

71)

39.43  
758  
255

61-205 c.3

DEPARTMENT OF TRADE AND COMMERCE

# Private and Public Investment in Canada Outlook 1955

DOMINION BUREAU  
OF STATISTICS  
DEC 2 1968  
PROPERTY OF THE  
LIBRARY

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



EDMOND CLOUTIER, C.M.G., O.A., D.S.P.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1955



## INTRODUCTION

This report provides information for the year ahead on the probable level of capital expenditures on new construction and for machinery and equipment. These estimates cover the capital spending intentions of all sectors of the Canadian economy; business, institutions, governments and of individuals for housing. Along with the expenditure intentions for 1955 comparative figures are given for 1953 and 1954. The estimates for 1955 are based on intentions as recorded at the end of 1954 and reflect the situation at that time. New developments as the year progresses may result in the altering of 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 16,000 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 direct surveys are more difficult to make were estimated independently on the basis of current trends and informed opinion in these fields.

For the purposes of this report, construction is defined to include all types of construction projects. Building construction is only part, although a large part, of the total. In addition outlays for such structures as dams, highways, sidewalks, sewers, bridges, mines, railway lines, transmission lines, etc. are included. Machinery and equipment expenditures 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 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 expenditures on structures and machinery and equipment are also given in the report but these are dealt with separately. By including these expenditures a more complete picture is provided of the demands likely to be made on labour and materials in accomplishing the programme.

Advance knowledge of the intended capital expenditures of business, governments and individuals on construction and for machinery and equipment is of particular importance for a number of reasons. The relative 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 conditions appear favourable for marketing the increase in production or services for which the facilities are being provided. 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 other expenditure components and in consequence may 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 1955 is a joint project of the Dominion Bureau of Statistics and the Economics Branch of the Department of Trade and Commerce.

M.W. SHARP

*Associate Deputy Minister  
Department of Trade and Commerce*

Ottawa,  
February, 1955.

## TABLE OF CONTENTS

	Page
INTRODUCTION	1
SECTION I. Appraisal of the 1955 Capital Expenditure Programme .....	5
SECTION II. Reference Tables .....	9
SECTION III. Definitions, Coverage and Quality of Estimates .....	17

### List of Tables

SECTION II. Capital, Repair and Maintenance Expenditures, 1953 to 1955	
Table 1. Summary by Sectors .....	9
Table 2. Manufacturing .....	10
Table 3. Utilities .....	11
Table 4. Trade and Finance .....	12
Table 5. Services .....	13
Table 6. Private and Public .....	14
Table 7. Governments .....	15
Table 8. Business and Other .....	16
SECTION III.	
Table 9. Reconciliation with National Accounts Investment .....	18
Table 10. Coverage of 1954-1955 Survey .....	19
Table 11. Comparison of 1954 Intentions with 1954 Realization .....	21



**SECTION I. — APPRAISAL OF THE 1955 CAPITAL EXPENDITURE PROGRAMME**

**The Total Programme**

Canada's capital expenditure plans for 1955 call for outlays of \$5,808 million. This covers anticipated capital expenditures of business, institutions and governments and of individuals for housing. If this programme is realized it will mean that capital expenditures in 1955 will be about 6 per cent greater than the \$5,498 million accomplished in 1954 but still slightly below the record of \$5,841 million spent in 1953. Little change occurred in the prices of capital goods between 1953 and 1954 and it is anticipated that these prices will continue at approximately present levels through 1955. Thus, the volume changes in capital spending should approximate those shown for value. The level of outlays now anticipated indicates that in 1955 capital spending will provide an important stimulus to general activity in the economy.

