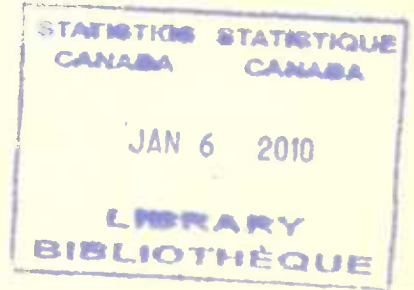


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DEPARTMENT OF TRADE AND COMMERCE

Private and Public Investment in Canada Outlook 1953



Presented to Parliament by
The Right Honourable C. D. Howe, M.P.
Minister of Trade and Commerce



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QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
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INTRODUCTION

This report provides information for the year ahead on the probable level of capital expenditures on new construction and for machinery and equipment. The estimates cover the capital investment intentions of all sectors of the Canadian economy; business, institutions, governments and of individuals for housing. Along with the expenditure intentions for 1953 comparative figures are also given for 1951 and 1952. The estimates for 1953 are based on intentions recorded at the end of 1952 and reflect the situation at that time. Changes in policy during the year or firming of plans as the year progresses may alter some of these estimates.

This report contains data on capital expenditures on a national basis only. Figures on capital spending by provinces and major cities will appear in a supplementary report to be published at a later date.

The surveys of intentions in the business sector covered about 17,000 establishments of all types including mines, manufacturing plants, utilities and retail stores. Surveys were also made of institutions, government departments and housing. Outlays in agriculture and in some of the smaller groups where surveys are more difficult to make were estimated independently on the basis of current trends and informed opinion in these fields.

In these surveys and estimates, construction is defined to include all types of construction projects. Building construction is only part, although a large part, of the total. Other structures such as dams, highways, sidewalks, sewers, bridges, mines, railway lines, transmission lines, etc. are also included. Machinery and equipment outlays cover such categories as railway rolling stock, motor vehicles used in business, manufacturing, mining and construction machinery, equipment for power plants, office and hospital equipment and a wide variety of other capital goods. Excluded for the purposes of this report are outlays for machinery and equipment for the Department of National Defence. Broadly speaking, the expenditures given in the report are those made for the building of structures and for the purchases of machinery and equipment which are to be used either in producing goods or providing services.

Repair and maintenance expenditures on structures and machinery and equipment are also given in the report but these are dealt with separately. They are included largely because they draw on the same pool of labour and materials as the capital programme and help to provide a more complete picture of the demands likely to be made on the resources available for the capital programme.

Advance knowledge of the intended capital expenditures of business, governments and individuals on construction and on machinery and equipment is of particular importance for a number of reasons. The size of the intended programme serves as a valuable indicator of the outlook of management on

general business conditions. Heavy investment in new productive facilities is planned, as a rule, only when market conditions appear favourable for the product to be produced or the service provided. Conversely, if conditions appear unfavourable, investment in new productive facilities will be curtailed. Investment expenditures are, of course, not the only outlays affected in this way by changes in the economic outlook. They do, however, tend to fluctuate more sharply than most other expenditure components and in consequence have an effect on employment and income levels out of proportion to their actual size. It is largely for this latter reason that it is important for both business and governments to have prior knowledge of the investment intentions of the economy as a whole as a guide in planning to meet the conditions which may arise.

This report on the outlook for investment in Canada in 1953 is a joint project of the Dominion Bureau of Statistics and the Economics Division of the Department of Trade and Commerce.

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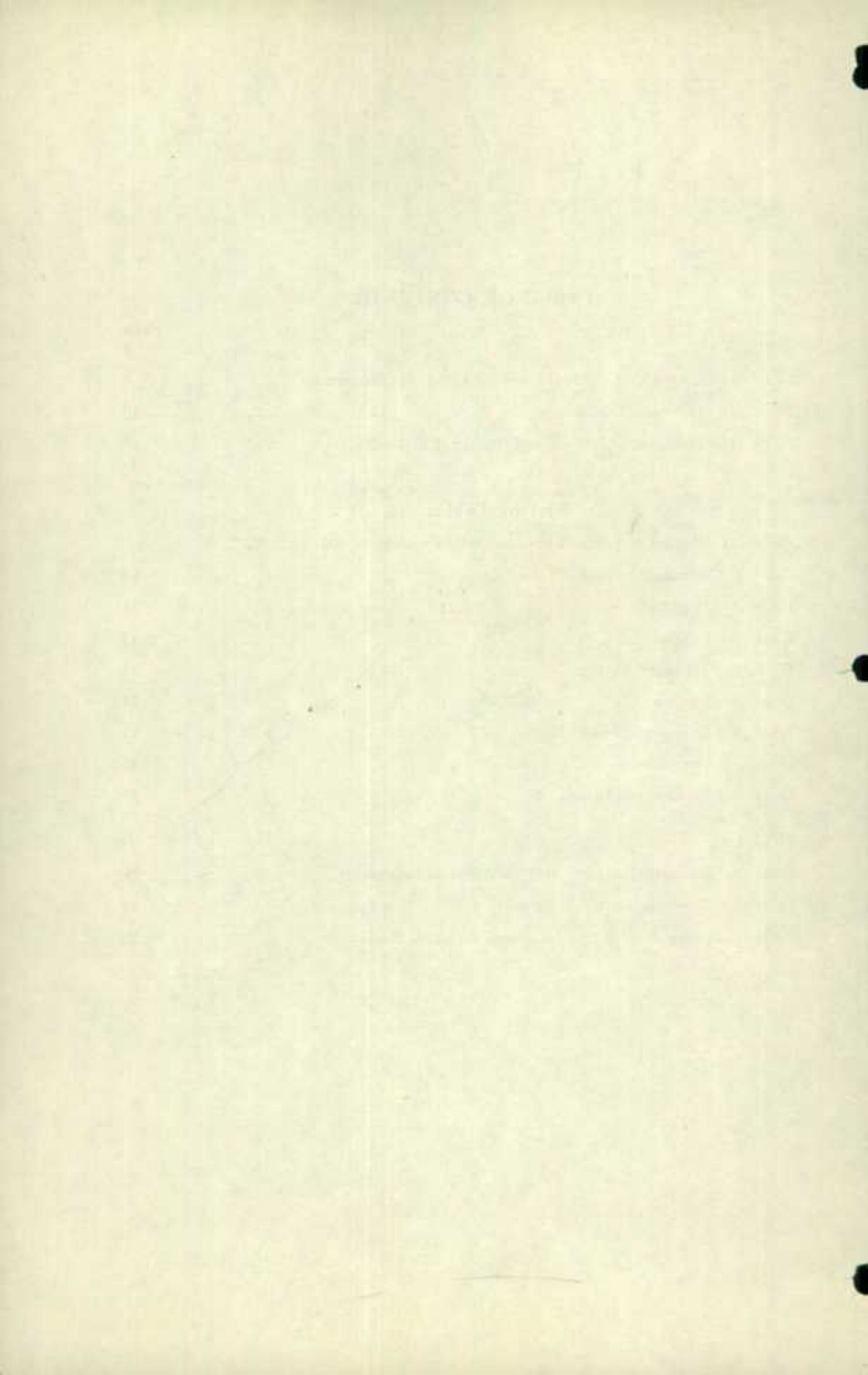
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SECTION I.—APPRAISAL OF THE 1953 CAPITAL EXPENDITURE PROGRAMME

The Total Programme

The capital expenditure intentions of business, institutions and governments and of individuals for housing for 1953 involve an outlay of \$5.4 billion. If this programme is realized it will mean that capital expenditures in 1953 will be 6 per cent greater in value terms than the previous record of \$5.1 billion accomplished in 1952. In view of the fairly stable price trends now prevalent the increase in the volume of capital spending will not be significantly different from that shown for value. A capital expenditure programme of this magnitude would absorb about 23 per cent of the gross national production expected in the current year. This proportion, too, is a record for the post-war period. While intentions would place capital spending in 1953 at the highest level in Canada's history it is important to note that the rate of increase expected from the previous year is more moderate than in either 1951 or 1952.

The table following illustrates the trends in capital spending in recent years in both current and constant (1935-39) dollars.

Year	Capital Expenditures						Capital Expenditures As Percentage Of Gross National Product	
	Construction		Machinery and Equipment		Total		Current	Constant
	Current	Constant	Current	Constant	Current	Constant		
	\$ mill.		\$ mill.		\$ mill.		Per cent	
1946 ⁽¹⁾	1,074	753	629	503	1,703	1,256	14.2	13.9
1947 ⁽¹⁾	1,424	897	1,065	758	2,489	1,655	18.1	18.1
1948 ⁽¹⁾	1,877	1,049	1,298	818	3,175	1,867	20.3	19.8
1949.....	2,124	1,129	1,378	821	3,502	1,950	21.3	20.1
1950.....	2,366	1,196	1,449	807	3,815	2,003	20.9	20.3
1951.....	2,735	1,248	1,842	928	4,577	2,176	21.3	21.0
1952.....	3,157	1,375	1,965	981	5,122	2,356	22.3	21.3
1953.....	3,432	1,458	1,989	978	5,421	2,436		

(1) Newfoundland not included in these years.

