manufacturing sectors) from the plans for 1981 reported by these same companies in April 1980. This expected level of spending for 1981, is about a \$7 billion increase over the 1980 level. About two-thirds of this increase is accounted for by about two-fifths of the Survey panel concentrated in six main groupings, namely, forest products, primary metals, chemicals, transportation equipment, oil and gas companies, and oil and gas pipelines.

Outlook for Manufacturing

Spending by manufacturing firms in 1981 on new plant and equipment is expected to be about \$9.0 billion in current dollars or 38 percent above the revised 1980 level of spending. This level of spending represents an increase of about \$1.2 billion from the plans reported last April and can be attributed largely to forest products, transportation equipment, and chemical companies. Chemicals and forest products show the largest year-to-year percentage increases for 1981 over 1980. Spending by auto manufacturers on re-tooling for smaller cars is also evident in the transportation equipment industry. Food and beverage and other manufacturing plans indicate weak spending on new plant and equipment for 1981. (Table 1 and Table 2).

Outlook for Non-Manufacturing

Spending plans of the non-manufacturing sector in 1981 are expected to reach about \$25 billion, an increase of about 22 percent over the 1980 unrevised spending level. Notable strength is apparent in oil and gas pipelines as well as in the transportation and storage industry. However, spending plans of electric utilities for 1981 continue to be weak, with an anticipated increase of 5.5 percent. Intended spending for 1981 by the mining and communications companies were revised upwards from the April 1980 survey as were the spending plans of the oil and gas companies. It should be noted once again that the companies involved in the October survey were unable to take into account the Federal Budget when updating their investment plans.

Reasons for and Types of Changes in Investment

For 1980, the major factors or reasons for downward revisions in spending were better estimates, followed by carry-overs, domestic market demand, internal financing and government regulations (Table 19). For 1981, reasons for upward changes in investment spending centered around better estimates, domestic market demand, carry-overs, and capacity requirements (Table 20).

For the 1982-84 period, the major factors for increasing spending intentions were better estimates, domestic market demand, 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 1981 was 9.4 percent over the cost level for 1980, the same inflation rate used by these large firms in their budgets for 1980. The expected cost adjustment factors range from 8.8 percent for 1981 for the Quebec area to a 9.8 percent for the Prairie and Atlantic Regions (Table 6).

On an industry basis, the average cost factors are provided in Table 7. It was noted that forest product companies and primary metal companies were expecting cost increases in the period 1981-1984 to be somewhat higher than for the manufacturing sector as a whole. Within the non-manufacturing sector, oil and gas companies showed a higher level of expected cost increases than the total non-manufacturing group.

Public Compared to Private Capital Spending

Capital spending in the public or government segment of the large firm panel, (i.e. crown corporations) is expected to increase by 19 percent in 1981 compared with about 28 percent for the private sector (Table 11). Private spending on plant and equipment accounts for \$2.2 billion of the \$2.5 billion upward revision to the investment plans for 1981 between the April and October surveys. The public segment in the survey panel represents about 30 percent of the total capital spending for 1981 (Table 10). For 1980, the public and private sectors indicated downward revisions in the level of spending reported earlier (2.2 percent and 1.5 percent respectively). For 1981, the public sector indicated a 3 percent between survey upward revision while the private sector recorded a 10 percent upward revision (Table 11).

On a regional basis the government portion of total capital investments in 1981 ranges from 18 percent in the Prairies to 57 percent in Quebec (Table 10). Within the public sector, Ontario and the Prairies stand out as areas of strength in 1981 with expected year-over-year advances of 32 percent (Table 11). For 1980, within this sector, the reported levels of investment were increased from earlier estimates in all but Ontario. For 1981, the expected spending in Ontario has been reduced from that reported in the April 1980 Survey, while spending levels in the Atlantic and Prairies have been raised.

Within the private sector for 1981, the Atlantic is the leader with an anticipated year-to-year advance of 63 percent. For 1980, the reported levels of spending were reduced from those reported earlier in all but the Atlantic and Prairie regions. In contrast, the expected level of spending for 1981, 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 both plan increases of about 25 percent in their capital spending for 1981. In 1980 the domestic firms increased their spending by 20 percent while foreign firms spending advanced by 36 percent (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 83 percent in Quebec for 1981 to 49 percent in the Prairies (Table 8). Domestic firms show downward revisions in spending for 1980 for all areas but the Atlantic from that reported in April 1980. Foreign majority owned firms' spending for 1980 has been increased in all but Ontario and the B.C. region. For 1981, all regions in both segments of the panel showed increased intended levels of capital spending (Table 9).

Tentative Medium Term Investments

A total of over \$11 billion in capital investments was not included by the large corporations in their capital spending plans but nevertheless was thought to hold high potential for introduction over the medium term. On a regional basis, the Prairies (about \$5.4 billion or 48 percent of the total) and Ontario (about \$2.5 billion or 22 percent of the total) would absorb the major proportions of

these investments. The tentative investment in Quebec is centered in the manufacturing sector. The manufacturing sector within Quebec and the non-manufacturing sector in the Prairies collectively account for almost 60 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). Expected cash flow and sales in Canada as were other government's policies were more frequently mentioned than in the April Survey. The cost of funds continues to be a current concern. Raw material shortages were less frequently mentioned than six months ago as a factor affecting outlays.

Purpose of Investment

Of the 300 corporations in the Survey panel, 257 reported the breakdown of their capital spending by purpose; thus, about 85 percent of the total reported capital spending for 1981 was allocated to the various purpose categories. The larger portions of capital spending continue to be directed to new facilities at new sites and to the expansion of existing facilities. For further details, see Tables 28, 29 and 30.

Medium Term Investment

A comparison of this Survey's results with those taken in April 1980 shows a strengthening of earlier investment plans for 1981 and the 1982-1984 period in Canada as a whole in both the manufacturing and non-manufacturing sectors (Tables 12, 16 and 17). On a regional basis, the Atlantic and Prairies regions show above average between survey revision for the 1982-84 period as well as the entire six years (Table 13).

Regional Perspectives

Atlantic Region (Tables 31-34)

Spending on plant and equipment for 1981 by companies in the Survey panel which invest in the Atlantic region is expected to be about \$2.3 billion (current dollars). This level of spending represents an increase of 36 percent from 1980 and follows a 20 percent advance in 1980 (Table 31).

Investment spending for 1980 by the manufacturing sector in the Atlantic region is expected to advance about 75 percent to a level of \$483 million. Within this sector the forest products, primary metals and transportation equipment sectors register the largest percentage increase for 1981.

In the non-manufacturing sector for the Atlantic Region capital spending is expected to reach \$1,784 million, up some \$400 million from April 1980 estimates. Increased spending intentions by mining and oil and gas companies account for most of this improved outlook.

Crown corporations, which account for about 40 percent of total capital spending in the Atlantic region for 1981 (Table 10), have revised their spending plans upward in the Atlantic region for 1981 by about 27 percent from the level reported in April 1980. The private sector recorded a 38 percent upward change in investment plans for 1981 since the last Survey (Table 33).

Foreign majority owned firms expect to more than double their capital spending (i.e. 123 percent) in the Atlantic provinces in 1981 while domestic owned firms expect spending to increase by about 9 percent (Table 32).

Quebec (Tables 35-38)

The October 1980 Survey shows that the large corporations investing in new plant and equipment in Quebec expect to spend \$5.4 billion (current dollars) in 1981 an increase of 9.4 percent over 1980 levels (Table 35). This is an improved outlook from the 2 percent advance expected for 1981 in the April 1980 Survey.

Capital spending for 1980 in Quebec by the manufacturing sector is expected to reach about \$1.3 billion, an increase of 36 percent over 1980. Forest products and transportation equipment indicated the strongest year-over-year percentage increases; the food and beverages and chemicals sectors spending is weak.

The increase in the spending plans of 3 percent in 1981 for the non-manufacturing sector in Quebec is well below the national average increase of 22 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 for 1981 with the exception of utilities. The mining companies reported reduced levels of spending for both 1980 and 1981. In contrast, the oil and gas companies reported increased 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 1981 by only 1.3 percent. Private sector spending in Quebec which is expected to advance by 22 percent in 1981 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 business conditions and profits. Domestic sales are expected to show improvement in 1981 while

prospects for export sales expectations are somewhat less optimistic (Table 38).

In October 1980, Quebec headquartered companies reported considered investments of about \$1.9 billion 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 expected sales abroad and rates of return as having a negative impact on investment plans by Quebec headquartered firms is noteworthy.

Ontario (Tables 39-42)

Companies with plant and equipment investments in Ontario reported in the October 1980 Survey that they expect their level of spending in 1981 to approach \$9.4 billion (current dollars), an increase of 33 percent or \$2.4 billion over the revised 1980 level (Table 39).

Investment spending for 1980 in Ontario, by the manufacturing sector, is expected to reach about \$4.4 billion, an increase of \$1.4 or 44 percent from the 1980 level. The primary metals, chemicals, and forest products sectors are the main contributors to the advance. Chemical firms expect to more than double their investment spending in Ontario in 1981.

The spending increases for 1981 of the non-manufacturing sector in Ontario at 25 percent is slightly above the national average increase of 22 percent in this sector. Electric utilities, oil and gas pipelines and oil and gas companies are the principal contributors to this expected increased spending.

Private sector spending in Ontario for 1981 is expected to advance by 34 percent more or less in line with a 32 percent increase in the public segment of the business sector (Table 41). Private sector spending on plant and equipment accounts for over 70 percent of the year-to-year increase for 1981. As well it accounts for all of the total revision between the April and October Surveys in capital spending plans for 1981 in Ontario. Revisions in investment intentions by the public segment of the Survey panel amounted to a reduction of about \$150 million while the private sector expanded their intentions by about \$700 million - thus a net change of \$550 million (or 6 percent).

Foreign owned firms show about the same rate of increased spending in Ontario in 1981 as domestic majority owned firms, i.e. about 33 percent (Table 40). Strength for 1981, in the domestic owned sector, is centered in manufacturing industries especially in primary metals, and chemicals. In the foreign owned segment, the stronger year-to-year advances are in forest products, chemicals and oil and gas companies.

Companies with headquarters in Ontario are more optimistic about Canadian business conditions for 1981 than was the case for 1980 (Table 42). They are also optimistic about domestic and export sales in 1981.

Capital investments of about \$2.5 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 85 percent of this considered investment was reported by non-manufacturing firms, in particular, oil and gas companies.

In October 1980, expected cash flow was the factor most often cited by Ontario headquartered companies as having a negative affect on spending plans whereas, in April 1980, it was the cost of

funds (Table 15). Expected economic conditions in Canada, federal government policies and manpower shortages seem to be more of a concern now for Ontario based companies than in April 1980.

Prairie Region (Tables 43-50)

Capital spending for the Prairies in 1981 is expected to be about \$9.9 billion (current dollars), an increase of 31 percent from revised 1980 levels, and an increase of 8 percent or \$780 million from that expected for 1981 back in April 1980 (Table 43). For 1981 spending in Saskatchewan is expected to rise by 35 percent while investment for Alberta and Manitoba is advancing by 29 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 35 percent in 1981 (Table 43). This increase is mainly due to the spending intentions of the chemical companies which expect to double their spending in 1981 over 1980 levels. Spending by manufacturing firms in Manitoba and Saskatchewan is expected to advance by about 16 percent in 1981 while manufacturing spending in Alberta is expected to increase by 44 percent (Tables 44 and 45).

Non-manufacturing spending in the Prairies at \$9.1 billion for 1981 shows an advance of 31 percent over revised 1980 levels (Table 47). For Alberta, non-manufacturing spending for 1981 was revised upwards from April 1980 anticipations (more so than the Canada average) and is expected to advance by 28 percent. Strength is due to the expected increased spending by the oil and gas sector and chemical companies (Table 45). Non-manufacturing spending, in Manitoba and Saskatchewan combined, is expected to advance by 35 percent in 1981. This increase is due to the spending of oil and gas companies in Saskatchewan as well as planned spending on oil and gas pipelines for Manitoba and Saskatchewan.

Private sector spending in 1981 for the Prairies is advancing by 31 percent as compared with 32 percent for the public segment of the business sector. Since April 1980 the public or government sector of the Prairies has increased its expected level of spending for 1981 by almost 10 percent, more than the Canada average of some 3 percent (Table 47).

Foreign and domestic firms are expecting percentage increase in their capital spending in the Prairies for 1981, of 18 percent and 48 percent respectively (Table 46).