The following table illustrates the trends in capital spending in recent years in both current and constant (1949) 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						Per Cent	
1947 <sup>1</sup> .....	1,424	1,681	1,065	1,265	2,489	2,946	18.1	19.0
1948 <sup>1</sup> .....	1,877	1,947	1,298	1,376	3,175	3,323	20.3	21.1
1949 .....	2,124	2,124	1,378	1,378	3,502	3,502	21.3	21.5
1950 .....	2,366	2,247	1,449	1,370	3,815	3,617	21.0	20.9
1951 .....	2,735	2,309	1,842	1,563	4,577	3,872	21.3	21.2
1952 .....	3,263	2,610	2,022	1,718	5,285	4,328	22.7	22.1
1953 .....	3,665	2,847	2,176	1,836	5,841	4,683	23.9	23.0
1954 .....	3,694	2,870	1,804	1,500	5,498	4,370	22.9	22.1
1955 .....	4,064	—	1,744	—	5,808	—	—	—

1. Newfoundland not included in these years.

**The Programme by Sectors**

Total capital expenditures are the aggregate of capital spending in a number of individual industries. For each industry the decision to expand will depend upon the state of capital facilities in the industry in relation to the prospective demand for the goods or services produced by the industry. While this factor usually determines the level of capital expenditures over the longer run, more immediate influences may accentuate or modify the trend in shorter periods.

The current industrial pattern of capital outlays has been very much influenced by the additional demands placed upon the productive facilities of the economy following the outbreak of hostilities in Korea. From 1951 to 1953 capital facilities in the metal mining and heavy manufacturing industries were built to rapidly with the peak being reached in 1952. During 1953 a considerable carry-over of work in the defence-supporting and strategic materials industries along with renewed strength in commercial and institutional building and in housing brought capital spending to record levels. At the start of 1954 capital expenditure intentions called for outlays a little higher than in 1953 with further declines in the commodity producing industries being more than offset by increases in the service sector. However, the occurrence of several unfavourable factors resulted in actual spending falling some 6 per cent short of original intentions. The decline in capital spending in 1954 did not, for the most part, represent any scaling down or cancellation of original plans, but resulted from slower progress on projects than had been anticipated and in some cases from the postponement of projects until a later date.

Capital spending plans for the present year, on an industry basis, show some change from the trends in evidence over the past few years. Since 1952 capital spending by the commodity producing industries has been declining relative to outlays in service industries. This trend appears likely to be halted in 1955. The increases and decreases in the 1955 programme are fairly equally divided between the commodity producing sector and the service sector, as outlined in the following table.

Sector	Capital Expenditures				Per Cent Distribution			
	1949	1953	1954	1955	1949	1953	1954	1955
	\$ Mill				Per Cent			
Agriculture, fishing, forestry and the construction industry.....	500	671	500	484	14.3	11.5	9.1	8.3
Mining, quarrying and oil wells	122	257	249	309	3.5	4.4	4.5	5.3
Heavy manufacturing <sup>1</sup> .....	323	667	495	553	9.2	11.4	9.0	9.5
Other manufacturing .....	213	302	300	264	6.1	5.2	5.5	4.6
Sub-total.....	1,158	1,897	1,544	1,610	33.1	32.5	28.1	27.7
Trade, finance and commercial services .....	293	526	577	590	8.3	9.0	10.5	10.2
Utilities .....	679	1,209	1,114	1,110	19.4	20.7	20.3	19.1
Housing .....	776	1,084	1,169	1,283	22.2	18.6	21.2	22.1
Institutions .....	190	301	329	393	5.4	5.1	6.0	6.8
Government departments .....	406	824	765	822	11.6	14.1	13.9	14.1
Sub-total.....	2,344	3,944	3,954	4,198	66.9	67.5	71.9	72.3
<b>Total Capital Expenditures</b>	<b>3,502</b>	<b>5,841</b>	<b>5,498</b>	<b>5,808</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

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

Similarly, little divergence of movement is noticeable as between the export industries and those catering to domestic demands. It is notable that such manufacturing industries as the non-ferrous metals group and chemicals, which have shown a decreasing rate of capital spending following the very high levels reached immediately after Korea, plan to increase their capital outlays in 1955. The pulp and paper industry, also plans to embark on a further round of expansion in the present year.



In the service industries, outlays for commercial types of construction are expected to level off after the rapid rise of the past few years. However, a further rise is anticipated in housebuilding and in the institutional field.

On the whole, the 1955 capital expenditures programme indicates that the higher level of investment will arise from moderate changes in many individual sectors while in earlier post-war years, marked increases in a few industries contributed to the larger overall totals.