The Programme by Sectors

While the 1953 programme shows only moderate increases over 1952 in overall terms, there are significant increases and declines in individual industrial sectors, pointing to a marked change in the industrial pattern of capital spending in 1953.

In 1951 and 1952 there was a pronounced shift in emphasis in capital spending towards defence and defence supporting industries and industries engaged in developing the strategic natural resources of the nation. The general upsurge in demand in the early part of this period exerted a considerable pressure on the available supplies of scarce materials. The government, to ensure that defence related industries were able to proceed with their expansion programmes as rapidly as possible, placed certain restrictions on less essential types of construction. By the beginning of 1953 a number of the larger projects in defence and related industries had been completed or were nearing completion.

Meanwhile an increase in productive capacity of capital goods industries and easier supply positions abroad have resulted in a significant easing in the general supply situation. Under these circumstances the government has found it possible to remove the principal restrictions on construction. The deferment of depreciation on certain types of assets has been discontinued, controls on the use of key materials for less essential construction have been relaxed and the financing of new house-building has been made easier.

This changing economic climate is reflected in the changing industrial pattern of investment as illustrated in the following table. In manufacturing, where adjustments to the changed demand situation resulting from rearmament

Sector	Capital Expenditures				Per cent Distribution			
	1949	1951	1952	1953	1949	1951	1952	1953
	\$ mill.				Per cent			
Agriculture, fishing, forestry and the construction industry	500	639	672	633	14.3	14.0	13.1	11.7
Mining, quarrying and oil wells	122	181	211	249	3.5	3.9	4.1	4.6
Heavy manufacturing ⁽¹⁾	323	555	735	704	9.2	12.1	14.4	13.0
Other manufacturing	213	238	207	187	6.1	5.2	4.0	3.4
Utilities	679	900	1,097	1,143	19.4	19.7	21.4	21.1
Housing	776	821	850	981	22.1	17.9	16.6	18.1
Trade, finance and commercial services	293	412	317	431	8.4	9.0	6.2	8.0
Institutions	190	236	255	305	5.4	5.2	5.0	5.6
Government departments	406	595	778	788	11.6	13.0	15.2	14.5

(1) Includes industries engaged principally in primary processing and in the manufacture of heavy equipment.

could be brought about most rapidly, capital spending is expected to be lower in 1953. Declines are indicated in such industries as pulp and paper, primary iron and steel and industrial chemicals. These declines are partially offset by continued expansion in transportation equipment, non-ferrous metal processing and petroleum refining. The longer run expansion projects in telephones and railways are expected to continue at an accelerated rate through 1953, and outlays, for electric power are likely to be maintained, with utilities, as a whole, maintaining their share of the total programme. Capital expenditures in mining are expected to account for an increased proportion of total spending in 1953. This is a result of continued expansion in the development of crude petroleum and base metals. The major source of new strength in the 1953 programme comes in those sectors where investment had been retarded in the past two years. Housing outlays are expected to account for 18 per cent of the total 1953 programme as compared with less than 17 per cent in 1952. Capital spending in trade, finance and commercial services for such new facilities as retail and wholesale outlets, office buildings, and hotels is expected to be well above that for 1952. The continued backlog of such institutional buildings as churches, universities and hospitals is reflected in the expected further expansion in capital expenditures for institutions. Outlays by all government departments for capital facilities, while expected to increase in absolute terms may account for a somewhat smaller share of total capital spending. Increases by provincial and municipal governments principally for roads, streets and sewers are, to some extent, offset by a decline in outlays for defence installations.

The Programme by Type

Of the total programme, \$3.4 billion, or 63 per cent is expected to be spent on construction work and the remaining \$2.0 billion, or 37 per cent for purchases of machinery and equipment. The major increases in expenditures for machinery will go for tooling up the new manufacturing plants that will be going into production this year, for new railway rolling stock and for the heavy electrical equipment needed for hydro developments. Some minor declines are expected in the demand for agricultural implements and for motor vehicles.

Type	Capital Expenditures			Per cent Distribution		
	1951	1952	1953	1951	1952	1953
	\$ mill.			Per cent		
Housing.....	821	850	981	17.9	16.6	18.1
Other building construction.....	951	1,095	1,197	20.8	21.4	22.1
Engineering construction.....	919	1,163	1,206	20.1	22.7	22.2
Marine construction.....	44	49	48	1.0	0.9	0.9
Total construction.....	2,735	3,157	3,432	59.8	61.6	63.3
Machinery and equipment.....	1,842	1,965	1,989	40.2	38.4	36.7

The largest part of the increased spending in 1953 will go for new construction. Within the new construction total variations in the rate of increase occur among the different types. Outlays for housing construction are expected to account for an increased share of the total programme. The estimate contained in the report allows for a substantial increase in housing completions, probably approaching the record levels of 1949 and 1950 and for housing starts to be possibly somewhat greater than the 87,000 of 1952. The intentions, too, are for an increased share of new construction to be devoted to non-residential building. This increase is a reflection of the impetus given by greater activity in the building of store, office and institutional structures with these increases being offset, to some extent, by declines in industrial building. While engineering construction is likely to be maintained at last year's level it will constitute a smaller part of the total capital programme. On the whole, it would appear that with the increased emphasis on office, store and house building in 1953 and the lesser emphasis on engineering construction there will be a greater concentration of construction activity in the urban areas than has been the case in the past two years.

Repair and Maintenance Expenditures

In addition to the \$5.4 billion expected to be spent for capital purposes, outlays of \$2.0 billion are planned for repair and maintenance purposes, an increase of 3 per cent over 1952. This amount is made up of \$0.9 billion for repairs to structures and \$1.1 billion for repairs to machinery and equipment.

Adding expenditures for repairs to structures to those for new construction gives a total of \$4.4 billion an increase of 7 per cent from 1952. This represents the overall increase in demands on the construction industry. Similarly outlays for repairs to existing machinery and for purchases of new machinery are expected to total \$3.1 billion, or 3 per cent more than the 1952 total.

Factors Affecting the Realization of the Programme

The capital expenditure programme as outlined reflects, for the most part, the stated intentions of business, institutions and governments. The possibility of this programme being realized will depend upon the availability of the necessary physical resources, upon there being sufficient available funds to finance such a programme and upon there being no substantial change in the general business outlook.

Throughout the whole post-war period an important factor in determining the size of the capital expenditure programme has been the availability of materials and labour. A companion study released at the same time as this report and entitled "Supply of Building Materials in Canada, Outlook 1953", indicates that there should be sufficient productive capacity in the building materials industries to supply an adequate amount of materials for a programme of this size. However, at the seasonal peaks of construction temporary shortages of certain materials may appear. By and large it may be concluded that for the first time since the war the capital expenditure intentions will not be subject to any serious limitations from material shortages.

Another factor which has a bearing on the realization of the investment programme is the availability of investment funds. However it can probably be assumed that the various firms and agencies, when submitting their intentions, have already made at least tentative arrangements for financing their new projects.

With materials likely to be in good supply and assuming no major difficulties in financing, the accomplishment of the 1953 programme will hinge to a considerable extent on the prospect for a continuation of the present favourable general business outlook. In considering the effect of any deterioration in this outlook on capital spending, it should be kept in mind that capital outlays for the year fall into two general categories. One category consists of expenditures for projects which have been started in previous years and the other of outlays for new projects which are planned for initiation in the present year. The year 1952 saw an unusually large number of new industrial projects started and a considerable number of these are still under construction and will not be completed until sometime during the present year, or in some cases not until even farther in the future. The same situation exists in regard to house building, with a very large number of housing starts being made in the last half of 1952 resulting in a near record carryover of uncompleted houses into 1953. Because of the seasonality of construction activity in Canada, the bulk of the outlays made for construction in the first of half the year go towards completing projects which were started in previous years. Thus, for the first half of the year, at least, construction spending should continue at very high levels and it is most unlikely to be affected by any change in the general outlook. The same factors contribute, although to a lesser extent, to sustaining the level of expenditures for machinery and equipment for the first half of the year. As new plant buildings are completed the necessary machinery and equipment will have to be procured to enable them to go into production. In addition, purchases of machinery and equipment in 1952 fell somewhat short of the intentions as stated earlier in the year. This was probably due, partially, to curtailment of production because of the steel strike in the United States. This will mean that a part of the demand originally apparent in 1952 will likely not be fulfilled until 1953.