Companies with headquarters in the Prairies are less optimistic about prospects for 1981 as compared with 1980, especially with respect to profits (Table 50).

Capital investments of about \$5.4 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 (Table 14).

In October 1980, as was the case in April 1980, 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 ownerships and regulatory burden and delays (Table 15). Manpower shortages, expected sales and cash flow seems to be more of a concern now than in the Spring 1980 Survey.

British Columbia and Northern Region (Tables 51-54)

Spending intentions for 1981 in the British Columbia and Northern Region (including the Yukon and Northwest Territories) are expected to reach \$3.9 billion (current dollars). This current level of spending is about 8 percent or \$300 million above the revised 1980 level of \$3.6 billion (Table 51).

Investment in the manufacturing sector in this region is expected to reach about \$1.4 billion in 1981. The forest products sector indicates the largest year-over-year percentage increase for 1981.

Spending by non-manufacturing firms in the British Columbia and Northern Region at \$2.6 billion for 1981 shows an advance of 2 percent over 1980 levels, well below the national average increase of 22 percent for this sector. Spending plans of the oil and gas companies and utilities more than offset the reduced spending intentions of the mining and oil and gas pipeline companies.

Capital spending for 1981 by the public segment of the business sector is expected to increase by about 14 percent (Table 53). The private sector spending increase for 1981 is expected to be about 6 percent.

Foreign owned firms investing in the British Columbia and Northern Region are expected to increase spending by almost 8 percent in 1981, the same increase as expected by domestic owned firms. Both the foreign and domestic segments in the British Columbia Region are recording lower increases for 1981 than the national average which contrasts the 1980 experience (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, domestic sales, Canadian business conditions and profits (Table 54).

The British Columbia and Northern headquartered firms reported \$1.6 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 one third of this amount was reported by manufacturing firms (Table 14).

Canadian government policies and expected sales abroad 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 1980 AND PLANS FOR 1981 -- CANADA

(Current \$ Millions)

| <u>Industry</u> | <u>1980</u> <u>Reported in</u> <u>Apr. 1980</u> | <u>1980</u> <u>Reported in</u> <u>Oct. 1980</u> | <u>1981</u> <u>Reported in</u> <u>Apr. 1980</u> | <u>1981</u> <u>Reported in</u> <u>Oct. 1980</u> |
|--|---|---|---|---|
| Food & Beverages | 433.7 | 406.8 | 420.8 | 447.9 |
| Forest Products | 1,732.7 | 1,621.5 | 2,010.4 | 2,436.9 |
| Primary Metals | 1,363.5 | 1,302.3 | 1,744.6 | 1,754.8 |
| Chemicals | 680.3 | 612.9 | 848.0 | 1,161.1 |
| Transportation Equip. | 1,290.9 | 1,175.4 | 1,217.3 | 1,560.5 |
| Other Manufacturing | 1,479.0 | 1,394.4 | 1,554.2 | 1,666.0 |
| <u>Total Manufacturing</u> | <u>6,980.1</u> | <u>6,513.3</u> | <u>7,795.3</u> | <u>9,027.2</u> |
| Mining Companies | 1,841.1 | 1,790.4 | 1,992.3 | 2,152.0 |
| Oil & Gas Companies | 5,891.5 | 6,478.8 | 7,002.0 | 8,333.3 |
| Oil & Gas Pipelines | 1,055.4 | 922.2 | 1,654.2 | 1,627.5 |
| Transp. & Storage | 1,521.7 | 1,413.2 | 2,028.5 | 2,031.9 |
| Communications | 2,381.5 | 2,379.5 | 2,542.7 | 2,724.3 |
| Electric Utilities | 6,880.2 | 6,640.2 | 7,340.3 | 7,009.6 |
| Trade, Finance and Other Commercial | 1,222.1 | 1,170.0 | 1,406.5 | 1,401.9 |
| <u>Total Non-Manufacturing</u> | <u>20,793.5</u> | <u>20,794.3</u> | <u>23,966.5</u> | <u>25,280.5</u> |
| <u>TOTAL</u> | <u>27,773.6</u> | <u>27,307.6</u> | <u>31,761.8</u> | <u>34,307.7</u> |

* Only those firms which reported for the April 1980 and the October 1980
Surveys for the years 1980 and 1981 are used in this table, namely 295 firms.

TABLE 2

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1980 AND PLANS FOR 1981 -- CANADA

(Current \$ Millions)

| Industry | Revisions Between April 1980 & October 1980 Surveys (Percent Change) | | 1981/80 Year to Year (Percent Change) | |
|--|---|-------------|---|--------------------------|
| | 1980 | 1981 | Reported in Apr. 1980 | Reported in Oct. 1980 |
| Food & Beverages | -6.3 | 6.4 | -3.0 | 10.1 |
| Forest Products | -6.5 | 21.2 | 16.0 | 50.2 |
| Primary Metals | -4.5 | 0.5 | 27.9 | 34.7 |
| Chemicals | -10.0 | 36.9 | 24.6 | 89.4 |
| Transportation Equip. | -9.0 | 28.1 | -5.8 | 32.7 |
| Other Manufacturing | -5.8 | 7.1 | 5.0 | 19.4 |
| <u>Total Manufacturing</u> | <u>-6.7</u> | <u>15.8</u> | <u>11.6</u> | <u>38.5</u> |
| Mining Companies | -2.8 | 8.0 | 8.2 | 20.1 |
| Oil & Gas Companies | 9.9 | 19.0 | 18.8 | 28.6 |
| Oil & Gas Pipelines | -12.7 | -1.7 | 56.7 | 76.4 |
| Transp. & Storage | -7.2 | 0.1 | 33.3 | 43.7 |
| Communications | -0.1 | 7.1 | 6.7 | 14.4 |
| Electric Utilities | -3.5 | -4.6 | 6.6 | 5.5 |
| Trade, Finance and Other Commercial | -4.3 | -0.4 | 15.0 | 19.8 |
| <u>Total Non-Manufacturing</u> | <u>0.0</u> | <u>5.4</u> | <u>15.2</u> | <u>21.5</u> |
| <u>TOTAL</u> | <u>-1.7</u> | <u>8.0</u> | <u>14.3</u> | <u>25.6</u> |

* Only those firms which reported for the April 1980 and the October 1980 Surveys for the years 1980 and 1981 are used in this table, namely 295 firms.

TABLE 3
CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1980 AND PLANS FOR 1981 -- CANADA

(Constant 1980 \$ Millions)

| <u>Industry</u> | <u>1980 Reported in Apr. 1980</u> | <u>1980 Reported in Oct. 1980</u> | <u>1981 Reported in Apr. 1980</u> | <u>1981 Reported in Oct. 1980</u> |
|--|---|---|---|---|
| Food & Beverages | 433.7 | 406.8 | 383.7 | 408.1 |
| Forest Products | 1,732.7 | 1,621.5 | 1,828.9 | 2,213.3 |
| Primary Metals | 1,363.5 | 1,302.3 | 1,599.0 | 1,595.2 |
| Chemicals | 680.3 | 612.9 | 777.2 | 1,056.2 |
| Transportation Equip. | 1,290.9 | 1,175.4 | 1,126.8 | 1,438.7 |
| Other Manufacturing | 1,479.0 | 1,394.4 | 1,446.9 | 1,524.1 |
| <u>Total Manufacturing</u> | <u>6,980.1</u> | <u>6,513.3</u> | <u>7,162.5</u> | <u>8,235.6</u> |
| Mining Companies | 1,841.1 | 1,790.4 | 1,836.1 | 1,977.6 |
| Oil & Gas Companies | 5,891.5 | 6,478.8 | 6,452.2 | 7,556.5 |
| Oil & Gas Pipelines | 1,055.4 | 922.2 | 1,525.4 | 1,488.8 |
| Transp. & Storage | 1,521.7 | 1,413.2 | 1,859.0 | 1,848.6 |
| Communications | 2,381.5 | 2,379.5 | 2,354.6 | 2,492.5 |
| Electric Utilities | 6,880.2 | 6,640.2 | 6,776.1 | 6,470.5 |
| Trade, Finance and Other Commercial | 1,222.1 | 1,170.0 | 1,295.9 | 1,288.4 |
| <u>Total Non-Manufacturing</u> | <u>20,793.5</u> | <u>20,794.3</u> | <u>22,099.3</u> | <u>23,122.9</u> |
| <u>TOTAL</u> | <u>27,773.6</u> | <u>27,307.6</u> | <u>29,261.8</u> | <u>31,358.5</u> |

* Only those firms which reported for the April 1980 and the October 1980
Surveys for the years 1980 and 1981 are used in this table, namely 295 firms.

TABLE 4

CAPITAL EXPENDITURES* OF SELECTED LARGE COMPANIES
FOR 1980 AND PLANS FOR 1981 -- CANADA

(Constant 1980 \$ Millions)

| Industry | Revisions Between April 1980 & October 1980 Surveys (Percent Change) | | 1981/80 Year to Year (Percent Change) | |
|--|---|----------------|---|--------------------------|
| | 1980 | 1981 | Reported in Apr. 1980 | Reported in Oct. 1980 |
| Food & Beverages | -6.3 | 6.3 | -11.6 | 0.3 |
| Forest Products | -6.5 | 21.0 | 5.5 | 36.4 |
| Primary Metals | -4.5 | -0.3 | 17.2 | 22.4 |
| Chemicals | -10.0 | 35.8 | 14.2 | 72.3 |
| Transportation Equip. | -9.0 | 27.6 | -12.8 | 22.4 |
| Other Manufacturing | -5.8 | 5.3 | -2.2 | 9.3 |
| <u>Total Manufacturing</u> | <u>-6.7</u> | <u>14.9</u> | <u>2.6</u> | <u>26.4</u> |
| Mining Companies | -2.8 | 7.7 | -0.3 | 10.4 |
| Oil & Gas Companies | 9.9 | 17.1 | 9.5 | 16.6 |
| Oil & Gas Pipelines | -12.7 | -2.4 | 44.5 | 61.4 |
| Transp. & Storage | -7.2 | -0.6 | 22.1 | 30.8 |
| Communications | -0.1 | 5.8 | -1.2 | 4.7 |
| Electric Utilities | -3.5 | -4.6 | -1.6 | -2.6 |
| Trade, Finance and Other Commercial | -4.3 | -0.6 | 6.0 | 10.1 |
| <u>Total Non-Manufacturing</u> | <u>0.0</u> | <u>4.6</u> | <u>6.2</u> | <u>11.1</u> |
| <u>TOTAL</u> | <u>-1.7</u> | <u>7.1</u> | <u>5.3</u> | <u>14.8</u> |

* Only those firms which reported for the April 1980 and the October 1980 Surveys for the years 1980 and 1981 are used in this table, namely 295 firms.

TABLE 5.A

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES

(Current \$ Millions)

| <u>Province</u> | <u>No. of Companies</u> | <u>1980 Reported in Apr. 1980</u> | <u>1980 Reported in Oct. 1980</u> | <u>1981 Reported in Apr. 1980</u> | <u>1981 Reported in Oct. 1980</u> |
|-----------------------|-----------------------------|---|---|---|---|
| Newfoundland | 36 | 435.9 | 466.9 | 392.1 | 655.0 |
| Prince Edward Island | 7 | 16.9 | 18.6 | 18.0 | 15.0 |
| Nova Scotia | 41 | 413.0 | 448.5 | 465.6 | 715.0 |
| New Brunswick | 36 | 640.0 | 661.4 | 688.0 | 736.2 |
| Atlantic Provinces | 87 | 1,583.5 | 1,662.5 | 1,697.3 | 2,267.1 |
| Quebec | 130 | 4,955.2 | 4,940.0 | 5,052.9 | 5,405.5 |
| Ontario | 181 | 7,559.3 | 7,032.1 | 8,826.2 | 9,394.7 |
| Manitoba | 61 | 428.2 | 419.4 | 504.8 | 541.9 |
| Saskatchewan | 59 | 1,006.2 | 1,024.8 | 1,338.6 | 1,380.9 |
| Alberta | 117 | 5,881.8 | 6,012.3 | 7,100.1 | 7,754.0 |
| Prairie Region | 154 | 7,415.3 | 7,559.4 | 9,123.2 | 9,904.7 |
| British Columbia | 116 | 3,451.1 | 3,394.6 | 3,421.0 | 3,550.8 |
| Yukon | 7 | 65.6 | 62.0 | 81.2 | 110.1 |
| Northwest Territories | 14 | 127.4 | 175.3 | 325.5 | 261.4 |
| B.C. and Northern | 123 | 3,729.3 | 3,646.9 | 3,896.9 | 3,935.5 |
| <u>CANADA</u> | <u>295</u> | <u>27,773.6</u> | <u>27,307.6</u> | <u>31,761.8</u> | <u>34,307.7</u> |

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 | |
|-----------------|--------------------------------|-------------|-----------------------------|------------|
| | 1980/1979 | 1981/1980 | 1980 | 1981 |
| Atlantic | 19.5 | 36.3 | 4.9 | 33.5 |
| Quebec | 10.2 | 9.4 | -0.4 | 6.9 |
| Ontario | 33.4 | 33.5 | -7.0 | 6.4 |
| Prairies | 33.5 | 31.0 | 1.9 | 8.5 |
| B.C. & Northern | 38.7 | 7.9 | -2.3 | 0.9 |
| | | | | |
| <u>CANADA</u> | <u>25.6</u> | <u>25.6</u> | <u>-1.7</u> | <u>8.0</u> |

Note: Actual 1979, preliminary actual 1980 and intentions 1981.