### The Programme by Type

Of the total 1955 programme \$4.1 billion or 70 per cent is expected to be spent for construction work and the remaining \$1.7 billion or 30 per cent for the purchases of machinery and equipment. This represents an increasing emphasis on the construction part of the capital programme and continues the trend in evidence since 1951. In terms of value, construction spending is expected to increase by about 10 per cent while outlays for machinery and equipment are planned at a rate about 3 per cent below that of 1954.

Type <sup>1</sup>	Capital Expenditures \$ Mill			Per Cent Distribution		
	1953	1954	1955	1953	1954	1955
Housing .....	1,084	1,169	1,283	18.6	21.3	22.1
Other Building Construction .....	1,252	1,230	1,333	21.4	22.4	23.0
Engineering Construction .....	1,329	1,295	1,448	22.7	23.5	24.9
<b>Total Construction .....</b>	<b>3,665</b>	<b>3,694</b>	<b>4,064</b>	<b>62.7</b>	<b>67.2</b>	<b>70.0</b>
Machinery and Equipment .....	2,176	1,804	1,744	37.3	32.8	30.0
<b>Total Capital Expenditures .....</b>	<b>5,841</b>	<b>5,498</b>	<b>5,808</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1. More detail on the construction programme by type together with other related data will be presented in the Dominion Bureau of Statistics report "Construction in Canada - 1953-1955", to be published later.

The decline expected in machinery and equipment purchases is almost wholly attributable to reduced purchases of rolling stock by the major railway companies. Demands for other types of machinery and equipment should be equal or exceed 1954 levels. Of the major types of equipment, industrial and heavy electrical machinery purchases are expected to be moderately higher in 1955 while purchases of agricultural implements will likely be maintained.

All types of construction activity are expected to be at higher levels in the present year with the greatest strength being shown in the housebuilding field. The estimate of housing expenditures in 1955 provides for starts to number 116,000 compared with the 113,000 of 1954 and for completions to reach 115,000 compared with the 102,000 units completed last year. Following declines in 1954, both industrial building construction and engineering construction are expected to be at higher levels in 1955. The increase

in engineering construction results from a more intensive mineral development, particularly in crude petroleum, and the start of full scale activity on the St. Lawrence seaway and power projects. Increases are indicated in both institutional construction and in the public works programmes of municipal, provincial and federal governments, while commercial building will likely equal the high rate of 1954.

### Repair Expenditures

In addition to the \$5,808 million expected to be spent for capital purposes, outlays of \$2,033 million are planned for the repair of existing facilities. This is made up of \$1,001 million for repairs to structures and \$1,032 million for repairs to machinery and equipment.

Adding expenditures for repairs to structures to those for new construction give a total of \$5,065 million, an increase of 8 per cent from 1954. 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 \$2,776 million or 3 per cent less than last year.

### Factors Affecting the Programme

The capital expenditure programme as outlined reflects, for the most part, the stated intentions of business, institutions and governments. The total of capital spending which will actually be made depends upon the firmness of these plans at the time of reporting and also upon presently unforeseen conditions which may develop during the year.

From the end of the war until 1953 a considerable degree of urgency existed for the rapid implementing of investment plans. Immediately after the war businessmen were prompted to expand production as rapidly as possible to meet the accumulated demand for goods and services of all types. This same type of incentive acted as a stimulant to capital expansion during the period of defence build-up starting with Korea. Further, the whole period was typified by rapidly rising prices, and delays in implementing capital plans meant higher costs. During this period the major factor limiting expansion programmes was the availability of man-power and materials. By 1954 this situation had changed. Capacities in the commodity producing industries had, by and large, reached the point where current demands could be fairly readily met. Expansion plans in these industries were largely to take care of the expansion in markets expected in the future rather than to meet demands already in existence. There were still shortages of facilities in the service sectors but those applied in large part to schools, hospitals, roads, sewers and waterworks which are normally provided by governments. During 1954 costs of construction work and prices of machinery levelled off and possibly declined. Under these conditions expansion plans were more apt to be delayed or deferred if unfavourable circumstances developed.