If capital expenditures in 1953 fall short of intentions it would be only if such spending fell off markedly in the last half of the year. In the manufacturing sector many of the larger projects are scheduled for completion during the first half of the year which may mean a reduction in capital spending in the later months. However, this expenditure pattern is allowed for in the stated intentions with outlays for the year as a whole expected to be below 1952 levels. In the utilities field it is likely that longer run projects will sustain spending in that sector throughout the year. The modernization of the railways is planned to proceed at a high rate for several years. Such big power projects as that at Niagara are not scheduled for completion until 1954, and a number of other examples could be cited.

The major uncertainty then lies in the spending for house building and in such sectors as trade, finance and commercial services. Housing starts in the first half of 1952 were at the lowest level in several years. With a continued strong demand for houses and with easier financing arrangements now existing it is likely that starts will be greater in the first half of 1953. This should mean a continued high level of expenditure during the last half of the year to complete these units.

In the fields of trade, finance and commercial services a backlog for new facilities has been built up as a result of the restrictions on such building existing in 1951 and 1952. From the stated intentions it would appear that business is endeavouring to make up this backlog during 1953. These sectors cater almost exclusively to the domestic market and present indications are that this market will continue firm throughout the year. Real income has increased rapidly during 1952 and will probably be an important sustaining influence throughout the present year. Under these circumstances it is very unlikely that the type of business in question will, as the year progresses, find the desirability of expanding its facilities any less favourable than it does at present. On the whole it appears that the general business outlook is favourable for the accomplishment of a capital expenditures programme of the size indicated.

SECTION II.—REFERENCE TABLES—CAPITAL, REPAIR AND MAINTENANCE EXPENDITURES, 1951 TO 1953

TABLE 1.—SUMMARY BY SECTORS, CANADA, 1951 TO 1953⁽¹⁾

(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair and Maintenance Expenditures			Capital, Repair and Maintenance Expenditures			
		Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Total	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	Agriculture and Fishing.....	1951	69	446	515	51	103	154	120	549	669
		1952	78	488	566	58	109	167	136	597	733
		1953	78	475	553	58	114	172	136	589	725
2	Forestry.....	1951	22	36	58	14	25	39	36	61	97
		1952	18	17	35	18	22	40	36	39	75
		1953	17	15	32	16	21	37	33	36	69
3	Mining, Quarrying and Oil Wells.....	1951	108	73	181	11	41	52	119	114	233
		1952	145	66	211	13	45	58	158	111	269
		1953	163	86	249	13	44	57	176	130	306
4	Manufacturing.....	1951	268	525	793	85	337	422	353	862	1,215
		1952	343	599	942	95	364	459	438	963	1,401
		1953	312	579	891	92	360	452	404	939	1,343
5	Utilities.....	1951	497	403	900	243	302	545	740	705	1,445
		1952	668	429	1,097	254	337	591	922	766	1,688
		1953	667	476	1,143	273	359	632	940	835	1,775
6	Construction Industry.....	1951	7	59	66	2	39	41	9	98	107
		1952	6	65	71	3	50	53	9	115	124
		1953	7	41	48	2	49	51	9	90	99
7	Housing.....	1951	821		821	221		221	1,042		1,042
		1952	850		850	231		231	1,081		1,081
		1953	981		981	244		244	1,225		1,225
8	Trade—Wholesale and Retail.....	1951	110	125	235	44	39	83	154	164	318
		1952	86	99	185	34	31	65	120	130	250
		1953	178	117	295	32	31	63	210	148	358
9	Finance, Insurance and Real Estate.....	1951	52	17	69	7	2	9	59	19	78
		1952	30	13	43	7	2	9	37	15	52
		1953	40	12	52	7	1	8	47	13	60
10	Commercial Services.....	1951	40	68	108	21	45	66	61	113	174
		1952	19	70	89	25	61	86	44	131	175
		1953	23	61	84	22	73	95	45	134	179
11	Institutional Services.....	1951	206	30	236	32	7	39	238	37	275
		1952	226	29	255	30	7	37	256	36	292
		1953	270	35	305	31	8	39	301	43	344
12	Government Departments.....	1951	535	60	595	195	28	223	730	88	818
		1952	688	90	778	163	32	195	851	122	973
		1953	696	92	788	137	58	195	833	150	983
13	Total (Items 1 to 12).....	1951	2,735	1,842	4,577	926	968	1,894	3,661	2,810	6,471
		1952	3,157	1,965	5,122	931	1,060	1,991	4,088	3,025	7,113
		1953	3,432	1,989	5,421	927	1,118	2,045	4,359	3,107	7,466

⁽¹⁾ Actual expenditures 1951, preliminary actual 1952, intentions 1953.

TABLE 2.—MANUFACTURING, CANADA, 1951 TO 1953(1)

(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair and Maintenance Expenditures			Capital, Repair and Maintenance Expenditures			
		Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Total	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	Food and Beverages.....	1951	28.0	51.1	79.1	11.8	34.3	46.1	39.8	85.4	125.2
		1952	21.6	51.1	72.7	12.2	33.4	45.6	33.8	84.5	118.3
		1953	23.0	47.3	70.3	10.9	30.6	41.5	33.9	77.9	111.8
2	Tobacco and Tobacco Products.....	1951	0.5	1.7	2.2	0.4	1.3	1.7	0.9	3.0	3.9
		1952	0.3	1.6	1.9	0.5	1.5	2.0	0.8	3.1	3.9
		1953	0.1	1.3	1.4	0.5	1.5	2.0	0.6	2.8	3.4
3	Rubber Products.....	1951	2.0	5.9	7.9	0.9	5.5	6.4	2.9	11.4	14.3
		1952	2.4	6.8	9.2	0.8	5.4	6.2	3.2	12.2	15.4
		1953	4.6	10.8	15.4	1.0	6.0	7.0	5.6	16.8	22.4
4	Leather Products.....	1951	0.9	1.9	2.8	0.6	2.1	2.7	1.5	4.0	5.5
		1952	0.6	1.5	1.1	0.6	2.0	2.6	1.2	3.5	4.7
		1953	0.5	1.2	1.7	0.7	2.0	2.7	1.2	3.2	4.4
5	Textile Products.....	1951	9.9	29.2	39.1	4.0	16.7	20.7	13.0	45.9	59.8
		1952	13.0	27.1	40.1	4.5	14.4	18.9	17.5	41.5	59.0
		1953	4.5	21.5	29.0	3.7	12.8	16.5	8.2	37.3	45.5
6	Clothing.....	1951	4.1	9.1	13.2	1.4	4.7	6.1	5.5	13.8	19.3
		1952	1.5	10.8	12.3	1.4	4.5	5.9	2.9	15.3	18.2
		1953	2.0	7.0	9.0	1.5	4.4	5.9	3.5	11.4	14.9
7	Wood Products.....	1951	11.2	27.4	38.6	7.7	24.5	32.2	18.9	51.9	70.8
		1952	8.0	20.7	28.7	6.4	23.7	30.1	14.4	44.4	58.8
		1953	5.4	13.6	19.0	5.7	21.5	27.2	11.1	35.1	46.2
8	Paper Products.....	1951	41.9	83.4	125.3	9.7	69.1	78.8	51.6	152.5	204.1
		1952	34.9	96.5	131.4	9.4	73.0	82.4	44.3	189.5	213.8
		1953	30.0	83.9	113.9	9.1	71.1	80.2	39.1	155.0	194.1
9	Printing, Publishing and Allied Industries.....	1951	6.3	18.0	24.3	1.7	4.6	6.3	8.0	22.6	30.6
		1952	2.7	11.6	14.3	1.0	4.2	5.8	4.3	15.8	20.1
		1953	6.1	8.3	14.4	1.5	4.1	5.6	7.6	12.4	20.0
10	Iron and Steel Products.....	1951	47.1	50.1	97.2	13.0	58.9	71.9	60.1	109.0	169.1
		1952	66.1	75.0	141.1	19.0	64.7	83.7	85.1	139.7	224.8
		1953	41.4	70.5	111.9	18.6	65.8	84.4	60.0	136.3	196.3
11	Transportation Equipment.....	1951	21.8	27.1	48.9	6.9	21.5	28.4	28.7	48.6	77.3
		1952	37.2	23.9	61.1	9.6	27.7	37.3	46.8	51.6	98.4
		1953	33.0	40.9	73.9	10.2	26.8	37.0	43.2	67.7	110.9
12	Non-ferrous Metal Products.....	1951	22.4	26.0	48.4	6.9	30.3	37.2	29.3	56.3	85.6
		1952	25.0	35.7	60.7	7.0	37.5	44.5	32.0	73.2	105.2
		1953	26.6	60.1	86.7	6.9	38.5	45.4	33.5	98.6	132.1
13	Electrical Apparatus and Supplies.....	1951	16.3	15.6	31.9	2.2	11.4	13.6	18.5	27.0	45.5
		1952	21.4	19.5	40.9	3.1	12.4	15.5	24.5	31.9	56.4
		1953	17.4	21.1	38.5	3.0	12.6	15.6	20.4	33.7	54.1
14	Non-metallic Mineral Products.....	1951	11.5	18.9	30.4	4.7	15.6	20.3	16.2	34.5	50.7
		1952	9.3	25.6	34.9	1.9	19.3	21.2	11.2	44.9	56.1
		1953	5.6	15.4	21.0	7.6	20.1	27.7	7.2	35.5	42.7
15	Products of Petroleum and Coal(2).....	1951	21.7	37.3	59.0	8.3	8.8	17.1	30.0	46.1	76.1
		1952	40.2	36.2	76.4	11.2	10.4	21.6	51.4	46.6	98.0
		1953	73.7	19.9	93.6	11.0	11.7	22.7	84.7	31.6	116.3
16	Chemical Products.....	1951	19.2	38.5	57.7	4.0	24.8	28.8	23.2	63.3	86.5
		1952	56.3	65.5	121.8	4.7	27.1	31.8	61.0	92.6	153.6
		1953	34.5	61.9	96.4	4.9	28.1	33.0	39.4	90.0	129.4
17	Miscellaneous.....	1951	3.0	4.4	7.4	0.8	3.0	3.8	3.8	7.4	11.2
		1952	2.7	3.9	6.6	1.0	2.7	3.7	3.7	6.6	10.3
		1953	3.7	4.5	8.2	1.0	2.7	3.7	4.7	7.2	11.9
18	Capital Items Charged to Operating Expenses.....	1951		79.6	79.6					79.6	79.6
		1952		86.2	86.2					86.2	86.2
		1953		86.7	86.7					86.7	86.7
19	Total (Items 1 to 18) (2).....	1951	267.8	525.2	793.0	85.0	337.1	422.1	352.8	862.3	1,215.1
		1952	313.2	599.2	912.4	94.9	363.9	458.8	438.4	963.1	1,401.2
		1953	312.1	578.9	891.0	91.8	360.3	452.1	403.9	939.2	1,343.1