TABLE 6

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

| | <u>1980</u> | <u>1981</u> | <u>1982</u> | <u>1983</u> | <u>1984</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Atlantic | 9.6 | 9.8 | 9.5 | 9.4 | 8.3 |
| Quebec | 8.9 | 8.8 | 7.5 | 6.8 | 7.4 |
| Ontario | 9.0 | 9.4 | 9.6 | 8.8 | 9.0 |
| Prairies | 10.0 | 9.8 | 9.4 | 9.4 | 8.2 |
| B.C. & Northern | 9.4 | 9.1 | 9.0 | 9.0 | 8.8 |
| | | | | | |
| <u>CANADA</u> | <u>9.4</u> | <u>9.4</u> | <u>9.2</u> | <u>8.7</u> | <u>8.2</u> |

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 & Beverage | 100.0 | 110.1 | 120.7 | 131.9 | 143.6 | 159.7 |
| Forest Products | 100.0 | 109.7 | 120.8 | 133.0 | 145.3 | 162.1 |
| Primary Metals | 100.0 | 110.2 | 121.2 | 133.2 | 145.6 | 157.0 |
| Chemicals | 100.0 | 109.4 | 120.3 | 133.3 | 146.6 | 160.6 |
| Transportation Equipment | 100.0 | 108.8 | 118.3 | 131.5 | 142.0 | 154.5 |
| Other Manufacturing | 100.0 | 109.3 | 119.7 | 130.6 | 142.2 | 155.8 |
| TOTAL MANUFACTURING | 100.0 | 109.5 | 120.1 | 132.6 | 145.0 | 159.5 |
| Mining | 100.0 | 108.8 | 118.5 | 129.2 | 141.4 | 152.4 |
| Oil & Gas Companies | 100.0 | 110.8 | 122.1 | 133.8 | 146.5 | 159.0 |
| Oil & Gas Pipelines | 100.0 | 109.1 | 119.3 | 129.1 | 140.2 | 151.5 |
| Transportation & Storage | 100.0 | 109.8 | 120.4 | 130.7 | 141.5 | 152.9 |
| Communications | 100.0 | 108.8 | 118.9 | 129.0 | 138.7 | 149.5 |
| Electric Utilities | 100.0 | 108.5 | 117.5 | 127.0 | 136.9 | 147.2 |
| Trade, Finance & Other Commercial | 100.0 | 108.6 | 118.0 | 127.7 | 138.8 | 152.8 |
| TOTAL NON-MANUFACTURING | 100.0 | 109.4 | 119.6 | 130.4 | 141.6 | 153.1 |
| <u>TOTAL BUSINESS</u> | 100.0 | 109.4 | 119.7 | 130.7 | 142.1 | 153.8 |

TABLE 8

DISTRIBUTION OF CAPITAL INVESTMENT BY
DOMESTIC AND FOREIGN FIRMS WITHIN REGIONS

| | Domestic | | Foreign | |
|-----------------|-----------|-----------|-----------|-----------|
| | 1980 | 1981 | 1980 | 1981 |
| Atlantic | 76 | 61 | 24 | 39 |
| Quebec | 86 | 83 | 14 | 17 |
| Ontario | 68 | 68 | 32 | 32 |
| Prairies | 43 | 49 | 57 | 51 |
| B.C. & Northern | 57 | 57 | 43 | 43 |
| | — | — | — | — |
| <u>CANADA</u> | <u>61</u> | <u>61</u> | <u>39</u> | <u>39</u> |

TABLE 9

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES

| | Year-to-Year Percent Change | | Between Survey Revisions | |
|--------------------------------|--------------------------------|-------------|-----------------------------|-------------|
| | 1980/1979 | 1981/1980 | 1980 | 1981 |
| <u>Domestic Majority Owned</u> | (%) | (%) | (%) | (%) |
| Atlantic | 23.6 | 9.2 | 2.8 | 21.6 |
| Quebec | 6.1 | 6.4 | -0.5 | 5.0 |
| Ontario | 21.0 | 33.2 | -7.9 | 1.9 |
| Prairies | 27.5 | 48.5 | -3.5 | 8.3 |
| B.C. & Northern | 36.6 | 8.1 | -3.4 | 0.1 |
| | — | — | — | — |
| <u>CANADA</u> | <u>19.7</u> | <u>25.2</u> | <u>-3.9</u> | <u>4.5</u> |
| <u>Foreign Majority Owned</u> | | | | |
| Atlantic | 8.2 | 122.6 | 12.4 | 57.8 |
| Quebec | 43.0 | 27.3 | 0.4 | 17.9 |
| Ontario | 71.2 | 34.3 | -5.1 | 17.5 |
| Prairies | 38.4 | 17.7 | 6.4 | 8.7 |
| B.C. & Northern | 41.6 | 7.5 | -0.7 | 2.1 |
| | — | — | — | — |
| <u>CANADA</u> | <u>36.4</u> | <u>26.2</u> | <u>1.9</u> | <u>14.0</u> |

Note: Actual 1979, preliminary actual 1980 and intentions 1981.
See Table 9A for the dollar levels for 1979, 1980 and 1981.

TABLE 9.A

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES 1979-1981

(Current \$ Millions)

DOMESTIC OWNED COMPANIES/FOREIGN OWNED COMPANIES

ALL INDUSTRIES

| <u>DOMESTIC</u> | <u>1979</u> | <u>1980</u> | <u>1981</u> |
|-----------------|---------------|---------------|---------------|
| Atlantic | 1,023 | 1,265 | 1,382 |
| Quebec | 3,991 | 4,238 | 4,511 |
| Ontario | 3,973 | 4,811 | 6,410 |
| Prairies | 2,553 | 3,257 | 4,840 |
| B.C. & Northern | 1,516 | 2,073 | 2,242 |
| | <u>14,031</u> | <u>16,799</u> | <u>21,037</u> |
| <u>CANADA</u> | | | |
| <u>FOREIGN</u> | | | |
| Atlantic | 367 | 398 | 886 |
| Quebec | 491 | 702 | 895 |
| Ontario | 1,297 | 2,221 | 2,985 |
| Prairies | 3,108 | 4,302 | 5,065 |
| B.C. & Northern | 1,111 | 1,574 | 1,694 |
| | <u>7,701</u> | <u>10,509</u> | <u>13,270</u> |
| <u>CANADA</u> | | | |

Note: Actual 1979, preliminary actual 1980 and intentions 1981.

TABLE 10

DISTRIBUTION OF CAPITAL INVESTMENT BY
PUBLIC AND PRIVATE FIRMS WITHIN REGIONS

| | Public | | Private | |
|-----------------|-----------|-----------|-----------|-----------|
| | 1980 | 1981 | 1980 | 1981 |
| | (%) | | (%) | |
| Atlantic | 49 | 39 | 51 | 61 |
| Quebec | 61 | 57 | 39 | 43 |
| Ontario | 29 | 29 | 71 | 71 |
| Prairies | 18 | 18 | 82 | 82 |
| B.C. & Northern | 24 | 25 | 76 | 75 |
| | — | — | — | — |
| <u>CANADA</u> | <u>31</u> | <u>30</u> | <u>69</u> | <u>70</u> |

TABLE 11

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES

| | Year-to-Year Percent Change | | Between Survey Revisions | |
|-------------------------------|--------------------------------|-------------|-----------------------------|-------------|
| | 1980/1979 | 1981/1980 | 1980 | 1981 |
| | (%) | (%) | (%) | (%) |
| <u>Public Majority Owned</u> | | | | |
| Atlantic | 14.7 | 8.3 | 3.3 | 26.6 |
| Quebec | 1.2 | 1.3 | 0.8 | 4.5 |
| Ontario | 7.0 | 31.8 | -10.4 | -5.4 |
| Prairies | 22.7 | 32.2 | 2.8 | 9.9 |
| B.C. & Northern | 9.5 | 13.6 | 0.2 | -0.8 |
| | — | — | — | — |
| <u>CANADA</u> | <u>8.4</u> | <u>19.2</u> | <u>-2.2</u> | <u>2.9</u> |
| <u>Private Majority Owned</u> | | | | |
| Atlantic | 24.4 | 63.0 | 6.5 | 38.3 |
| Quebec | 27.7 | 21.9 | -2.1 | 10.2 |
| Ontario | 48.3 | 34.3 | -5.6 | 12.0 |
| Prairies | 36.1 | 30.7 | 1.7 | 8.2 |
| B.C. & Northern | 51.5 | 6.1 | -3.0 | 1.6 |
| | — | — | — | — |
| <u>CANADA</u> | <u>35.4</u> | <u>28.5</u> | <u>-1.5</u> | <u>10.2</u> |

Note: Actual 1979, preliminary actual 1980 and intentions 1981.
See Table 11A for the dollar levels for 1979, 1980 and 1981.

TABLE 11.A

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES 1979-1981

(Current \$ Millions)

PRIVATE COMPANIES/PUBLIC COMPANIES

ALL INDUSTRIES

| <u>PUBLIC</u> | <u>1979</u> | <u>1980</u> | <u>1981</u> |
|-----------------|---------------|---------------|---------------|
| Atlantic | 706 | 810 | 878 |
| Quebec | 2,970 | 3,008 | 3,049 |
| Ontario | 1,899 | 2,033 | 2,680 |
| Prairies | 1,126 | 1,383 | 1,830 |
| B.C. & Northern | 800 | 876 | 995 |
| | | | |
| <u>CANADA</u> | <u>7,863</u> | <u>8,526</u> | <u>10,170</u> |
| | | | |
| <u>PRIVATE</u> | | | |
| Atlantic | 685 | 852 | 1,390 |
| Quebec | 1,512 | 1,932 | 2,357 |
| Ontario | 3,371 | 4,999 | 6,715 |
| Prairies | 4,535 | 6,176 | 8,075 |
| B.C. & Northern | 1,828 | 2,771 | 2,940 |
| | | | |
| <u>CANADA</u> | <u>13,868</u> | <u>18,781</u> | <u>24,138</u> |

Note: Actual 1979, preliminary actual 1980 and intentions 1981.