In 1954 a number of adverse factors did in fact occur and as a result capital spending fell some 6 per cent short of intentions as stated at the start of the year. On the favourable side, labour materials and investment funds were in good supply and there was a relatively large carry-over of uncompleted work from the previous year. On the other hand extremely unfavourable construction weather throughout most of Canada and greater loss of construction time through strikes retarded progress on many projects and in some cases resulted in work being postponed. In Western Canada poor grain crops adversely affected farm equipment purchases and no doubt was a dampening influence

on other forms of capital expansion. It should be noted here that the discrepancy between anticipated dollar outlays in 1954 and actual outlays appears to be explained in part by the levelling in costs. In a number of instances investors have reported getting work done at costs less than expected. This means that, in physical volume terms, the short fall in the investment program was less than that suggested by value figures. Keen competition in the construction industry apparently resulted in more efficient operations and some paring of profit margins. While it is difficult to measure the extent of the savings resulting from these factors there is no doubt that in many cases the investor got better value for his construction dollar in 1954.

The 1955 investment plans, like those of 1954, are probably more subject to adjustment than in the earlier post-war years. Under adverse conditions they could be curtailed without, in most cases, undue inconvenience; under favourable conditions they are no longer stringently limited by the availability of labour and materials. However, there is reason to expect that the present programme would be less affected by unfavourable factors than was the case in 1954.

Present conditions and prospects give no indication of any major impediments to the implementing of this year's programme. Labour, materials and investment funds are likely to be in adequate supply. It is also to be noted that the carry-over of uncompleted projects makes up a larger proportion of this year's programme than was the case a year ago. Also the incentive for early completion of projects may be stronger than in 1954. A number of projects which had been planned for 1954 are now expected to get underway in 1955. With these already having been delayed there is probably now more urgency attached to their completion. It is likely, too, with prices having levelled off, that actual costs will prove to be more in line with builders present expectations. Finally, it is apparent that external economic influences are now more favourable than they have been for some time. The recent firming of production and income trends in the United States and the continuation of prosperous conditions in the Commonwealth and European countries should help to create an economic atmosphere favourable to further expansion in Canadian industries.

SECTION II. REFERENCE TABLES - CAPITAL AND REPAIR EXPENDITURES, 1953 TO 1955

TABLE 1. Summary by Sectors, Canada, 1953 to 1955<sup>1</sup>

(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair Expenditures			Capital and Repair 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 .....	1953	85	461	546	68	118	186	153	579	732
		1954	78	315	393	70	112	182	148	427	575
		1955	80	315	395	71	116	187	151	431	582
2	Forestry .....	1953	19	15	34	19	24	43	38	39	77
		1954	20	21	41	19	22	41	39	43	82
		1955	24	17	41	18	21	39	42	38	80
3	Mining, Quarrying and Oil Wells .....	1953	167	90	257	14	48	62	181	138	319
		1954	169	80	249	17	41	58	186	121	307
		1955	219	90	309	18	42	60	237	132	369
4	Manufacturing .....	1953	325	644	969	95	385	480	420	1,029	1,449
		1954	286	509	795	93	365	458	379	874	1,253
		1955	298	519	817	89	361	450	387	880	1,267
5	Utilities .....	1953	687	522	1,209	272	362	634	959	884	1,843
		1954	639	475	1,114	261	323	584	900	798	1,698
		1955	695	415	1,110	258	315	573	953	730	1,683
6	Construction Industry .....	1953	10	81	91	3	73	76	13	154	167
		1954	6	60	66	2	61	63	8	121	129
		1955	7	41	48	2	55	57	9	96	105
7	Housing .....	1953	1,084	-	1,084	214	-	214	1,298	-	1,298
		1954	1,169	-	1,169	222	-	222	1,391	-	1,391
		1955	1,283	-	1,283	229	-	229	1,512	-	1,512
8	Trade - Wholesale and Retail .....	1953	191	139	330	36	36	72	227	175	402
		1954	218	139	357	43	34	77	261	173	434
		1955	217	144	361	37	34	71	254	178	432
9	Finance, Insurance and Real Estate .....	1953	63	15	78	7	3	10	70	18	88
		1954	95	16	111	8	5	13	103	21	124
		1955	105	16	121	7	3	10	112	19	131
10	Commercial Services .....	1953	29	89	118	13	40	53	42	129	171
		1954	29	80	109	11	41	52	40	121	161
		1955	32	76	108	10	40	50	42	116	158
11	Institutional Services .....	1953	268	33	301	34	7	41	302	40	342
		1954	292	37	329	35	8	43	327	45	372
		1955	349	44	393	36	7	43	385	51	436
12	Government Departments <sup>2</sup> .....	1953	737	87	824	197	30	227	934	117	1,051
		1954	693	72	765	220	37	257	913	109	1,022
		1955	755	67	822	226	38	264	981	105	1,086
13	Total (Items 1 to 12) .....	1953	3,665	2,176	5,841	972	1,126	2,098	4,637	3,302	7,939
		1954	3,694	1,804	5,498	1,001	1,049	2,050	4,695	2,853	7,548
		1955	4,064	1,744	5,808	1,001	1,032	2,033	5,065	2,776	7,841