(1) Actual expenditures 1951, preliminary actual 1952, intentions 1953.

(2) This industry group now includes natural gas absorption plants.

(3) Capital expenditures made out of Government Capital Assistance funds are not included in these figures.

TABLE 3.—UTILITIES, CANADA, 1951 TO 1953(1)

(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair and Maintenance Expenditures			Capital, Repair and Maintenance Expenditures			
		Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Total	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	Central Electric Stations and Gas Works.....	1951	314.8	109.5	424.3	28.2	11.9	40.1	343.0	121.4	464.4
		1952	376.9	112.3	489.2	27.7	15.3	43.0	404.6	127.6	532.2
		1953	342.8	130.1	472.9	29.2	15.5	44.7	372.0	145.6	517.6
2	Steam Railways and Telegraphs.....	1951	58.7	141.9	200.6	180.1	171.6	351.7	238.8	313.5	552.3
		1952	80.4	139.1	219.5	188.5	190.9	379.4	268.9	330.0	598.9
		1953	96.0	163.6	259.6	204.9	210.7	415.6	300.9	374.3	675.2
3	Electric Railways.....	1951	16.1	7.4	23.5	5.7	13.7	19.4	21.8	21.1	42.9
		1952	17.2	6.3	23.5	5.8	15.1	20.9	23.0	21.4	44.4
		1953	15.9	17.9	33.8	5.9	15.5	21.4	21.8	33.4	55.2
4	Water Transport.....	1951	1.8	22.8	24.6	2.2	18.7	20.9	4.0	41.5	45.5
		1952	3.3	36.3	39.6	1.4	19.3	20.7	4.7	55.6	60.3
		1953	6.6	23.6	30.2	1.5	17.3	18.8	8.1	40.9	49.0
5	Motor Carriers.....	1951	3.8	23.3	27.1	1.3	30.8	32.1	5.1	54.1	59.2
		1952	2.4	18.8	21.2	1.3	31.9	33.2	3.7	50.7	54.4
		1953	2.3	14.8	17.1	1.3	32.5	33.8	3.6	47.3	50.9
6	Grain Elevators.....	1951	8.0	3.5	11.5	3.0	2.1	5.1	11.0	5.6	16.6
		1952	9.5	2.6	12.1	4.1	2.1	6.2	13.6	4.7	18.3
		1953	8.3	1.9	10.2	3.8	1.8	5.6	12.1	3.7	15.8
7	Telephones.....	1951	53.2	72.2	125.4	13.7	36.3	50.0	66.9	108.5	175.4
		1952	58.6	85.8	144.4	15.4	40.1	55.5	74.0	125.9	199.9
		1953	63.8	86.5	150.3	15.7	44.0	59.7	79.5	130.5	210.0
8	Broadcasting.....	1951	1.2	1.6	2.8	0.2	0.6	0.8	1.4	2.2	3.6
		1952	2.0	1.7	3.7	0.3	0.5	0.8	2.3	2.2	4.5
		1953	2.5	5.5	8.0	0.2	0.6	0.8	2.7	6.1	8.8
9	Municipal Waterworks.....	1951	28.6	6.8	35.4	6.9	2.0	8.9	35.5	9.8	44.3
		1952	42.2	4.5	46.7	7.3	2.9	10.2	49.5	7.4	56.9
		1953	41.6	7.6	49.2	7.5	3.0	10.5	49.1	10.6	59.7
10	Other Utilities(?).....	1951	10.4	5.8	16.2	1.8	14.1	15.9	12.2	19.9	32.1
		1952	75.3	13.0	88.3	2.8	18.5	21.3	78.1	31.5	109.6
		1953	87.3	15.1	102.4	3.0	18.1	21.1	90.3	33.2	123.5
11	Capital Items Charged to Operating Expenses.....	1951		8.1	8.1					8.1	8.1
		1952		8.8	8.8					8.8	8.8
		1953		9.6	9.6					9.6	9.6
12	Total (Items 1 to 11).....	1951	496.6	402.9	899.5	243.1	301.8	544.9	739.7	704.7	1,444.4
		1952	667.8	429.2	1,097.0	254.6	336.6	591.2	922.4	765.8	1,688.2
		1953	667.1	476.2	1,143.3	273.0	359.0	632.0	940.1	835.2	1,775.3

(1) Actual expenditures 1951, preliminary actual 1952, intentions 1953.

(2) Includes Air Transport, Warehousing and Oil and Gas Pipe Lines.

TABLE 4.—TRADE AND FINANCE, CANADA, 1951 TO 1953⁽¹⁾

(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair and Maintenance Expenditures			Capital, Repair and Maintenance Expenditures		
		Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
TRADE—										
1	Wholesale (Proper).....	1951 15.5	19.2	34.7	5.0	6.5	11.5	20.5	25.7	46.2
		1952 14.7	13.6	27.8	3.9	7.0	10.9	18.1	20.6	38.7
		1953 24.5	12.8	37.3	3.1	6.5	9.6	27.6	19.3	46.9
2	Chain Stores.....	1951 24.0	20.4	44.4	7.3	6.0	13.3	31.3	26.4	57.7
		1952 16.2	15.7	31.9	4.2	3.6	7.8	20.4	19.3	39.7
		1953 34.9	18.5	53.4	4.0	3.7	7.7	38.9	22.2	61.1
3	Independent Stores.....	1951 52.5	50.3	102.8	21.6	16.6	38.2	74.1	66.9	141.0
		1952 37.2	39.1	76.3	15.0	11.3	26.3	52.2	50.4	102.6
		1953 76.3	48.3	124.6	14.9	11.2	26.1	91.2	59.5	150.7
4	Department Stores.....	1951 5.1	5.9	11.0	4.3	2.8	7.1	9.4	8.7	18.1
		1952 3.7	4.7	8.4	3.9	2.4	6.3	7.6	7.1	14.7
		1953 18.8	6.5	25.3	4.1	2.3	6.4	22.9	8.8	31.7
5	Automotive Trade.....	1951 12.3	13.7	26.0	6.0	7.0	13.0	18.3	20.7	39.0
		1952 15.1	13.2	28.3	6.3	6.9	13.2	21.4	20.1	41.5
		1953 23.7	16.8	40.5	6.3	7.1	13.4	30.0	23.9	53.9
6	Capital Items Charged to Operating Expenses.....	1951	15.6	15.6	.....	.....	.....	.....	15.6	15.6
		1952	12.4	12.4	.....	.....	.....	.....	12.4	12.4
		1953	14.1	14.1	.....	.....	.....	.....	14.1	14.1
7	Sub-total (Items 1 to 6).....	1951 109.4	125.1	234.5	44.2	38.9	83.1	153.6	164.0	317.6
		1952 86.4	98.7	185.1	33.3	31.2	64.5	119.7	129.9	249.6
		1953 178.2	117.0	295.2	32.4	30.8	63.2	210.6	147.8	358.4
FINANCE—										
8	Banks.....	1951 18.0	6.5	24.5	2.7	0.7	3.4	20.7	7.2	27.9
		1952 9.2	4.8	14.0	3.2	0.8	4.0	12.4	5.6	18.0
		1953 11.8	4.7	16.5	2.3	0.7	3.0	14.1	5.4	19.5
9	Insurance, Trust and Loan Companies.....	1951 7.1	1.5	8.6	1.0	0.5	1.5	8.1	2.0	10.1
		1952 5.3	1.3	6.6	1.5	0.5	2.0	6.8	1.8	8.6
		1953 7.3	1.2	8.5	1.5	0.5	2.0	8.8	1.7	10.5
10	Other Financial ⁽²⁾	1951 27.3	8.7	36.0	3.8	0.6	4.4	31.1	9.3	40.4
		1952 15.8	6.6	22.4	2.4	0.4	2.8	18.2	7.0	25.2
		1953 20.8	6.4	27.2	2.9	0.4	3.3	23.7	6.8	30.5
11	Sub-Total (Items 8 to 10).....	1951 52.4	16.7	69.1	7.5	1.8	9.3	59.9	18.5	78.4
		1952 30.3	12.7	43.0	7.1	1.7	8.8	37.4	14.4	51.8
		1953 39.9	12.3	52.2	6.7	1.6	8.3	46.6	13.9	60.5
12	Total (Items 7 and 11).....	1951 161.8	141.8	303.6	51.7	40.7	92.4	213.5	182.5	396.0
		1952 118.7	111.4	229.1	40.4	32.9	73.3	157.1	144.3	301.4
		1953 218.1	129.3	347.4	39.1	32.4	71.5	257.2	161.7	418.9