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>October 1980</u> | | | | | | | |
| Atlantic (67) | 1,197 | 1,289 | 1,783 | 2,173 | 2,202 | 2,392 | 11,036 |
| Quebec (108) | 4,185 | 4,554 | 4,985 | 5,209 | 5,677 | 6,232 | 30,842 |
| Ontario (144) | 4,732 | 5,988 | 7,812 | 8,124 | 7,953 | 6,923 | 41,532 |
| Prairies (124) | 4,993 | 6,482 | 8,522 | 9,852 | 11,067 | 10,880 | 51,796 |
| B.C. & Northern (100) | 2,315 | 3,207 | 3,452 | 3,778 | 4,004 | 4,162 | 20,918 |
| <u>CANADA (255)</u> | <u>19,971</u> | <u>24,457</u> | <u>30,443</u> | <u>33,562</u> | <u>35,817</u> | <u>36,024</u> | <u>180,274</u> |
| <u>April 1980</u> | | | | | | | |
| Atlantic (67) | 1,204 | 1,285 | 1,317 | 1,411 | 1,290 | 1,228 | 7,735 |
| Quebec (108) | 4,193 | 4,535 | 4,581 | 4,635 | 5,359 | 5,864 | 29,167 |
| Ontario (144) | 4,809 | 6,454 | 7,420 | 7,656 | 7,548 | 6,750 | 40,637 |
| Prairies (124) | 5,077 | 6,351 | 7,753 | 7,839 | 8,186 | 8,504 | 43,710 |
| B.C. & Northern (100) | 2,394 | 3,285 | 3,403 | 3,504 | 3,667 | 3,615 | 19,868 |
| <u>CANADA (255)</u> | <u>20,141</u> | <u>24,785</u> | <u>28,091</u> | <u>29,396</u> | <u>30,908</u> | <u>31,219</u> | <u>164,540</u> |

Note: Actual 1979, preliminary actual 1980 and intentions 1981-84. Only those firms which reported for the October 1980 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>1979-1981</u> | <u>1982-1984</u> | <u>1979-1984</u> |
|-----------------|------------------|------------------|------------------|
| Atlantic | 12.1 | 72.2 | 42.7 |
| Quebec | 3.1 | 8.0 | 5.7 |
| Ontario | -0.8 | 4.8 | 2.2 |
| Prairies | 4.3 | 29.6 | 18.5 |
| B.C. & Northern | -1.2 | 10.7 | 5.3 |
| | <hr/> | <hr/> | <hr/> |
| <u>CANADA</u> | <u>2.5</u> | <u>15.2</u> | <u>9.7</u> |

TABLE 14

CONSIDERED INVESTMENT

Percent Distribution

| <u>Companies with H.Q. in:</u> | <u>Manufacturing</u> | <u>Non-Manufacturing</u> | <u>Total</u> |
|----------------------------------|----------------------|--------------------------|-------------------|
| Atlantic (3 of 15) | 0.2 | * | 0.2 |
| Quebec (12 of 47) | 12.4 | 4.3 | 16.7 |
| Ontario (19 of 144) | 3.0 | 18.6 | 21.6 |
| Prairies (12 of 57) | 0.7 | 47.1 | 47.8 |
| B.C. & Northern (9 of 31) | 4.6 | 9.1 | 13.7 |
| | <hr/> | <hr/> | <hr/> |
| <u>All Companies</u> (55 of 295) | <u>20.9</u> | <u>79.1</u> | <u>100.0</u> |
| | | | <u>(\$11,362)</u> |

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

* Less than .05 percent.

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 | |
|----------------------------|-----------|-----------|-----------|-----------|------------|------------|-----------|-----------|--------------------|-----------|------------|------------|
| | P81 | S80 | P81 | S80 | P81 | S80 | P81 | S80 | P81 | S80 | P81 | S80 |
| Cdn. Fed. Gov't Policies | 2 | 2 | 16 | 12 | 50 | 29 | 21 | 18 | 11 | 7 | 94 | 68 |
| Other Cdn. Gov't Policies | 2 | 1 | 11 | 10 | 30 | 21 | 18 | 12 | 6 | 3 | 62 | 47 |
| Foreign Gov't Policies | 1 | 1 | 2 | 4 | 17 | 14 | 6 | 3 | 3 | 3 | 26 | 25 |
| Exchange Rates | 1 | 1 | 5 | 3 | 31 | 20 | 3 | 6 | 6 | 3 | 41 | 33 |
| Non-Tariff Barriers Canada | - | - | 2 | - | 5 | 1 | - | - | - | - | 6 | 1 |
| Cdn. Tariffs Too High | 1 | 1 | 1 | - | 1 | - | 1 | - | 2 | - | 5 | 1 |
| Cdn. Tariffs Too Low | - | - | 2 | 1 | 2 | 1 | 1 | - | - | - | 4 | 2 |
| Barriers Abroad | - | - | 1 | - | 3 | 1 | 2 | - | - | 1 | 5 | 2 |
| Other Trading Factors | - | - | - | - | 2 | 3 | 2 | - | 1 | - | 4 | 3 |
| Expected Cash Flow | 1 | 3 | 14 | 12 | 52 | 29 | 11 | 6 | 5 | 5 | 76 | 55 |
| Rates of Return | 1 | 1 | 10 | 5 | 42 | 28 | 8 | 4 | 4 | - | 60 | 38 |
| Other Internal Fin. Cond. | 3 | 1 | 1 | 2 | 9 | 9 | 1 | - | 1 | - | 13 | 12 |
| Cost of Funds | 2 | 4 | 10 | 8 | 46 | 34 | 9 | 10 | 2 | 6 | 62 | 62 |
| Availability of Funds | - | - | 4 | 2 | 15 | 10 | - | 1 | 2 | 4 | 18 | 17 |
| Other External Fin. Cond. | - | - | 1 | 1 | 6 | 3 | - | - | 1 | - | 7 | 4 |
| Other Fin. & Mon. Factors | - | - | 2 | 1 | 1 | 3 | 1 | 1 | - | - | 3 | 5 |
| Raw Material Shortages | - | - | 3 | 3 | 3 | 8 | 1 | 2 | 4 | 5 | 10 | 18 |
| Mach. & Equip. Shortages | - | - | 2 | 1 | 5 | 1 | 1 | 2 | - | - | 7 | 4 |
| Manpower Shortages | 1 | 1 | 1 | - | 16 | 5 | 11 | 7 | 6 | 1 | 32 | 14 |
| Labour Problems | - | - | 2 | 1 | 11 | 6 | 2 | 2 | 4 | - | 17 | 9 |
| Expected Sales in Canada | 3 | 3 | 8 | 4 | 41 | 25 | 13 | 5 | 4 | 2 | 63 | 39 |
| Expected Sales Abroad | 1 | - | 13 | 3 | 23 | 13 | 11 | 5 | 9 | 3 | 53 | 24 |
| Exp. Econ. Cond. in Canada | 1 | 1 | 10 | 8 | 47 | 28 | 6 | 3 | 4 | 5 | 61 | 45 |
| Exp. Econ. Cond Abroad | 1 | 1 | 8 | 5 | 16 | 17 | 2 | 1 | 6 | 3 | 30 | 27 |
| Other Factors | - | - | 1 | 2 | 5 | 4 | 1 | 2 | - | - | 6 | 8 |
| <u>Sample Size</u> | <u>15</u> | <u>15</u> | <u>47</u> | <u>50</u> | <u>144</u> | <u>145</u> | <u>57</u> | <u>57</u> | <u>31</u> | <u>33</u> | <u>295</u> | <u>300</u> |

S80 = April 1980 Survey

P81 = October 1980 Survey

TABLE 16

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

(1979 = 100.0)

| Industry | Base Value | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|--------------------------------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Food & Beverage | 295.0 | 100.0 | 120.1 | 127.1 | 112.7 | 117.4 | 115.6 |
| Forest Products | 863.0 | 100.0 | 146.8 | 241.7 | 204.2 | 162.2 | 183.9 |
| Primary Metal | 832.1 | 100.0 | 156.5 | 210.9 | 218.3 | 192.2 | 166.0 |
| Chemicals | 602.5 | 100.0 | 101.7 | 192.7 | 221.2 | 282.4 | 240.6 |
| Transportation Equipment | 358.1 | 100.0 | 160.9 | 177.1 | 196.0 | 305.1 | 102.9 |
| Other Manufacturing | 785.3 | 100.0 | 113.5 | 133.0 | 129.7 | 124.8 | 130.6 |
| <u>Total Manufacturing</u> | <u>3,736.0</u> | <u>100.0</u> | <u>133.9</u> | <u>188.8</u> | <u>186.4</u> | <u>190.6</u> | <u>164.7</u> |
| Mining Companies | 861.5 | 100.0 | 169.3 | 205.2 | 215.0 | 176.9 | 169.9 |
| Oil & Gas Companies | 4,683.4 | 100.0 | 132.5 | 170.0 | 226.9 | 252.8 | 264.7 |
| Oil & Gas Pipelines | 570.6 | 100.0 | 134.8 | 199.9 | 140.4 | 123.8 | 128.9 |
| Transportation & Storage | 974.6 | 100.0 | 110.6 | 170.2 | 159.5 | 174.4 | 195.1 |
| Communications | 2,011.3 | 100.0 | 115.3 | 132.0 | 142.6 | 133.9 | 138.4 |
| Electric Utilities | 6,357.5 | 100.0 | 104.5 | 110.3 | 121.9 | 140.9 | 149.5 |
| Trade, Finance & Other Commercial | 776.0 | 100.0 | 127.1 | 154.1 | 147.4 | 164.5 | 140.4 |
| <u>Total Non-Manufacturing</u> | <u>16,234.9</u> | <u>100.0</u> | <u>119.8</u> | <u>144.1</u> | <u>163.8</u> | <u>176.8</u> | <u>184.0</u> |
| <u>TOTAL</u> | <u>19,970.9</u> | <u>100.0</u> | <u>122.5</u> | <u>152.4</u> | <u>168.1</u> | <u>179.4</u> | <u>180.4</u> |

* Only those firms which reported for the April 1980 and again for October 1980 Survey for the years 1979-84 (each and every year) are used in this table, namely 255 firms.

TABLE 17

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

(1979 = 100.0)

| Industry | Base Value | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|--------------------------------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Food & Beverage | 316.1 | 100.0 | 117.2 | 113.1 | 106.3 | 99.0 | 100.8 |
| Forest Products | 868.6 | 100.0 | 157.4 | 190.0 | 176.9 | 153.3 | 160.8 |
| Primary Metal | 832.0 | 100.0 | 163.9 | 209.7 | 191.1 | 167.1 | 154.8 |
| Chemicals | 601.9 | 100.0 | 113.0 | 140.9 | 162.6 | 150.8 | 113.2 |
| Transportation Equipment | 364.7 | 100.0 | 182.1 | 118.6 | 136.8 | 229.0 | 92.0 |
| Other Manufacturing | 782.9 | 100.0 | 119.1 | 122.2 | 118.8 | 116.4 | 119.8 |
| <u>Total Manufacturing</u> | <u>3,766.2</u> | <u>100.0</u> | <u>142.8</u> | <u>159.1</u> | <u>155.9</u> | <u>151.0</u> | <u>131.6</u> |
| Mining Companies | 868.5 | 100.0 | 172.0 | 185.9 | 172.2 | 134.7 | 163.2 |
| Oil & Gas Companies | 4,703.5 | 100.0 | 120.2 | 141.4 | 166.2 | 181.2 | 188.9 |
| Oil & Gas Pipelines | 575.5 | 100.0 | 152.7 | 206.7 | 129.1 | 135.1 | 109.5 |
| Transportation & Storage | 977.5 | 100.0 | 116.1 | 170.8 | 169.9 | 178.6 | 169.0 |
| Communications | 2,018.4 | 100.0 | 114.9 | 122.5 | 124.1 | 127.4 | 137.7 |
| Electric Utilities | 6,444.4 | 100.0 | 106.8 | 113.9 | 127.5 | 145.9 | 152.6 |
| Trade, Finance & Other Commercial | 787.4 | 100.0 | 132.8 | 147.9 | 137.8 | 130.7 | 134.7 |
| <u>Total Non-Manufacturing</u> | <u>16,375.2</u> | <u>100.0</u> | <u>118.5</u> | <u>134.9</u> | <u>143.7</u> | <u>154.0</u> | <u>160.4</u> |
| <u>TOTAL</u> | <u>20,141.4</u> | <u>100.0</u> | <u>123.1</u> | <u>139.5</u> | <u>145.9</u> | <u>153.5</u> | <u>155.0</u> |

* Only those firms which reported for the April 1980 and again for October 1980 Survey for the years 1979-84 (each and every year) are used in this table, namely 255 firms.