1. Actual expenditures 1953, preliminary actual 1954, intentions 1955.  
 2. Includes expenditures of the Federal Government under the Capital Assistance programme.

1955  
 1,957  
 2,367  
 1956  
 715

**TABLE 2. Manufacturing, Canada, 1953 to 1955<sup>1</sup>**  
(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair Expenditures			Capital and Repair 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.....	1953	26.0	59.0	85.0	12.8	40.1	52.9	38.8	99.1	137.9
		1954	38.5	59.3	97.8	11.8	37.2	49.0	50.3	96.5	146.8
		1955	34.6	52.3	86.9	11.3	36.5	47.8	45.9	88.8	134.7
2	Tobacco and Tobacco Products .....	1953	1.0	2.2	3.2	0.6	1.5	2.1	1.6	3.7	5.3
		1954	0.6	2.1	2.7	0.7	1.6	2.3	1.3	3.7	5.0
		1955	2.2	1.7	3.9	0.7	1.6	2.3	2.9	3.3	6.2
3	Rubber Products .....	1953	4.1	11.1	15.2	1.3	6.0	7.3	5.4	17.1	22.5
		1954	4.1	12.9	17.0	1.0	5.2	6.2	5.1	18.1	23.2
		1955	5.6	13.2	18.8	0.9	5.3	6.2	6.5	18.5	25.0
4	Leather Products .....	1953	0.9	2.2	3.1	0.7	2.3	3.0	1.6	4.5	6.1
		1954	0.8	1.7	2.5	0.6	2.1	2.7	1.4	3.8	5.2
		1955	0.9	1.0	1.9	0.6	1.9	2.5	1.5	2.9	4.4
5	Textile Products.....	1953	7.9	20.0	27.9	2.8	16.6	19.4	10.7	36.6	47.3
		1954	6.9	20.3	27.2	2.8	14.9	17.7	9.7	35.2	44.9
		1955	5.8	14.0	19.8	2.6	15.8	18.4	8.4	29.8	38.2
6	Clothing .....	1953	3.8	10.6	14.4	1.5	4.5	6.0	5.3	15.1	20.4
		1954	1.3	6.9	8.2	1.2	4.1	5.3	2.5	11.0	13.5
		1955	1.5	4.6	6.1	1.1	4.0	5.1	2.6	8.6	11.2
7	Wood Products.....	1953	10.4	24.2	34.6	7.8	22.3	30.1	18.2	46.5	64.7
		1954	9.6	21.4	31.0	6.3	20.9	27.2	15.9	42.3	58.2
		1955	5.2	14.8	20.0	5.4	17.9	23.3	10.6	32.7	43.3
8	Paper Products .....	1953	22.5	81.6	104.1	7.0	69.7	76.7	29.5	151.3	180.8
		1954	19.6	62.1	81.7	7.3	75.3	82.6	26.9	137.4	164.3
		1955	26.7	91.6	118.3	7.6	75.4	83.0	34.3	167.0	201.3
9	Printing, Publishing and Allied Industries.	1953	3.8	12.6	16.4	2.0	4.3	6.3	5.8	16.9	22.7
		1954	10.5	17.5	28.0	2.3	4.1	6.4	12.8	21.6	34.4
		1955	4.8	13.2	18.0	1.5	3.9	5.4	6.3	17.1	23.4
10	Iron and Steel Products .....	1953	35.6	78.4	114.0	15.6	70.8	86.4	51.2	149.2	200.4
		1954	20.6	63.0	83.6	12.0	59.6	71.6	32.6	122.6	155.2
		1955	22.3	52.6	74.9	11.5	59.4	70.9	33.8	112.0	145.8
11	Transportation Equipment .....	1953	46.9	50.4	97.3	11.9	33.0	44.9	58.8	83.4	142.2
		1954	23.7	44.4	68.1	9.7	27.6	37.3	33.4	72.0	105.4