⁽¹⁾ Actual expenditures 1951, preliminary actual 1952, intentions 1953.⁽²⁾ The largest part of this item is accounted for by expenditures of real estate companies and companies engaged in the sale of stocks and bonds. Most of the remainder is capital outlay by insurance agents and companies conducting personal and business credit operations.

TABLE 5.—SERVICES, CANADA, 1951 TO 1953⁽¹⁾

(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair and Maintenance Expenditures			Capital, Repair and Maintenance Expenditures		
		Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	COMMERCIAL SERVICES—									
	Laundries and Dry Cleaners.....	1951 0.6	3.6	4.2	0.8	2.9	3.7	1.4	6.5	7.9
		1952 0.8	3.0	3.8	0.8	1.9	2.7	1.6	4.9	6.3
	1953 0.9	2.3	3.2	0.6	1.7	2.3	1.5	4.0	5.5	
2	Theatres.....	1951 3.0	2.0	5.0	0.9	0.6	1.5	3.9	2.6	6.5
		1952 2.1	1.7	3.8	0.4	0.4	0.8	2.5	2.1	4.6
	1953 1.2	0.8	2.0	0.3	0.5	0.8	1.5	1.3	2.8	
3	Hotels.....	1951 17.0	7.1	24.1	16.2	11.1	27.3	33.2	18.2	51.4
		1952 6.7	6.7	13.4	20.6	11.9	32.5	27.3	18.6	45.9
	1953 9.6	6.7	16.3	18.2	10.3	28.5	27.8	17.0	44.8	
4	Other Commercial Services ⁽²⁾	1951 19.1	55.6	74.7	2.7	30.9	33.6	21.8	86.5	108.3
		1952 9.7	58.4	68.1	3.2	46.4	49.6	12.9	104.8	117.7
	1953 11.8	50.8	62.6	2.8	60.3	63.1	14.6	111.1	125.7	
5	Sub-total (Items 1 to 4).....	1951 39.7	68.3	108.0	20.6	45.5	66.1	60.3	113.8	174.1
		1952 19.3	69.8	89.1	25.0	60.6	85.6	44.3	130.4	174.7
	1953 23.5	60.6	84.1	21.9	72.8	94.7	45.4	133.4	178.8	
6	INSTITUTIONAL SERVICES—									
	Churches.....	1951 28.3	3.8	32.1	7.0	0.8	7.8	35.3	4.6	39.9
		1952 25.2	1.8	27.0	5.2	0.8	6.0	30.4	2.6	33.0
	1953 29.7	2.2	31.9	4.7	0.8	5.5	34.4	3.0	37.4	
7	Universities.....	1951 11.5	2.5	14.0	2.3	0.4	2.7	13.8	2.9	16.7
		1952 10.3	3.5	13.8	2.6	0.4	3.0	12.9	3.9	16.8
	1953 17.8	3.4	21.2	2.8	0.4	3.2	20.6	3.8	24.4	
8	Schools.....	1951 101.2	10.1	111.3	14.3	1.7	16.0	115.5	11.8	127.3
		1952 122.9	12.7	135.6	13.7	2.0	15.7	136.6	14.7	151.3
	1953 120.5	14.5	135.0	14.8	3.0	17.8	135.3	17.5	152.8	
9	Hospitals.....	1951 65.5	13.5	79.0	8.9	3.7	12.6	74.4	17.2	91.6
		1952 67.8	10.6	78.4	8.4	3.7	12.1	76.2	14.3	90.5
	1953 102.3	14.4	116.7	8.7	3.5	12.2	111.0	17.9	128.9	
10	Sub-total (Items 6 to 9).....	1951 206.5	29.9	236.4	32.5	6.6	39.1	239.0	36.5	275.5
		1952 226.2	28.6	254.8	29.9	6.9	36.8	256.1	35.5	291.6
	1953 270.3	34.5	304.8	31.0	7.7	38.7	301.3	42.2	343.5	
11	GOVERNMENT DEPARTMENTS.....	1951 531.5	60.1	591.6	195.0	28.2	223.2	729.5	88.3	817.8
		1952 688.1	89.6	777.7	163.0	32.2	195.2	851.1	121.8	972.9
	1953 695.8	92.5	788.3	136.6	58.5	195.1	832.4	151.0	983.4	
12	Total (Items 5, 10 and 11).....	1951 780.7	158.3	939.0	248.1	80.3	328.4	1,028.8	238.6	1,267.4
		1952 933.6	188.0	1,121.6	217.9	99.7	317.6	1,151.5	287.7	1,439.2
	1953 989.6	187.6	1,177.2	189.6	139.0	328.5	1,179.1	326.6	1,505.7	

⁽¹⁾ Actual expenditures 1951, preliminary actual 1952, intentions 1953.⁽²⁾ Includes estimates for other commercial vehicles not covered, recreation and amusement centres other than theatres, professional services and independent restaurants.

TABLE 6.—PRIVATE AND PUBLIC, CANADA 1951 TO 1953⁽¹⁾

(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair and Maintenance Expenditures			Capital, Repair and Maintenance Expenditures			
		Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Total	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	PRIVATE— Business Enterprises.....	1951	926	1,550	2,476	350	798	1,148	1,276	2,348	3,624
		1952	1,124	1,689	2,813	378	875	1,253	1,502	2,564	4,066
		1953	1,157	1,643	2,800	376	894	1,270	1,533	2,537	4,070
2	Institutions and Housing.....	1951	847	15	862	231	4	235	1,078	19	1,097
		1952	871	11	882	239	3	242	1,110	14	1,124
		1953	1,046	13	1,059	250	3	253	1,296	16	1,312
3	Sub-total (Items 1 and 2).....	1951	1,773	1,565	3,338	581	802	1,383	2,354	2,367	4,721
		1952	1,995	1,700	3,695	617	878	1,495	2,612	2,578	5,190
		1953	2,203	1,656	3,859	626	897	1,523	2,829	2,553	5,382
4	PUBLIC— Government Owned Enterprises ⁽²⁾	1951	247	201	448	128	135	263	375	336	711
		1952	269	158	427	129	147	276	398	305	703
		1953	327	220	547	140	158	298	467	378	845
5	Government Operated Institutions and Housing ⁽²⁾	1951	180	16	196	22	3	25	202	19	221
		1952	205	17	222	22	3	25	227	20	247
		1953	206	21	227	24	5	29	230	26	256
6	Government Departments.....	1951	535	60	595	195	28	223	730	88	818
		1952	688	90	778	163	32	195	851	122	973
		1953	696	92	788	137	58	195	833	150	983
7	Sub-total (Item 4 to 6).....	1951	962	277	1,239	345	166	511	1,307	443	1,750
		1952	1,162	265	1,427	314	182	496	1,476	447	1,923
		1953	1,220	333	1,562	301	221	522	1,530	554	2,084
8	Total Private and Public, (Items 3 and 7).....	1951	2,735	1,842	4,577	926	968	1,894	3,661	2,810	6,471
		1952	3,157	1,965	5,122	931	1,060	1,991	4,088	3,025	7,113
		1953	3,432	1,989	5,421	927	1,118	2,045	4,359	3,107	7,466

⁽¹⁾ Actual expenditures 1951, preliminary actual 1952, intentions 1953.⁽²⁾ These categories cover, in general, government owned establishments whose principal source of revenue is derived from the provision of goods and services to the public.⁽³⁾ These categories include only federal government housing, provincial hospitals, schools and universities, and municipal hospitals and schools.