TABLE 18

TYPES OF CHANGES IN PLANS

(Percent Distribution of Response)

| <u>Type of Change</u> | <u>1980</u> | <u>1981</u> | <u>1982-84</u> |
|--|--------------|--------------|----------------|
| Abandoned Plans | 5.4 | 2.1 | 3.0 |
| Deferred Plans | 16.4 | 9.4 | 5.7 |
| Reduced Existing Plans | 18.2 | 8.6 | 6.0 |
| Expanded Existing Plans | 8.8 | 19.5 | 19.3 |
| Introduced New Plans | 10.7 | 19.0 | 22.0 |
| Brought Forward Plans from Future Years | 3.2 | 4.0 | 3.3 |
| Re-introduced Deferred Plans | 1.1 | 7.0 | 6.9 |
| No Change in Plans | 35.7 | 30.5 | 33.7 |
| Not Specified | 0.5 | - | - |
| TOTAL | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> |
| Number of Responses | 373 | 374 | 332 |
| Number of Companies | 269 | 254 | 233 |

TABLE 19
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 | 5.8 | 7.2 | - | 13.0 |
| Market Demand - Foreign | 1.6 | 3.4 | - | 5.0 |
| Capacity | 4.2 | 1.8 | - | 6.0 |
| Rate of Return | 1.6 | 3.4 | - | 5.0 |
| Financing - External | 0.8 | 1.6 | 0.2 | 2.6 |
| Financing - Internal | 0.8 | 4.2 | - | 5.0 |
| Costs - Labour | 0.2 | - | - | 0.2 |
| Costs - Other | 0.8 | 1.8 | - | 2.6 |
| Strikes | 0.2 | 1.4 | - | 1.6 |
| Government Regulations | 2.8 | 3.4 | - | 6.2 |
| Better Estimates | 6.0 | 12.3 | 1.0 | 19.3 |
| Carry-overs | 1.2 | 8.2 | 0.2 | 9.6 |
| Other Reasons | 2.6 | 7.0 | 0.4 | 10.0 |
| Not Specified | 2.2 | 3.6 | 7.6 | 13.4 |
| TOTAL | <u>31.0</u> | <u>59.6</u> | <u>9.5</u> | <u>100.0</u> |

| | | | | |
|---------------------|-----|-----|----|-----|
| Number of Responses | 154 | 296 | 47 | 497 |
|---------------------|-----|-----|----|-----|

| | | | | |
|---------------------|----|-----|----|-----|
| Number of Companies | 80 | 144 | 45 | 269 |
|---------------------|----|-----|----|-----|

Note: Totals may not add due to rounding.

TABLE 20
REASONS FOR CHANGES IN PLANS

1981

(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 | 10.4 | 2.7 | 0.4 | 13.5 |
| Market Demand - Foreign | 4.8 | 1.5 | 0.4 | 6.7 |
| Capacity | 6.6 | 0.8 | - | 7.4 |
| Rate of Return | 5.0 | 1.5 | - | 6.5 |
| Financing - External | 1.5 | 0.8 | - | 2.3 |
| Financing - Internal | 3.1 | 1.2 | - | 4.3 |
| Costs - Labour | 1.4 | - | - | 1.4 |
| Costs - Other | 1.5 | 0.6 | - | 2.1 |
| Strikes | 0.4 | 0.2 | 0.2 | 0.8 |
| Government Regulations | 4.3 | 1.0 | - | 5.3 |
| Better Estimates | 13.3 | 4.1 | 0.6 | 18.0 |
| Carry-overs | 7.2 | 1.9 | 0.6 | 9.7 |
| Other Reasons | 7.0 | 1.5 | 0.8 | 9.3 |
| Not Specified | 3.9 | 0.8 | 8.1 | 12.8 |
| TOTAL | <u>70.4</u> | <u>18.6</u> | <u>11.0</u> | <u>100.0</u> |
| Number of Responses | 364 | 96 | 57 | 517 |
| Number of Companies | 151 | 53 | 50 | 254 |

Note: Totals may not add due to rounding.

TABLE 21

REASONS FOR CHANGES IN PLANS

1982 - 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 | 13.3 | 2.0 | 0.4 | 15.7 |
| Market Demand - Foreign | 5.1 | 0.2 | 0.2 | 5.5 |
| Capacity | 6.9 | 0.9 | 0.2 | 8.0 |
| Rate of Return | 6.7 | 1.3 | - | 8.0 |
| Financing - External | 2.0 | - | - | 2.0 |
| Financing - Internal | 1.3 | 1.6 | - | 2.9 |
| Costs - Labour | 1.3 | - | - | 1.3 |
| Costs - Other | 0.9 | 0.7 | - | 1.6 |
| Strikes | 0.2 | 0.2 | - | 0.4 |
| Government Regulations | 3.8 | 1.3 | 0.2 | 5.3 |
| Better Estimates | 13.8 | 4.2 | 0.2 | 18.2 |
| Carry-overs | 4.0 | 1.8 | 0.2 | 6.0 |
| Other Reasons | 6.0 | 1.3 | 0.4 | 7.7 |
| Not Specified | 3.8 | 2.4 | 10.9 | 17.1 |
| TOTAL | <u>69.1</u> | <u>18.0</u> | <u>12.9</u> | <u>100.0</u> |
| Number of Responses | 311 | 81 | 58 | 450 |
| Number of Companies | 136 | 43 | 54 | 233 |

Note: Totals may not add due to rounding.

TABLE 22

TYPES AND REASONS FOR DOWNWARD 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 | 0.7 | 3.4 | 5.7 | 0.7 | 1.0 | - | - | 0.3 | 0.3 | 12.2 |
| Market Demand-Foreign | 0.7 | 2.0 | 2.4 | - | 0.7 | - | - | - | - | 5.7 |
| Capacity | - | 0.7 | 1.0 | 0.3 | 0.7 | - | - | - | 0.3 | 3.0 |
| Rate of Return | 1.4 | 3.0 | 0.7 | - | 0.7 | - | - | - | - | 5.7 |
| Financing - External | 1.0 | 1.4 | - | - | - | - | 0.3 | - | - | 2.7 |
| Financing - Internal | 1.4 | 3.0 | 2.0 | - | - | - | 0.3 | 0.3 | - | 7.1 |
| Costs - Labour | - | - | - | - | - | - | - | - | - | - |
| Costs - Other | 0.7 | 1.0 | 0.7 | - | - | - | - | 0.7 | - | 3.0 |
| Strikes | 0.3 | 1.0 | 1.0 | - | - | - | - | - | - | 2.4 |
| Government Regulations | 0.7 | 2.0 | 1.7 | 0.3 | 0.3 | 0.3 | - | 0.3 | - | 5.7 |
| Better Estimates | 0.3 | 2.7 | 4.7 | 0.7 | 1.0 | 0.7 | - | 10.1 | 0.3 | 20.6 |
| Carry-overs | 0.7 | 1.0 | 7.4 | 0.3 | - | 0.3 | - | 4.1 | - | 13.9 |
| Other Reasons | 1.0 | 5.1 | 2.4 | 0.3 | 0.7 | 0.3 | - | 2.0 | - | 11.8 |
| Not Specified | - | 0.7 | 1.4 | - | 0.3 | - | - | 3.7 | - | 6.1 |
| TOTAL | 8.8 | 27.0 | 31.1 | 2.7 | 5.4 | 1.7 | 0.7 | 21.6 | 1.0 | 100.0 |

Number of Responses 296

Number of Companies 144

TABLE 23

TYPES AND REASONS FOR UPWARD 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 | - | 1.3 | 1.3 | 3.9 | 8.4 | 1.3 | 1.3 | 1.3 | - | 18.8 |
| Market Demand-Foreign | - | - | - | 1.9 | 1.9 | 1.3 | - | - | - | 5.2 |
| Capacity | - | - | - | 5.8 | 3.9 | 1.9 | 0.6 | 1.3 | - | 13.6 |
| Rate of Return | 0.6 | - | - | 0.6 | 3.2 | 0.6 | - | - | - | 5.2 |
| Financing - External | - | - | - | - | 1.9 | - | - | 0.6 | - | 2.6 |
| Financing - Internal | - | - | - | 1.3 | - | 0.6 | - | 0.6 | - | 2.6 |
| Costs - Labour | - | - | - | - | - | - | - | 0.6 | - | 0.6 |
| Costs - Other | - | - | 0.6 | 0.6 | - | - | - | 1.3 | - | 2.6 |
| Strikes | - | - | 0.6 | - | - | - | - | - | - | 0.6 |
| Government Regulations | 0.6 | 1.9 | 0.6 | 1.3 | 3.2 | 0.6 | 0.6 | - | - | 9.1 |
| Better Estimates | - | - | - | 4.5 | - | - | 0.6 | 13.6 | - | 19.5 |
| Carry-overs | - | 0.6 | 1.9 | 1.9 | - | - | - | - | - | 3.9 |
| Other Reasons | - | - | - | 1.9 | 3.2 | 0.6 | - | 2.6 | - | 8.4 |
| Not Specified | - | - | - | 0.6 | - | - | - | 6.5 | - | 7.1 |
| TOTAL | 1.3 | 3.9 | 5.2 | 24.7 | 26.0 | 7.1 | 3.2 | 28.6 | - | 100.0 |

Number of Responses 154

Number of Companies 80

TABLE 24

TYPES AND REASONS FOR DOWNWARD REVISIONS
IN CAPITAL SPENDING - CANADA

1981

(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 | 2.1 | 6.3 | 4.2 | 1.0 | 1.0 | - | - | - | - | 14.6 |
| Market Demand-Foreign | 1.0 | 3.1 | 2.1 | 1.0 | 1.0 | - | - | - | - | 8.3 |
| Capacity | - | 2.1 | 2.1 | - | - | - | - | - | - | 4.2 |
| Rate of Return | 2.1 | 6.3 | - | - | - | - | - | - | - | 8.3 |
| Financing - External | - | 2.1 | 1.0 | - | - | - | 1.0 | - | - | 4.2 |
| Financing - Internal | - | 2.1 | 4.2 | - | - | - | - | - | - | 6.3 |
| Costs - Labour | - | - | - | - | - | - | - | - | - | - |
| Costs - Other | - | 1.0 | 2.1 | - | - | - | - | - | - | 3.1 |
| Strikes | 1.0 | - | - | - | - | - | - | - | - | 1.0 |
| Government Regulations | - | 2.1 | 2.1 | - | - | - | 1.0 | - | - | 5.2 |
| Better Estimates | - | 5.2 | 3.1 | - | - | 1.0 | - | 12.5 | - | 21.9 |
| Carry-overs | - | 3.1 | 5.2 | - | - | - | - | 2.1 | - | 10.4 |
| Other Reasons | 1.0 | 2.1 | 3.1 | - | 1.0 | - | - | 1.0 | - | 8.3 |
| Not Specified | - | 1.0 | - | - | - | - | - | 3.1 | - | 4.2 |
| TOTAL | 7.3 | 36.5 | 29.2 | 2.1 | 3.1 | 1.0 | 2.1 | 18.8 | - | 100.0 |

Number of Responses 96

Number of Companies 53

TABLE 25

TYPES AND REASONS FOR UPWARD REVISIONS
IN CAPITAL SPENDING - CANADA

1981

(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 | - | 1.1 | 0.5 | 4.9 | 5.8 | 0.8 | 1.1 | 0.5 | - | 14.8 |
| Market Demand-Foreign | 0.3 | 0.8 | 0.8 | 1.9 | 2.2 | 0.3 | 0.5 | - | - | 6.9 |
| Capacity | - | - | - | 3.3 | 4.4 | 0.5 | 0.5 | 0.5 | - | 9.3 |
| Rate of Return | 0.3 | 0.3 | 0.3 | 1.9 | 3.6 | 0.8 | - | - | - | 7.1 |
| Financing - External | - | - | - | 0.5 | 1.1 | - | 0.3 | 0.3 | - | 2.2 |
| Financing - Internal | - | 0.3 | 0.5 | 0.8 | 0.8 | - | 1.4 | 0.5 | - | 4.4 |
| Costs - Labour | 0.3 | 0.3 | - | 0.3 | 0.5 | - | 0.5 | - | - | 1.9 |
| Costs - Other | - | 0.5 | 0.3 | 0.5 | 0.5 | - | - | 0.3 | - | 2.2 |
| Strikes | - | - | - | - | - | 0.3 | 0.3 | - | - | 0.5 |
| Government Regulations | - | 0.3 | 0.3 | 1.4 | 2.5 | 0.5 | 0.8 | 0.3 | - | 6.0 |
| Better Estimates | - | 0.5 | 1.1 | 5.8 | 1.4 | 0.3 | 1.4 | 8.5 | - | 19.0 |
| Carry-overs | - | 0.3 | 1.1 | 6.0 | 0.5 | 0.3 | 0.5 | 1.4 | - | 10.2 |
| Other Reasons | - | 0.8 | - | 1.4 | 4.1 | 0.8 | 1.1 | 1.6 | - | 9.9 |
| Not Specified | 0.3 | - | 0.3 | 0.8 | 0.8 | - | - | 3.3 | - | 5.5 |
| TOTAL | 1.1 | 5.2 | 5.2 | 29.7 | 28.3 | 4.7 | 8.5 | 17.3 | - | 100.0 |

