

from 10 to 30 p.c. over the 1946 levels. It seems probable that this increased domestic output will be supplemented by larger imports of some supplies customarily obtained from abroad. A moderate increase in the supply of certain 'key' materials may permit a more than proportionate increase in aggregate investment, particularly when allowance is made for the substitution of materials that may occur in some instances. It is unlikely, however, that the available volume of supplies, though considerably improved over the previous year, will be sufficient physically to support an over-all increase of 53 p.c. in the intended volume of business investment in 1947. Scarcity of labour skills, particularly in the construction industry, may constitute a further hindrance to the realization of the investment intentions. Although some of the intentions may not be realized during 1947, it is nevertheless likely that the business investment program will involve an increased portion of the nation's productive facilities and will contribute correspondingly to the maintenance of a high level of national income and employment.

**Forecast of Combined Capital and Repair and Maintenance Expenditures.**—Since the production of new capital goods and the repair and maintenance of existing capital goods have to be supplied from the same basic productive facilities, total figures for the two provide an indication of total demand that may be placed on the capital goods industries and labour. In the surveyed sector of business enterprise, it is estimated that new investment will be 70 p.c. larger and maintenance and repair 8 p.c. larger in 1947 than in 1946, with a combined increase of 40 p.c. (Table 12). On the assumption that anticipated repair and maintenance expenditures in those groups not covered by the survey bear the same relationship to 1946 outlay as in those groups covered by the survey, the aggregate contemplated capital, repair and maintenance expenditures for all business (excluding direct government) would be about one-third above the actual outlay for 1946. In view of the anticipated small increase in repair and maintenance expenditures, it is likely that most of the anticipated increase in the supply of materials and components will go into new investment. It still appears, however, that in 1947, as in the previous year, business enterprise will find it difficult to realize fully its investment intentions.

It is forecasted that the surveyed sector of business enterprise will increase its outlay for additions to or replacement of buildings by nearly 50 p.c., and contract outlay on repair and maintenance of structures by about 13 p.c., for an anticipated total construction outlay 20 p.c. larger in 1947 than in 1946. The outlay for new machinery and equipment is expected to increase by about 85 p.c. and for maintenance and repair of machinery and equipment by nearly 25 p.c., for a total increase of 55 p.c.