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TABLE 7.—GOVERNMENTS, CANADA, 1951 TO 1953⁽¹⁾

(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair and Maintenance Expenditures			Capital, Repair and Maintenance Expenditures			
		Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Total	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	FEDERAL GOVERNMENT— Government Owned Enterprises ⁽²⁾	1951	31	80	111	95	114	209	126	194	320
		1952	36	87	123	98	123	221	134	210	344
		1953	47	92	139	107	133	240	154	225	379
2	Government Operated Institutions and Housing ⁽²⁾	1951	49		49	3		3	52		52
		1952	51		51	3		3	54		54
		1953	48		48	4		4	52		52
3	Government Departments	1951	204	27	231	57	7	64	261	34	295
		1952	333	59	392	47	7	54	380	66	446
		1953	294	59	353	38	10	48	332	69	401
4	Sub-total (Items 1 to 3)	1951	284	107	391	155	121	276	439	228	667
		1952	420	146	566	148	130	278	568	276	844
		1953	389	151	540	149	143	292	538	294	832
5	PROVINCIAL GOVERNMENTS— Government Owned Enterprises ⁽²⁾	1951	166	100	266	21	9	30	187	109	296
		1952	170	57	227	19	11	30	189	68	257
		1953	221	94	315	21	11	32	242	105	347
6	Government Operated Institutions and Housing ⁽²⁾	1951	26	4	30	6	1	7	32	5	37
		1952	29	4	33	6	1	7	35	5	40
		1953	31	5	36	6	1	7	37	6	43
7	Government Departments	1951	190	15	205	87	10	97	277	25	302
		1952	192	12	204	64	13	77	256	25	281
		1953	225	14	239	68	12	80	293	26	319
8	Sub-total (Items 5 to 7)	1951	382	119	501	114	20	134	496	139	635
		1952	391	73	464	89	25	114	480	98	578
		1953	477	113	590	95	24	119	572	137	709
9	MUNICIPAL GOVERNMENTS— Government Owned Enterprises ⁽²⁾	1951	50	21	71	12	12	24	62	33	95
		1952	63	14	77	12	13	25	75	27	102
		1953	59	34	93	12	14	26	71	48	119
10	Government Operated Institutions and Housing ⁽²⁾	1951	105	12	117	13	2	15	118	14	132
		1952	125	13	138	13	2	15	138	15	153
		1953	127	16	143	14	4	18	141	20	161
11	Government Departments	1951	141	18	159	51	11	62	192	29	221
		1952	163	19	182	52	12	64	215	31	246
		1953	177	19	196	31	36	67	208	55	263
12	Sub-total (Items 9 to 11)	1951	296	51	347	76	25	101	372	76	448
		1952	351	46	397	77	27	104	428	73	501
		1953	363	69	432	57	54	111	420	123	543
13	Total (Items 4, 8 and 12)	1951	962	277	1,239	345	166	511	1,307	443	1,750
		1952	1,162	265	1,427	314	182	496	1,476	447	1,923
		1953	1,229	333	1,562	301	221	522	1,530	554	2,084

(1) Actual expenditures 1951, preliminary actual 1952, intentions 1953.

(2) These categories cover, in general, government owned establishments whose principal source of revenue is derived from the provision of goods and services to the public.

(3) These categories include only federal government housing, provincial hospitals, schools and universities, and municipal hospitals and schools.

TABLE 8.—BUSINESS AND OTHER, CANADA, 1951 TO 1953⁽¹⁾

(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair and Maintenance Expenditures			Capital, Repair and Maintenance Expenditures			
		Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Total	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	Business Enterprises ⁽²⁾ (excluding Utilities).....	1951	817	1,349	2,266	334	631	965	1,251	1,980	3,231
		1952	997	1,417	2,414	357	684	1,041	1,354	2,101	3,455
		1953	1,132	1,386	2,518	352	693	1,045	1,484	2,079	3,563
2	Utilities.....	1951	497	403	900	243	302	545	740	705	1,445
		1952	668	429	1,097	254	337	591	922	766	1,688
		1953	667	476	1,143	273	359	632	940	835	1,775
3	Sub-total (Items 1 and 2).....	1951	1,414	1,752	3,166	577	933	1,510	1,991	2,685	4,676
		1952	1,665	1,846	3,511	611	1,021	1,632	2,276	2,867	5,143
		1953	1,799	1,862	3,661	625	1,052	1,677	2,424	2,914	5,338
4	Other ⁽³⁾	1951	1,321	90	1,411	349	35	384	1,670	125	1,795
		1952	1,482	119	1,611	320	39	359	1,812	158	1,970
		1953	1,633	127	1,760	302	66	368	1,935	193	2,128
5	Total (Items 3 and 4).....	1951	2,735	1,842	4,577	926	968	1,894	3,661	2,810	6,471
		1952	3,157	1,965	5,122	931	1,060	1,991	4,088	3,025	7,113
		1953	3,432	1,989	5,421	927	1,118	2,045	4,359	3,107	7,466

⁽¹⁾ Actual expenditures 1951, preliminary actual 1952, intentions 1953.⁽²⁾ Includes expenditures in agriculture, fishing, forestry, mining, manufacturing, the construction industry, rental housing, trade, finance and commercial service.⁽³⁾ Includes expenditures in owner-occupied housing, institutional services and government departments.

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SECTION III.—DEFINITIONS, COVERAGE AND QUALITY OF ESTIMATES

Definitions

The purpose of this report is to set out the anticipated gross expenditures, both new and repair, of the whole Canadian economy on durable physical assets. These comprise in general the facilities and tools used to produce goods and services.

Housing is not generally considered a capital expenditure in the sense mentioned above, but it has been included in this report because it forms a large proportion of construction expenditures and has cyclical fluctuations similar to those which characterize business, institutional and government capital expenditures.

The main emphasis of the report is on capital rather than repair and maintenance expenditures. New investment expenditures include the cost of procuring, constructing and installing new durable plant and machinery whether for replacement of worn or obsolete assets or as net additions to existing assets. Included are purchases from persons outside the business together with the value of work on capital assets undertaken by business with its own working force. Gross outlay is asked for on the questionnaire forms with no deduction for scrap or trade-in value of old assets. Excluded are expenditures made for the purchase of previously existing buildings and other structures, for used machinery and equipment and for land, since outlay of this type involves only the transfer of property and not the production of a capital asset.

The intention is to include the cost of all new plant and equipment which normally has a life of several years or more. For this reason, companies were asked to report as capital expenditures all purchases charged to fixed assets account. This method of reporting omits certain types of equipment which are bought regularly out of ordinary revenue and charged to current or operating account. Adjustments have been made where necessary to take account of such omitted capital items and separate figures are shown in the relevant tables under "capital items charged to operating expenses."

Repair and maintenance expenditures represent the outlays made to maintain the existing stock of durable physical assets in a normal state of repair.

Reconciliation between Private and Public Investment and "New Construction and New Machinery and Equipment" as per National Accounts

New capital investment as shown in this report covers all capital outlays by both private groups and government authorities on durable physical assets. This coverage is therefore somewhat greater than the "new construction and new machinery and equipment" figures included as a component part of Gross Domestic Investment published in the National Accounts. Generally speaking, the National Accounts series includes only those phases of business or industry whose principal source of revenue is from the sale of goods or services to the public. This excludes the items noted in the reconciliation table below, the largest of which is direct government department outlays. All these items are included under government expenditures for goods and services in the National Accounts.

A reconciliation between private and public new investment and "new construction and new machinery and equipment" as used in the National Accounts is shown below for the years 1951, 1952 and 1953.

TABLE 9.—RECONCILIATION WITH NATIONAL ACCOUNTS INVESTMENT

		Housing	Other Construc- tion	Machinery and Equipment	Total
(\$ mill.)					
Private and Public Capital Expenditure—					
	1951	821	1,914	1,842	4,577
	1952	850	2,307	1,965	5,122
	1953	981	2,451	1,989	5,421
Deduct: direct government outlays ⁽¹⁾ —					
	1951	-40	-654	-73	-767
	1952	-47	-831	-106	-984
	1953	-45	-837	-113	-995
New construction and new machinery and equipment expenditures as per National Accounts.					
	1951	781	1,260	1,769	3,810
	1952	803	1,476	1,859	4,138
	1953	936	1,614	1,876	4,426

⁽¹⁾ In addition to government built, non-rental housing, this category consists of expenditures for provincial hospitals, provincial and municipal schools and those outlays made directly by government departments.

Coverage

Estimates for most of the sectors covered in this report are based on questionnaire surveys. Government expenditure figures are based on a direct survey of municipal, provincial and Federal departments or agencies. The per cent coverage in each of these surveys is given in the following table headed "Coverage of 1952-53 Survey". Those groups for which independent estimates were made are listed in the table with a blank in the percent column.