Number of Responses 364

Number of Companies 151

TABLE 26

TYPES AND REASONS FOR DOWNWARD REVISIONS
IN CAPITAL SPENDING - CANADA

1982 - 1984

(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 | 1.2 | 3.7 | 2.5 | 2.5 | 1.2 | - | - | - | - | 11.1 |
| Market Demand-Foreign | - | - | - | 1.2 | - | - | - | - | - | 1.2 |
| Capacity | - | 1.2 | 1.2 | 1.2 | 1.2 | - | - | - | - | 4.9 |
| Rate of Return | 2.5 | 1.2 | 3.7 | - | - | - | - | - | - | 7.4 |
| Financing - External | - | - | - | - | - | - | - | - | - | - |
| Financing - Internal | 1.2 | 3.7 | 1.2 | 1.2 | - | - | 1.2 | - | - | 8.6 |
| Costs - Labour | - | - | - | - | - | - | - | - | - | - |
| Costs - Other | - | - | 2.5 | - | - | - | 1.2 | - | - | 3.7 |
| Strikes | 1.2 | - | - | - | - | - | - | - | - | 1.2 |
| Government Regulations | - | 4.9 | 2.5 | - | - | - | - | - | - | 7.4 |
| Better Estimates | - | 1.2 | 3.7 | 3.7 | 1.2 | - | 1.2 | 12.3 | - | 23.5 |
| Carry-overs | - | - | 4.9 | 3.7 | - | - | 1.2 | - | - | 9.9 |
| Other Reasons | 1.2 | 2.5 | 1.2 | - | 1.2 | - | - | 1.2 | - | 7.4 |
| Not Specified | 1.2 | - | 2.5 | - | 1.2 | - | - | 8.6 | - | 13.6 |
| TOTAL | 8.6 | 18.5 | 25.9 | 13.6 | 6.2 | - | 4.9 | 22.2 | - | 100.0 |

Number of Responses 81

Number of Companies 43

TABLE 27

TYPES AND REASONS FOR UPWARD REVISIONS
IN CAPITAL SPENDING - CANADA

1982 - 1984

(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 | - | 0.6 | 0.6 | 6.4 | 7.7 | 1.0 | 2.6 | 0.3 | - | 19.3 |
| Market Demand-Foreign | 0.6 | - | 0.3 | 2.3 | 3.2 | 0.6 | 0.3 | - | - | 7.4 |
| Capacity | 0.3 | - | 0.3 | 2.9 | 6.1 | - | 0.3 | - | - | 10.0 |
| Rate of Return | 0.6 | 0.6 | - | 1.9 | 4.5 | - | 1.9 | - | - | 9.6 |
| Financing - External | - | - | - | 1.0 | 1.0 | 0.3 | 0.3 | 0.3 | - | 2.9 |
| Financing - Internal | - | 0.3 | - | 0.6 | 0.6 | - | 0.3 | - | - | 1.9 |
| Costs - Labour | - | 0.3 | - | - | 0.3 | 0.3 | 0.3 | 0.6 | - | 1.9 |
| Costs - Other | - | - | - | - | 0.3 | 0.3 | - | 0.6 | - | 1.3 |
| Strikes | - | - | - | - | - | 0.3 | - | - | - | 0.3 |
| Government Regulations | 0.3 | 0.3 | 0.3 | 1.3 | 1.9 | 0.3 | 1.0 | - | - | 5.5 |
| Better Estimates | - | 0.3 | - | 6.8 | 3.2 | 0.6 | 1.3 | 7.7 | - | 19.9 |
| Carry-overs | - | - | 0.3 | 4.2 | - | - | 0.3 | 1.0 | - | 5.8 |
| Other Reasons | 0.3 | 0.3 | 0.3 | 1.3 | 2.6 | 1.0 | 1.0 | 1.9 | - | 8.7 |
| Not Specified | - | - | - | 0.6 | 0.6 | 0.3 | - | 3.9 | - | 5.5 |
| TOTAL | 2.3 | 2.9 | 2.3 | 29.3 | 32.2 | 5.1 | 9.6 | 16.4 | - | 100.0 |

Number of Responses 311

Number of Companies 136

TABLE 28

TOTAL CAPITAL EXPENDITURES BY PURPOSE

| | <u>Number of Reporting Companies</u> | <u>1980</u> | <u>1981</u> |
|---|--|-----------------|-----------------|
| | | (\$ Millions) | |
| Research and Development | 78 | 354.6 | 466.1 |
| Pollution Abatement | 107 | 571.9 | 761.1 |
| Working Environment | 96 | 162.7 | 212.1 |
| Expansion of Facilities - Existing Sites | 184 | 6,202.8 | 8,554.8 |
| Upgrading & Replacement of Existing Facilities | 208 | 3,819.5 | 5,175.7 |
| Expansion of Facilities - New Sites | 117 | 8,051.4 | 10,131.3 |
| Other | 88 | 3,985.8 | 4,077.0 |
| <u>TOTAL</u> | <u>257</u> | <u>23,148.7</u> | <u>29,378.1</u> |

Note: Preliminary actual 1980 and intentions 1981.

TABLE 29

TOTAL CAPITAL EXPENDITURES BY PURPOSE

(Percent Distribution* of Total)

| | <u>Manufacturing</u> | | <u>Non-</u> <u>Manufacturing</u> | | <u>Total</u> | |
|---|----------------------|--------------|-------------------------------------|--------------|--------------|--------------|
| | <u>1980</u> | <u>1981</u> | <u>1980</u> | <u>1981</u> | <u>1980</u> | <u>1981</u> |
| Research and Development | 1.0 | 0.9 | 1.7 | 1.8 | 1.5 | 1.6 |
| Pollution Abatement | 4.3 | 4.6 | 1.9 | 1.9 | 2.5 | 2.6 |
| Working Environment | 1.8 | 1.7 | 0.4 | 0.4 | 0.7 | 0.7 |
| Expansion of Facilities - Existing Sites | 35.3 | 36.5 | 24.3 | 26.7 | 26.8 | 29.1 |
| Upgrading & Replacement of Existing Facilities | 32.3 | 34.4 | 11.9 | 12.0 | 16.5 | 17.6 |
| Expansion of Facilities - New Sites | 10.9 | 11.0 | 41.8 | 42.3 | 34.8 | 34.5 |
| Other | 14.4 | 10.8 | 18.0 | 14.9 | 17.2 | 13.9 |
| <u>TOTAL</u> | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> |

* 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 | 32.6 | 31.2 | 31.4 |
| Pollution Abatement | 53.2 | 20.1 | 33.0 |
| Working Environment | 35.3 | 23.3 | 30.3 |
| Expansion of Facilities - Existing Sites | 44.6 | 35.0 | 37.9 |
| Upgrading & Replacement of Existing Facilities | 49.4 | 24.3 | 35.5 |
| Expansion of Facilities - New Sites | 40.9 | 24.6 | 25.8 |
| Other | 5.0 | 1.6 | 2.2 |
| <u>TOTAL*</u> | <u>40.1</u> | <u>23.0</u> | <u>26.9</u> |

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

TABLE 31

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES - 1979-1981

ATLANTIC REGION

(Current \$ Millions)

| | | | | <u>Year-to-Year Percentage Change</u> | | <u>Between Survey Revisions (%)</u> | |
|-------------------|----------------|----------------|----------------|---|------------------|---|-------------|
| | <u>1979</u> | <u>1980</u> | <u>1981</u> | <u>1980/1979</u> | <u>1981/1980</u> | <u>1980</u> | <u>1981</u> |
| Manufacturing | 250 (4,680) | 276 (6,514) | 483 (9,027) | 10.4 (39.1) | 75.1 (38.5) | -1.9 (-6.7) | 40.8 (15.8) |
| Non-manufacturing | 1,141 (17,052) | 1,387 (20,794) | 1,784 (25,281) | 21.5 (21.9) | 28.6 (21.5) | 6.4 (0.0) | 31.7 (5.4) |
| TOTAL | 1,391 (21,732) | 1,663 (27,308) | 2,267 (34,308) | 19.5 (25.6) | 36.3 (25.6) | 4.9 (-1.7) | 33.5 (8.0) |

Note: Actual 1979, preliminary actual 1980, and intentions 1981.

These are dollar amounts reported for the years 1979-81 from the October 1980 Survey by firms who reported in both the April 1980 and October 1980 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

| | Year-to-Year Percent Change | | Between Survey Revisions | |
|--------------------------------|--------------------------------|------------------|-----------------------------|-------------|
| | 1980/1979 (%) | 1981/1980 (%) | 1980 (%) | 1981 (%) |
| <u>Foreign Majority Owned</u> | | | | |
| Manufacturing | -4.5 (40.0) | 165.0 (32.0) | 16.9 (-5.9) | 67.8 (15.7) |
| Non-Manufacturing | 14.7 (34.7) | 104.6 (23.4) | 10.6 (6.2) | 52.7 (13.1) |
| TOTAL | 8.2 (36.4) | 122.6 (26.2) | 12.4 (1.9) | 57.8 (14.0) |
| <u>Domestic Majority Owned</u> | | | | |
| Manufacturing | 25.0 (38.2) | 7.1 (45.9) | -12.5 (-7.7) | 8.2 (15.8) |
| Non-Manufacturing | 23.3 (16.2) | 9.5 (20.5) | 5.4 (-3.0) | 23.7 (1.8) |
| TOTAL | 23.6 (19.7) | 9.2 (25.2) | 2.8 (-3.9) | 21.6 (4.5) |

Note: Preliminary actual 1980 and intentions 1981.

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 | |
|--|--------------------------------|-------------|-----------------------------|-------------|
| | 1980/1979 (%) | 1981/1980 | 1980 (%) | 1981 |
| <u>Total Government Majority Owned</u> | 14.7 (8.4) | 8.3 (19.2) | 3.3 (-2.2) | 26.6 (2.9) |
| <u>Total Private Majority Owned</u> | 24.4 (35.4) | 63.0 (28.5) | 6.5 (-1.5) | 38.3 (10.2) |
| Manufacturing | 14.5 (40.8) | 77.2 (33.4) | 0.3 (-7.1) | 42.5 (12.7) |
| Non-Manufacturing | 29.5 (32.8) | 56.6 (26.0) | 9.6 (1.6) | 36.3 (8.9) |

Note: Preliminary actual 1980 and intentions 1981.

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

TABLE 34

EXPECTATIONS FOR 1980 AND 1981
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 (66.0) | 25.0 (15.2) | - (18.8) | 83.3 (72.0) | 16.6 (20.4) | - (7.6) |
| Export Sales | 62.5 (51.7) | 25.0 (22.6) | 12.5 (25.6) | 71.4 (51.9) | 28.5 (32.6) | - (15.3) |
| Profits | 54.5 (58.6) | 27.2 (11.4) | 18.1 (29.9) | 63.6 (60.7) | 9.0 (20.0) | 27.2 (19.2) |
| Corporate Employment in Canada | 33.3 (45.1) | 50.0 (39.3) | 16.6 (15.4) | 33.3 (50.0) | 58.3 (42.6) | 8.3 (7.3) |
| Corporate Financial Conditions | 16.6 (40.2) | 50.0 (37.0) | 33.3 (22.7) | 25.0 (41.2) | 50.0 (46.4) | 25.0 (12.3) |
| Canadian Business Conditions | 8.3 (11.7) | 58.3 (34.5) | 33.3 (53.6) | 8.3 (30.3) | 58.3 (43.7) | 33.3 (25.9) |
| Foreign Investment Climate | 33.3 (34.9) | 33.3 (53.1) | 33.3 (11.9) | 33.3 (41.7) | 33.3 (50.3) | 33.3 (7.8) |

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 - 1979-1981

QUEBEC

(Current \$ Millions)

| | | | | <u>Year-to-Year Percentage Change</u> | | <u>Between Survey Revisions (%)</u> | |
|-------------------|----------------|----------------|----------------|---|------------------|---|-------------|
| | <u>1979</u> | <u>1980</u> | <u>1981</u> | <u>1980/1979</u> | <u>1981/1980</u> | <u>1980</u> | <u>1981</u> |
| Manufacturing | 769 (4,680) | 957 (6,514) | 1,298 (9,027) | 24.4 (39.1) | 35.6 (38.5) | 1.5 (-6.7) | 25.5 (15.8) |
| Non-manufacturing | 3,713 (17,052) | 3,983 (20,794) | 4,108 (25,281) | 7.2 (21.9) | 3.1 (21.5) | -0.8 (0.0) | 2.2 (5.4) |
| TOTAL | 4,482 (21,732) | 4,940 (27,308) | 5,406 (34,308) | 10.2 (25.6) | 9.4 (25.6) | -0.4 (-1.7) | 6.9 (8.0) |

Note: Actual 1979, preliminary actual 1980, and intentions 1981.