The total coverage of the survey may be expressed in several ways. Actually reported expenditures account for 83.4 per cent of total outlays in those groups covered by direct survey and of 71.8 per cent of total estimated expenditures in all sectors. The estimates of total outlays in the groups covered by survey, amounting to 85.0 per cent of all spending, are thought to be of a better quality than the remaining 15.0 per cent which represent independent estimates based on much less complete information.

TABLE 10.—COVERAGE OF 1952-53 SURVEY

Item No.	Type of Enterprise	Per cent Coverage ⁽¹⁾
	Agriculture and Fishing⁽²⁾: (Table 1).....	....
	Forestry⁽³⁾: (Table 1).....	44.4
	Mining, Quarrying and Oil Wells⁽⁴⁾: (Table 1).....	77.3
	Manufacturing: (Table 2)	
1	Food and Beverages.....	74.5
2	Tobacco and Tobacco Products.....	94.7
3	Rubber Products.....	98.9
4	Leather Products.....	76.4
5	Textile and Textile Products.....	90.3
6	Clothing.....	69.3
7	Wood Products.....	43.9
8	Paper Products.....	92.9
9	Printing, Publishing and Allied Industries.....	67.2
10	Iron and Steel Products.....	86.1
11	Transportation Equipment.....	96.1
12	Non-ferrous Metal Products.....	94.2
13	Electrical Apparatus and Supplies.....	90.9
14	Non-metallic Mineral Products.....	80.0
15	Products of Petroleum and Coal.....	88.8
16	Chemical Products.....	89.8
17	Miscellaneous.....	74.3
	Total (Items 1 to 17).....	83.4

10.83

TABLE 10.—COVERAGE OF 1952-53 SURVEY—Concluded

Item No.	Type of Enterprise	Per cent Coverage ⁽¹⁾
	Utilities: (Table 3)	
1	Central Electric Stations.....	93.4
2	Steam Railways and Telegraphs.....	100.0
3	Electric Railways.....	100.0
4	Water Transport.....	84.5
5	Motor Carriers.....	66.4
6	Grain Elevators.....	78.2
7	Telephones.....	95.4
8	Broadcasting.....	86.2
9	Municipal Waterworks.....	66.3
10	Other Utilities.....	98.2
	Total (Items 1 to 10).....	94.2
	Construction Industry⁽²⁾: (Table 1)	41.7
	Housing⁽³⁾: (Table 1)	77.0
	Trade: (Table 4)	
1	Wholesale ⁽⁴⁾ (Proper).....	50.4
2	Chain Stores.....	61.5
3	Independent Stores ⁽²⁾	88.4
4	Department Stores.....	88.4
5	Automotive Trade.....	82.4
	Total (Items 1 to 5).....	38.4
	Finance: (Table 4)	
1	Banks.....	100.0
2	Insurance, Trust and Loan Companies.....	87.2
3	Other Financial ⁽²⁾	49.2
	Total (Items 1 to 3).....	49.2
	Commercial Services: (Table 5)	
1	Laundries and Dry Cleaners.....	31.5
2	Theatres.....	54.8
3	Hotels.....	15.5
4	Other Commercial Services ⁽²⁾	6.7
	Total (Items 1 to 4).....	6.7
	Institutional Services: (Table 5)	
1	Churches.....	58.3
2	Universities.....	77.5
3	Schools.....	81.3
4	Hospitals.....	77.0
	Totals: (Items 1 to 4).....	77.1
	Government Departments: (Table 1)	84.8
	Total: Groups Covered by Direct Survey.....	83.4 ✓
	Total: All Groups.....	71.8 ✓

(1) Coverage is calculated by expressing expenditures of reporting firms as a percentage of total estimated expenditures.

(2) Independent estimates were made of expenditures in this group.

(3) In manufacturing and primary industries only establishments having a gross value of production of over \$100,000 were canvassed in entirety. Thus, coverage is apt to be lower for groups where there are a large number of small companies such as forestry and construction.

(4) Coverage for residential housing is calculated by expressing public and privately initiated housing covered by survey as a percentage of total estimated completions.

(5) This group was surveyed on a sample basis only.

All figures in the various tables in this report are estimates of total expenditures. In other words, in order to approximate full coverage for Canada adjustments were made to allow for the expenditures of firms which did not report. This was done by inflating reported expenditures by a factor obtained by dividing the total value of production or revenue of all firms in 1950 by the corresponding 1950 total for firms reporting in the 1953 survey. The assumption here is that the proportion of production accounted for by the firms reporting both in 1950 and 1953 has not changed significantly in the interval from 1950 to 1953 and farther that there is a close relationship between total value of

production and capital investment. The fact that certain firms have gone out of business in this period does not affect the method of estimation since they are omitted from both years. Since reporting firms accounted for 72 per cent of the total it is believed that the estimation procedure for the non-reporting firms and the sectors not covered by direct survey, covering the remaining 28 per cent, does not introduce any very great margin of error into the total. However, estimates for individual industries are subject to greater error than the total figures for Canada.

Both the 1952 preliminary actual expenditures and the 1953 forecast expenditures were reported by business establishments on the same questionnaire form. This meant that reported figures covering both years came from exactly the same establishments and since the estimation techniques for non-reporting firms were the same in each year the percentage change from 1952 to 1953 can be calculated with more precision than can absolute magnitudes. In effect, this means that the estimates of change from 1952 to 1953 are subject to little error because of non-response, while the margin of error for the absolute totals may be affected to a greater extent.

Housing estimates were made on a different basis from those based on information submitted directly by business or government agencies. Appraisals of the probable volume of housing construction were made by field representatives of the Central Mortgage and Housing Corporation who consulted local officials, builders, contractors, supply firms, and other individuals and firms concerned with future housing construction projects. Using information obtained from these sources and their own knowledge, the representatives of the Corporation made estimates of privately initiated housing for all municipalities in Canada with a population of 5,000 and over. The five regional offices and the head office of the Corporation checked these estimates together. Independent estimates were made of privately initiated housing in areas with a population of less than 5,000, and of the total volume of public or government initiated housing likely to be undertaken next year. Finally, an allowance was made for conversions which amounted to a small part of the total. Allowing for probable changes in construction costs, supplementary estimates were then prepared for the value of new construction work performed and alterations and repair and maintenance work likely to be undertaken in 1953.

Quality of Estimates

In considering the accuracy or correctness of any analysis of investment intentions, two separate factors should be kept in mind. First, it is necessary to consider the extent to which investment plans are formulated in advance. Second, consideration ought to be given to the comparison of anticipated investment expenditures with the actual investment statistics once they are available for the period in question.

So far as the first point is concerned, it should be noted that it is not always easy to obtain reliable data on the future plans of business firms. Some firms do not decide upon their complete investment programme at the beginning of the year and are unable to state their intentions precisely. Generally, however, new investment expenditures, particularly those on structures and large installations, need previous planning and preparation and most firms are able to give a good estimate of expected outlay in replies to queries about their intended investment. In addition, the seasonal character of construction in Canada frequently means that early decisions must be made regarding the year's plans.

In considering how closely statements of intentions compare with actual realization, it should be kept in mind that the figures given for 1953 represent the capital expenditures intentions of businessmen and others at the time the

surveys are made. These intentions may change for a variety of reasons as the year progresses. Changes in the general business outlook may make it desirable to either modify or expand investment spending, changing price trends may result in revision of cost estimates, and shortages of materials or labour may slow down progress on projects. In addition individual businesses have different planning periods and in some cases plans are kept flexible as a matter of policy.

The following table illustrates how closely the 1952 statement of investment intentions compared with actual realization. Total capital expenditures in 1952 exceeded intentions by just over 2 per cent. However, within this total construction spending was 9 per cent greater than the original intentions and outlays for machinery and equipment were 7 per cent lower. These variations reflect, to some extent, such unpredictable influences as the exceptionally long construction season, and delays in machinery deliveries due to the steel strike in the United States. Total capital spending in all the major categories, with the exception of housing, was within 3 per cent of the intentions, although in both manufacturing and utilities construction outlays had been markedly underestimated and expenditures for machinery and equipment significantly overestimated.