These are dollar amounts reported for the years 1979-81 from the October 1980 Survey by firms who reported in both the April 1980 and October 1980 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 Change | | Between Survey Revisions | |
|--------------------------------|--------------------------------|-------------|-----------------------------|-------------|
| | 1980/1979 (%) | 1981/1980 | 1980 (%) | 1981 |
| <u>Foreign Majority Owned</u> | | | | |
| Manufacturing | 33.2 (40.0) | 14.7 (32.0) | 2.5 (-5.9) | 8.7 (15.7) |
| Non-Manufacturing | 54.8 (34.7) | 40.5 (23.4) | -1.6 (6.2) | 27.1 (13.1) |
| TOTAL | 43.0 (36.4) | 27.3 (26.2) | 0.4 (1.9) | 17.9 (14.0) |
| <u>Domestic Majority Owned</u> | | | | |
| Manufacturing | 19.6 (38.2) | 48.1 (45.9) | 0.9 (-7.7) | 35.1 (15.8) |
| Non-Manufacturing | 4.2 (16.2) | -0.5 (20.5) | -0.7 (-3.0) | -0.4 (1.8) |
| TOTAL | 6.1 (19.7) | 6.4 (25.2) | -0.5 (-3.9) | 5.0 (4.5) |

Note: Preliminary actual 1980 and intentions 1981.

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 | |
|--|--------------------------------|-------------|-----------------------------|-------------|
| | 1980/1979 (%) | 1981/1980 | 1980 (%) | 1981 |
| <u>Total Government Majority Owned</u> | 1.2 (8.4) | 1.3 (19.2) | 0.8 (-2.2) | 4.5 (2.9) |
| <u>Total Private Majority Owned</u> | 27.7 (35.4) | 21.9 (28.5) | -2.1 (-1.5) | 10.2 (10.2) |
| Manufacturing | 25.5 (40.8) | 22.8 (33.4) | -0.7 (-7.1) | 15.2 (12.7) |
| Non-Manufacturing | 29.6 (32.8) | 21.2 (26.0) | -3.2 (1.6) | 6.3 (8.9) |

Note: Preliminary actual 1980 and intentions 1981.

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

TABLE 38

EXPECTATIONS FOR 1980 AND 1981
BY COMPANIES HEADQUARTERED IN THE QUEBEC REGION*

(Percent Distribution of Response)

| | 1980/79 | | | 1981/80 | | |
|--------------------------------|---------------|--------------|----------------|---------------|--------------|----------------|
| | UP/ BETTER | NO CHANGE | DOWN/ WORSE | UP/ BETTER | NO CHANGE | DOWN/ WORSE |
| Canadian Sales | 65.0 (66.0) | 15.0 (15.2) | 20.0 (18.8) | 70.0 (72.0) | 20.0 (20.4) | 10.0 (7.6) |
| Export Sales | 67.6 (51.7) | 8.8 (22.6) | 23.5 (25.6) | 58.8 (51.9) | 23.5 (32.6) | 17.6 (15.3) |
| Profits | 56.0 (58.6) | 4.8 (11.4) | 39.0 (29.9) | 65.8 (60.7) | 14.6 (20.0) | 19.5 (19.2) |
| Corporate Employment in Canada | 33.3 (45.1) | 52.3 (39.3) | 14.2 (15.4) | 36.5 (50.0) | 53.6 (42.6) | 9.7 (7.3) |
| Corporate Financial Conditions | 35.0 (40.2) | 45.0 (37.0) | 20.0 (22.7) | 40.0 (41.2) | 50.0 (46.4) | 10.0 (12.3) |
| Canadian Business Conditions | 12.8 (11.7) | 33.3 (34.5) | 53.8 (53.6) | 23.0 (30.3) | 51.2 (43.7) | 25.6 (25.9) |
| Foreign Investment Climate | 40.9 (34.9) | 54.5 (53.1) | 4.5 (11.9) | 50.0 (41.7) | 40.9 (50.3) | 9.0 (7.8) |

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

* There are 47 firms in the Survey panel with headquarters in Quebec.

TABLE 39

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES - 1979-1981

ONTARIO

(Current \$ Millions)

| | <u>1979</u> | | <u>1980</u> | | <u>1981</u> | | <u>Year-to-Year Percentage Change</u> | | <u>Between Survey Revisions (%)</u> | |
|-------------------|-------------|----------|-------------|----------|-------------|----------|---|------------------|---|-------------|
| | | | | | | | <u>1980/1979</u> | <u>1981/1980</u> | <u>1980</u> | <u>1981</u> |
| Manufacturing | 1,810 | (4,680) | 3,029 | (6,514) | 4,374 | (9,027) | 67.2 (39.1) | 44.4 (38.5) | -9.4 (-6.7) | 14.8 (15.8) |
| Non-manufacturing | 3,460 | (17,052) | 4,003 | (20,794) | 5,021 | (25,281) | 15.7 (21.9) | 25.4 (21.5) | -5.1 (0.0) | 0.0 (5.4) |
| TOTAL | 5,270 | (21,732) | 7,032 | (27,308) | 9,395 | (34,308) | 33.4 (25.6) | 33.5 (25.6) | -7.0 (-1.7) | 6.4 (8.0) |

Note: Actual 1979, preliminary actual 1980, and intentions 1981.

These are dollar amounts reported for the years 1979-81 from the October 1980 Survey by firms who reported in both the April 1980 and October 1980 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 Percent Change</u> | | <u>Between Survey Revisions</u> | |
|--------------------------------|--|-------------------------|-------------------------------------|--------------------|
| | <u>1980/1979</u> (%) | <u>1981/1980</u> (%) | <u>1980</u> (%) | <u>1981</u> (%) |
| <u>Foreign Majority Owned</u> | | | | |
| Manufacturing | 76.0 (40.0) | 33.2 (32.0) | -8.7 (-5.9) | 14.9 (15.7) |
| Non-Manufacturing | 55.2 (34.7) | 38.5 (23.4) | 11.5 (6.2) | 27.8 (13.1) |
| TOTAL | 71.2 (36.4) | 34.3 (26.2) | -5.1 (1.9) | 17.5 (14.0) |
| <u>Domestic Majority Owned</u> | | | | |
| Manufacturing | 56.5 (38.2) | 59.8 (45.9) | -10.4 (-7.7) | 14.6 (15.8) |
| Non-Manufacturing | 11.9 (16.2) | 23.6 (20.5) | -6.9 (-3.0) | -3.1 (1.8) |
| TOTAL | 21.0 (19.7) | 33.2 (25.2) | -7.9 (-3.9) | 1.9 (4.5) |

Note: Preliminary actual 1980 and intentions 1981.

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 Percent Change</u> | | <u>Between Survey Revisions</u> | |
|--|--|-------------------------|-------------------------------------|--------------------|
| | <u>1980/1979</u> (%) | <u>1981/1980</u> (%) | <u>1980</u> (%) | <u>1981</u> (%) |
| <u>Total Government Majority Owned</u> | 7.0 (8.4) | 31.8 (19.2) | -10.4 (-2.2) | -5.4 (2.9) |
| <u>Total Private Majority Owned</u> | 48.3 (35.4) | 34.3 (28.5) | -5.6 (-1.5) | 12.0 (10.2) |
| Manufacturing | 65.1 (40.8) | 37.2 (33.4) | -9.8 (-7.1) | 11.2 (12.7) |
| Non-Manufacturing | 29.5 (32.8) | 30.1 (26.0) | 1.1 (1.6) | 13.2 (8.9) |

Note: Preliminary actual 1980 and intentions 1981.

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

TABLE 42

EXPECTATIONS FOR 1980 AND 1981
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 | 66.6 (66.0) | 10.0 (15.2) | 23.2 (18.8) | 75.0 (72.0) | 16.4 (20.4) | 8.5 (7.6) |
| Export Sales | 49.5 (51.7) | 23.3 (22.6) | 27.1 (25.6) | 55.3 (51.9) | 33.0 (32.6) | 11.6 (15.3) |
| Profits | 54.3 (58.6) | 14.9 (11.4) | 30.7 (29.9) | 61.4 (60.7) | 23.6 (20.0) | 14.9 (19.2) |
| Corporate Employment in Canada | 43.7 (45.1) | 34.3 (39.3) | 21.8 (15.4) | 50.7 (50.0) | 41.4 (42.6) | 7.8 (7.3) |
| Corporate Financial Conditions | 43.6 (40.2) | 31.7 (37.0) | 24.6 (22.7) | 45.6 (41.2) | 48.0 (46.4) | 6.2 (12.3) |
| Canadian Business Conditions | 9.5 (11.7) | 30.1 (34.5) | 60.3 (53.6) | 40.9 (30.3) | 38.5 (43.7) | 20.4 (25.9) |
| Foreign Investment Climate | 31.2 (34.9) | 54.6 (53.1) | 14.0 (11.9) | 40.0 (41.7) | 50.7 (50.3) | 9.2 (7.8) |

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

* There are 144 firms in the Survey panel with headquarters in Ontario.

TABLE 43

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES - 1979-1981

PRAIRIE REGION

(Current \$ Millions)

| | | | | <u>Year-to-Year Percentage Change</u> | | <u>Between Survey Revisions (%)</u> | |
|-------------------|----------------|----------------|----------------|---|------------------|---|-------------|
| | <u>1979</u> | <u>1980</u> | <u>1981</u> | <u>1980/1979</u> | <u>1981/1980</u> | <u>1980</u> | <u>1981</u> |
| Manufacturing | 669 (4,680) | 609 (6,514) | 822 (9,027) | -9.0 (39.1) | 34.8 (38.5) | -10.2 (-6.7) | 20.7 (15.8) |
| Non-manufacturing | 4,993 (17,052) | 6,950 (20,794) | 9,083 (25,281) | 39.2 (21.9) | 30.6 (21.5) | 3.1 (0.0) | 7.5 (5.4) |
| TOTAL | 5,662 (21,732) | 7,559 (27,308) | 9,905 (34,308) | 33.5 (25.6) | 31.0 (25.6) | 1.9 (-1.7) | 8.5 (8.0) |

Note: Actual 1979, preliminary actual 1980, and intentions 1981.

These are dollar amounts reported for the years 1979-81 from the October 1980 Survey by firms who reported in both the April 1980 and October 1980 Surveys of Capital Investment.

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

TABLE 44

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES - 1979-1981

MANITOBA & SASKATCHEWAN

(Current \$ Millions)

| | | | | Year-to-Year Percentage Change | | Between Survey Revisions (%) | |
|-------------------|----------------|----------------|----------------|-----------------------------------|-------------|---------------------------------|------------|
| | 1979 | 1980 | 1981 | 1980/1979 | 1981/1980 | 1980 | 1981 |
| Manufacturing | 99 (4,680) | 115 (6,514) | 133 (9,027) | 16.2 (39.1) | 15.7 (38.5) | -7.7 (-6.7) | 3.1 (15.8) |
| Non-manufacturing | 1,010 (17,052) | 1,329 (20,794) | 1,790 (25,281) | 31.6 (21.9) | 34.7 (21.5) | 1.5 (0.0) | 4.4 (5.4) |
| TOTAL | 1,109 (21,732) | 1,444 (27,308) | 1,923 (34,308) | 30.2 (25.6) | 33.2 (25.6) | 0.7 (-1.7) | 4.3 (8.0) |

Note: Actual 1979, preliminary actual 1980, and intentions 1981.

These are dollar amounts reported for the years 1979-81 from the October 1980 Survey by firms who reported in both the April 1980 and October 1980 Surveys of Capital Investment.