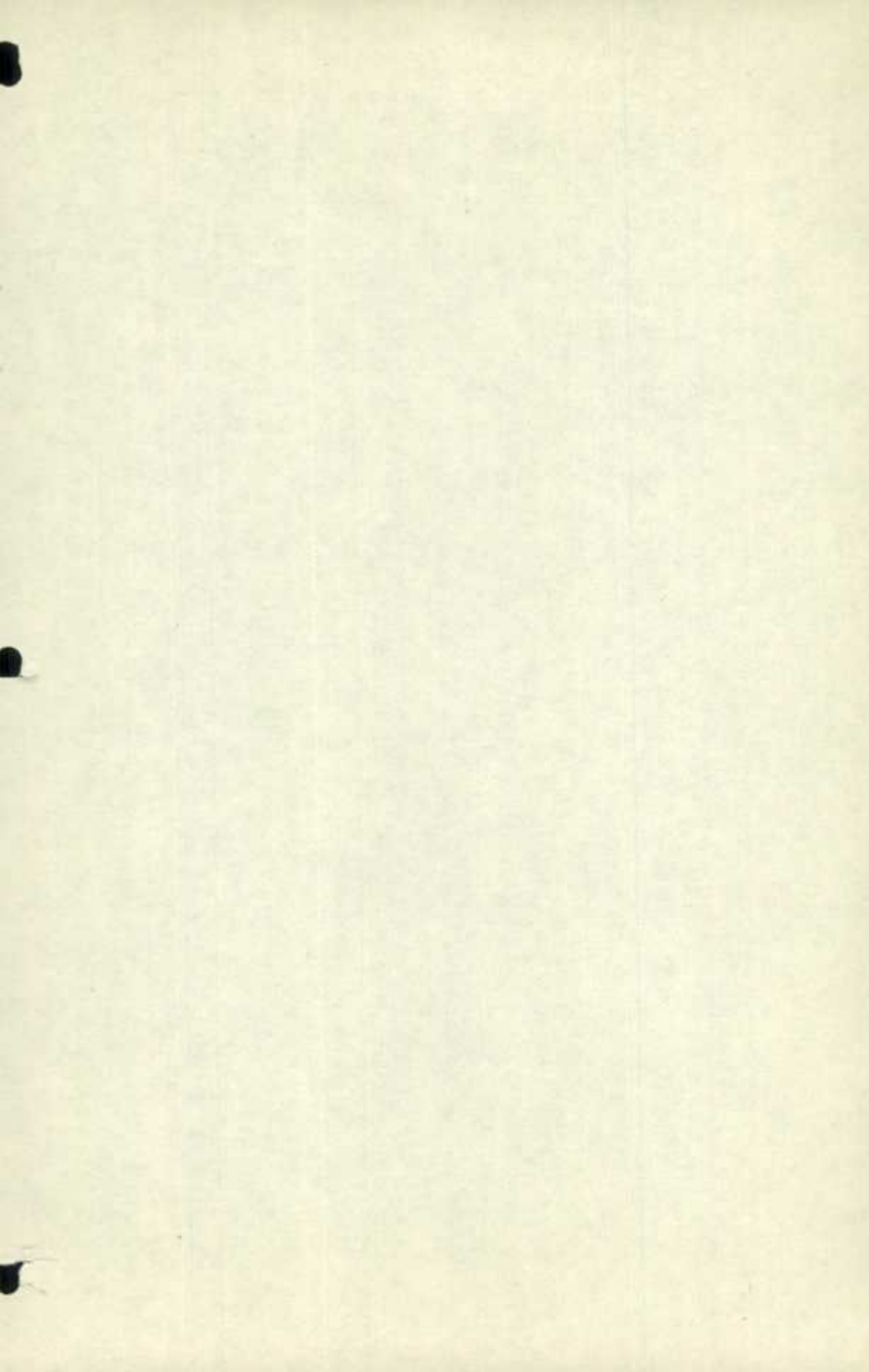
In considering this comparison, it should be kept in mind that the 1952 preliminary actual figures are still subject to further revision as more information becomes available. However, these revisions do not as a rule affect the overall totals appreciably although there are sometimes significant changes within some of the groups.

The 1951 preliminary actual figures published last year have now been finally revised and any changes are included in the 1951 figures contained in this report.

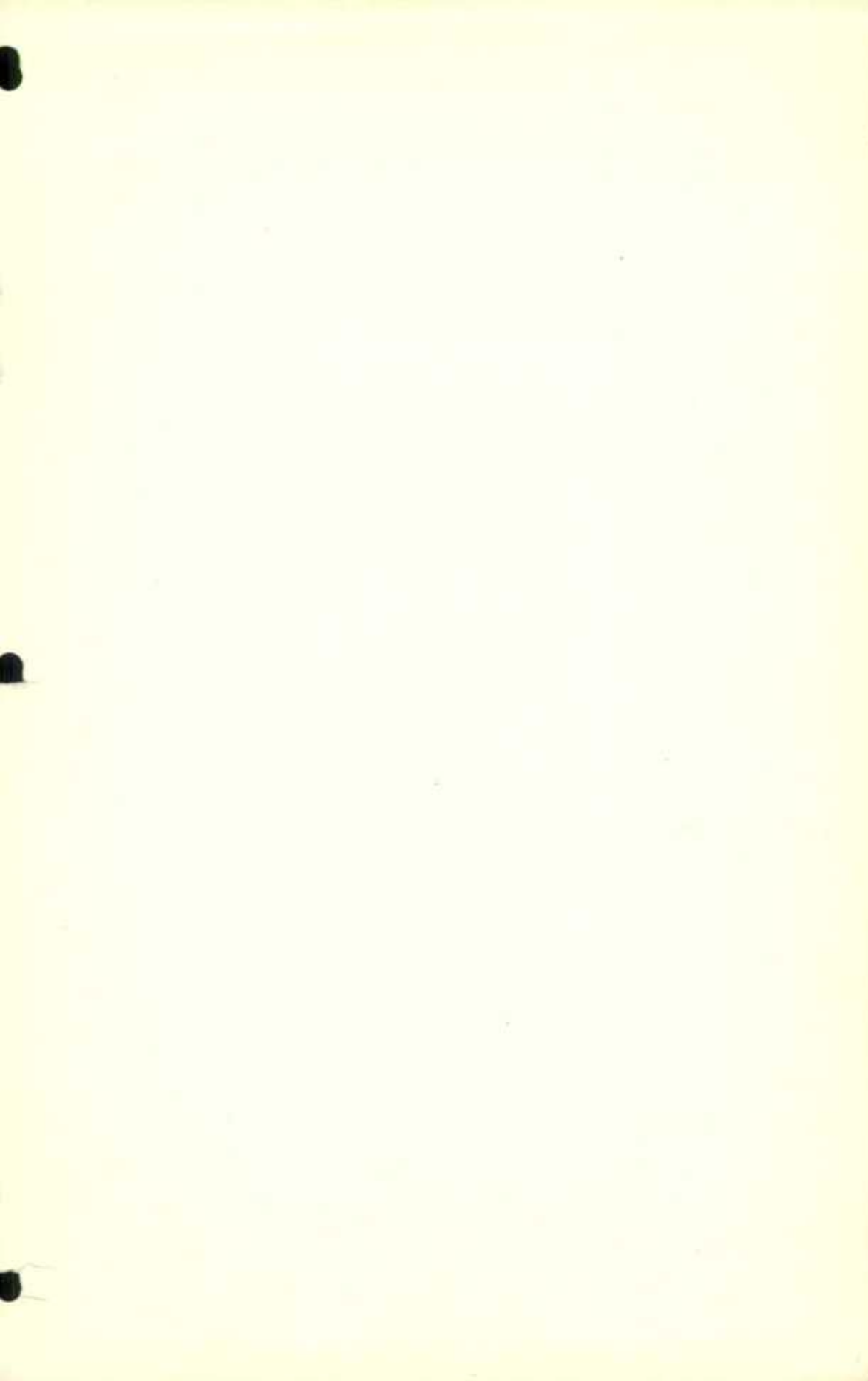
TABLE 11.—COMPARISON OF 1952 INTENTIONS WITH 1952 REALIZATION

(Millions of Dollars)

Item No.	Type of Enterprise		Capital Expenditures			Repair and Maintenance Expenditures			Capital, Repair and Maintenance Expenditures		
			Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Total
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Primary Industries and Construction Industry.	Intentions 1952	256	603	859	73	239	312	329	842	1,171
		Realized 1952	247	636	883	92	226	318	339	862	1,201
2	Manufacturing.....	Intentions 1952	279	650	929	89	342	431	368	992	1,360
		Realized 1952	343	599	942	95	364	459	438	963	1,401
3	Utilities.....	Intentions 1952	588	542	1,130	253	335	588	841	877	1,718
		Realized 1952	668	429	1,097	254	337	591	922	766	1,688
4	Trade, Finance and Commercial Services..	Intentions 1952	140	169	309	55	75	130	195	244	439
		Realized 1952	135	182	317	66	94	160	201	276	477
5	Institutions.....	Intentions 1952	228	29	257	30	6	36	258	35	293
		Realized 1952	226	29	255	30	7	37	256	36	292
6	Housing.....	Intentions 1952	758	.....	758	236	.....	236	994	.....	994
		Realized 1952	850	.....	850	231	.....	231	1,081	.....	1,081
7	Government Departments	Intentions 1952	650	111	761	200	28	228	850	139	989
		Realized 1952	688	90	778	163	32	195	851	122	973
8	Total (Items 1 to 7)...	Intentions 1952	2,899	2,104	5,003	936	1,025	1,961	3,835	3,129	6,964
		Realized 1952	3,157	1,965	5,122	931	1,060	1,991	4,088	3,025	7,113







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