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

TABLE 45

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES - 1979-1981

ALBERTA

(Current \$ Millions)

| | | | | Year-to-Year Percentage Change | | Between Survey Revisions (%) | |
|-------------------|----------------|----------------|----------------|-----------------------------------|-------------|---------------------------------|-------------|
| | 1979 | 1980 | 1981 | 1980/1979 | 1981/1980 | 1980 | 1981 |
| Manufacturing | 554 (4,680) | 434 (6,514) | 625 (9,027) | -21.7 (39.1) | 43.8 (38.5) | -11.9 (-6.7) | 27.5 (15.8) |
| Non-manufacturing | 3,951 (17,052) | 5,578 (20,794) | 7,129 (25,281) | 41.1 (21.9) | 27.8 (21.5) | 3.5 (0.0) | 7.8 (5.4) |
| TOTAL | 4,505 (21,732) | 6,012 (27,308) | 7,754 (34,308) | 33.4 (25.6) | 28.9 (25.6) | 2.2 (-1.7) | 9.2 (8.0) |

Note: Actual 1979, preliminary actual 1980, and intentions 1981.

These are dollar amounts reported for the years 1979-81 from the October 1980 Survey by firms who reported in both the April 1980 and October 1980 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 Percent Change</u> | | <u>Between Survey Revisions</u> | |
|--------------------------------|--|------------------|-------------------------------------|-------------|
| | <u>1980/1979</u> (%) | <u>1981/1980</u> | <u>1980</u> (%) | <u>1981</u> |
| <u>Foreign Majority Owned</u> | | | | |
| Manufacturing | -25.7 (40.0) | 22.0 (32.0) | -11.9 (-5.9) | 15.2 (15.7) |
| Non-Manufacturing | 49.2 (34.7) | 17.3 (23.4) | 8.3 (6.2) | 8.2 (13.1) |
| TOTAL | 38.4 (36.4) | 17.7 (26.2) | 6.4 (1.9) | 8.7 (14.0) |
| <u>Domestic Majority Owned</u> | | | | |
| Manufacturing | 25.7 (38.2) | 50.6 (45.9) | -7.9 (-7.7) | 26.7 (15.8) |
| Non-Manufacturing | 27.7 (16.2) | 48.3 (20.5) | -3.1 (-3.0) | 6.9 (1.8) |
| TOTAL | 27.5 (19.7) | 48.5 (25.2) | -3.5 (-3.9) | 8.3 (4.5) |

Note: Preliminary actual 1980 and intentions 1981.

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 Percent Change</u> | | <u>Between Survey Revisions</u> | |
|--|--|------------------|-------------------------------------|-------------|
| | <u>1980/1979</u> (%) | <u>1981/1980</u> | <u>1980</u> (%) | <u>1981</u> |
| <u>Total Government Majority Owned</u> | 22.7 (8.4) | 32.2 (19.2) | 2.8 (-2.2) | 9.9 (2.9) |
| <u>Total Private Majority Owned</u> | 36.1 (35.4) | 30.7 (28.5) | 1.7 (-1.5) | 8.2 (10.2) |
| Manufacturing | -9.1 (40.8) | 34.5 (33.4) | -9.9 (-7.1) | 21.6 (12.7) |
| Non-Manufacturing | 43.9 (32.8) | 30.3 (26.0) | 3.1 (1.6) | 6.9 (8.9) |

Note: Preliminary actual 1980 and intentions 1981.

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

TABLE 48

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES

ALBERTA

| | Year-to-Year Percent Change | | Between Survey Revisions | |
|--------------------------------|--------------------------------|-------------|-----------------------------|-------------|
| | 1980/1979 (%) | 1981/1980 | 1980 (%) | 1981 |
| <u>Foreign Majority Owned</u> | | | | |
| Manufacturing | -38.5 (40.0) | 22.6 (32.0) | -12.3 (-5.9) | 23.2 (15.7) |
| Non-Manufacturing | 54.0 (34.7) | 16.2 (23.4) | 10.0 (6.2) | 9.3 (13.1) |
| TOTAL | 40.7 (36.4) | 16.6 (26.2) | 8.3 (1.9) | 10.1 (14.0) |
| <u>Domestic Majority Owned</u> | | | | |
| Manufacturing | 22.1 (38.2) | 71.9 (45.9) | -11.3 (-7.7) | 31.8 (15.8) |
| Non-Manufacturing | 21.5 (16.2) | 50.1 (20.5) | -7.2 (-3.0) | 5.6 (1.8) |
| TOTAL | 21.6 (19.7) | 52.1 (25.2) | -7.6 (-3.9) | 7.8 (4.5) |

Note: Preliminary actual 1980 and intentions 1981.

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

TABLE 49

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES

ALBERTA

| | <u>Year-to-Year Percent Change</u> | | <u>Between Survey Revisions</u> | |
|--|--|------------------|-------------------------------------|-------------|
| | <u>1980/1979</u> (%) | <u>1981/1980</u> | <u>1980</u> (%) | <u>1981</u> |
| <u>Total Government Majority Owned</u> | 14.0 (8.4) | 40.2 (19.2) | -0.9 (-2.2) | 15.0 (2.9) |
| <u>Total Private Majority Owned</u> | 36.1 (35.4) | 27.6 (28.5) | 2.5 (-1.5) | 8.5 (10.2) |
| Manufacturing | -21.7 (40.8) | 43.8 (33.4) | -11.9 (-7.1) | 27.5 (12.7) |
| Non-Manufacturing | 45.5 (32.8) | 26.2 (26.0) | 4.0 (1.6) | 6.9 (8.9) |

Note: Preliminary actual 1980 and intentions 1981.

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

TABLE 50

EXPECTATIONS FOR 1980 AND 1981
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 | 70.8 (66.0) | 20.8 (15.2) | 8.3 (18.8) | 65.3 (72.0) | 26.5 (20.4) | 8.1 (7.6) |
| Export Sales | 47.0 (51.7) | 38.2 (22.6) | 14.7 (25.6) | 42.8 (51.9) | 40.0 (32.6) | 17.1 (15.3) |
| Profits | 81.2 (58.6) | 4.1 (11.4) | 14.5 (29.9) | 55.1 (60.7) | 18.3 (20.0) | 26.5 (19.2) |
| Corporate Employment in Canada | 62.0 (45.1) | 34.0 (39.3) | 4.0 (15.4) | 64.0 (50.0) | 30.0 (42.6) | 6.0 (7.3) |
| Corporate Financial Conditions | 42.5 (40.2) | 42.5 (37.0) | 14.8 (22.7) | 36.1 (41.2) | 42.5 (46.4) | 21.2 (12.3) |
| Canadian Business Conditions | 13.0 (11.7) | 43.4 (34.5) | 43.4 (53.6) | 15.2 (30.3) | 45.6 (43.7) | 39.1 (25.9) |
| Foreign Investment Climate | 37.5 (34.9) | 50.0 (53.1) | 12.5 (11.9) | 45.8 (41.7) | 50.0 (50.3) | 4.1 (7.8) |

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

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

TABLE 51

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES - 1979-1981

B.C. AND NORTHERN REGION

(Current \$ Millions)

| | | | | <u>Year-to-Year Percentage Change</u> | | <u>Between Survey Revisions (%)</u> | |
|-------------------|----------------|----------------|----------------|---|------------------|---|-------------|
| | <u>1979</u> | <u>1980</u> | <u>1981</u> | <u>1980/1979</u> | <u>1981/1980</u> | <u>1980</u> | <u>1981</u> |
| Manufacturing | 780 (4,680) | 1,131 (6,514) | 1,360 (9,027) | 44.9 (39.1) | 20.2 (38.5) | -5.8 (-6.7) | 3.1 (15.8) |
| Non-manufacturing | 1,847 (17,052) | 2,516 (20,794) | 2,575 (25,281) | 36.2 (21.9) | 2.3 (21.5) | -0.6 (0.0) | -0.2 (5.4) |
| TOTAL | 2,627 (21,732) | 3,647 (27,308) | 3,935 (34,308) | 38.7 (25.6) | 7.9 (25.6) | -2.3 (-1.7) | 0.9 (8.0) |

Note: Actual 1979, preliminary actual 1980, and intentions 1981.

These are dollar amounts reported for the years 1979-81 from the October 1980 Survey by firms who reported in both the April 1980 and October 1980 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

| | <u>Year-to-Year Percent Change</u> | | <u>Between Survey Revisions</u> | |
|--------------------------------|--|------------------|-------------------------------------|-------------|
| | <u>1980/1979</u> (%) | <u>1981/1980</u> | <u>1980</u> (%) | <u>1981</u> |
| <u>Foreign Majority Owned</u> | | | | |
| Manufacturing | 35.0 (40.0) | 15.4 (32.0) | 1.3 (-5.9) | 8.8 (15.7) |
| Non-Manufacturing | 44.0 (34.7) | 4.9 (23.4) | -1.3 (6.2) | -0.1 (13.1) |
| TOTAL | 41.6 (36.4) | 7.5 (26.2) | -0.7 (1.9) | 2.1 (14.0) |
| <u>Domestic Majority Owned</u> | | | | |
| Manufacturing | 50.9 (38.2) | 22.9 (45.9) | -9.2 (-7.7) | 0.5 (15.8) |
| Non-Manufacturing | 29.9 (16.2) | 0.0 (20.5) | 0.0 (-3.0) | -0.2 (1.8) |
| TOTAL | 36.6 (19.7) | 8.1 (25.2) | -3.4 (-3.9) | 0.1 (4.5) |

Note: Preliminary actual 1980 and intentions 1981.

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 | |
|--|--------------------------------|-------------|-----------------------------|------------|
| | 1980/1979 (%) | 1981/1980 | 1980 (%) | 1981 |
| <u>Total Government Majority Owned</u> | 9.5 (8.4) | 13.6 (19.2) | 0.2 (-2.2) | -0.8 (2.9) |
| <u>Total Private Majority Owned</u> | 51.5 (35.4) | 6.1 (28.5) | -3.0 (-1.5) | 1.6 (10.2) |
| Manufacturing | 44.9 (40.8) | 20.2 (33.4) | -5.8 (-7.1) | 3.1 (12.7) |
| Non-Manufacturing | 56.5 (32.8) | -3.7 (26.0) | -1.0 (1.6) | 0.2 (8.9) |

Note: Preliminary actual 1980 and intentions 1981.

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

TABLE 54

EXPECTATIONS FOR 1980 AND 1981
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 | 45.0 (66.0) | 30.0 (15.2) | 25.0 (18.8) | 65.0 (72.0) | 35.0 (20.4) | - (7.6) |
| Export Sales | 43.4 (51.7) | 17.3 (22.6) | 39.1 (25.6) | 36.3 (51.9) | 36.3 (32.6) | 27.2 (15.3) |
| Profits | 42.3 (58.6) | 11.5 (11.4) | 46.1 (29.9) | 57.6 (60.7) | 19.2 (20.0) | 23.0 (19.2) |
| Corporate Employment in Canada | 42.3 (45.1) | 50.0 (39.3) | 7.6 (15.4) | 46.1 (50.0) | 50.0 (42.6) | 3.8 (7.3) |
| Corporate Financial Conditions | 36.0 (40.2) | 36.0 (37.0) | 28.0 (22.7) | 36.0 (41.2) | 40.0 (46.4) | 24.0 (12.3) |
| Canadian Business Conditions | 18.1 (11.7) | 31.8 (34.5) | 50.0 (53.6) | 22.7 (30.3) | 50.0 (43.7) | 27.2 (25.9) |
| Foreign Investment Climate | 38.4 (34.9) | 53.8 (53.1) | 7.6 (11.9) | 30.7 (41.7) | 69.2 (50.3) | - (7.8) |

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

* There are 31 firms in the Survey panel with headquarters in the B.C. 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, 1980 and 1981 are used. This is referred to as a 2 survey - 3 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>1980</u> | <u>1981</u> |
|---|--------------|--------------|
| | (Current | \$ Billions) |
| Totals as per Table 1 | 27.31 | 34.31 |
| Amounts reported by region | | |
| Atlantic | 1.66 | 2.27 |
| Quebec | 4.94 | 5.41 |
| Ontario | 7.03 | 9.39 |
| Prairies | 7.56 | 9.90 |
| B.C. & Northern Region | 3.65 | 3.94 |
| Unallocated Region* | .91 | 1.48 |
| Total | <u>25.75</u> | <u>32.39</u> |
| Difference between totals | 1.56 | 1.92 |
| Portion of difference explained by "matching" | .86 | 1.08 |
| Portion of difference explained by non-response | .70 | .84 |

Note: Preliminary actual 1980 and intentions 1981.

* Include 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 break-down 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 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. | 47 | 85 | 119 | 71 | 59 | 160 |
| Non-Mfg. | 40 | 45 | 62 | 83 | 64 | 135 |
| TOTAL | 87 | 130 | 181 | 154 | 123 | 295 |

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