		1955	19.7	37.3	57.0	9.3	24.6	33.9	29.0	61.9	90.9
12	Non-ferrous Metal Products.....	1953	37.6	41.7	79.3	8.7	36.1	44.8	46.3	77.8	124.1
		1954	20.9	35.1	56.0	11.0	34.8	45.8	31.9	69.9	101.8
		1955	30.7	35.6	66.3	11.5	38.1	49.6	42.2	73.7	115.9
13	Electrical Apparatus and Supplies.....	1953	15.8	20.2	36.0	2.7	14.2	16.9	18.5	34.4	52.9
		1954	10.6	18.1	28.7	2.7	12.6	15.3	13.3	30.7	44.0
		1955	11.8	20.7	32.5	2.7	12.3	15.0	14.5	33.0	47.5
14	Non-metallic Mineral Products .....	1953	11.0	21.3	32.3	2.2	22.1	24.3	13.2	43.4	56.6
		1954	19.9	22.1	42.0	2.4	21.8	24.2	22.3	43.9	66.2
		1955	16.9	24.7	41.6	2.6	21.9	24.5	19.5	46.6	66.1
15	Products of Petroleum and Coal.....	1953	61.7	19.9	81.6	11.8	12.0	23.8	73.5	31.9	105.4
		1954	81.6	13.8	95.4	14.4	11.7	26.1	96.0	25.5	121.5
		1955	84.2	14.1	98.3	13.4	11.1	24.5	97.6	25.2	122.8
16	Chemical Products .....	1953	32.0	90.3	122.3	4.3	26.5	30.8	36.3	116.8	153.1
		1954	14.5	25.3	39.8	5.5	29.0	34.5	20.0	54.3	74.3
		1955	22.1	41.7	63.8	5.2	28.4	33.6	27.3	70.1	97.4
17	Miscellaneous .....	1953	3.7	5.0	8.7	0.9	3.3	4.2	4.6	8.3	12.9
		1954	2.6	4.0	6.6	1.1	2.9	4.0	3.7	6.9	10.6
		1955	2.8	5.6	8.4	1.2	2.8	4.0	4.0	8.4	12.4
18	Capital Items Charged to Operating Expenses.	1953	—	93.6	93.6	—	—	—	—	93.6	93.6
		1954	—	79.5	79.5	—	—	—	—	79.5	79.5
		1955	—	79.9	79.9	—	—	—	—	79.9	79.9
19	Total (Items 1 to 18) <sup>2</sup> .....	1953	324.7	644.3	969.0	94.6	385.3	479.9	419.3	1,029.6	1,448.9
		1954	286.3	509.5	795.8	92.8	365.4	458.2	379.1	874.9	1,254.0
		1955	297.8	518.6	816.4	89.1	360.9	450.0	386.9	879.5	1,266.4

1. Actual expenditures 1953, preliminary actual 1954, intentions 1955.

2. Capital expenditures made out of Government Capital Assistance funds are not included in these figures.

**TABLE 3. Utilities, Canada, 1953 to 1955<sup>1</sup>**  
(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair Expenditures			Capital and Repair 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 .....	1953	342.6	144.2	486.8	31.0	19.3	50.3	373.6	163.5	537.1
		1954	335.5	91.0	426.5	29.9	17.7	47.6	365.4	108.7	474.1
		1955	338.9	105.5	444.4	31.0	17.6	48.6	369.9	123.1	493.0
2	Gas Distribution .....	1953	6.6	1.3	7.9	1.7	1.6	3.3	8.3	2.9	11.2
		1954	14.5	1.3	15.8	2.4	1.9	4.3	16.9	3.2	20.1
		1955	15.7	1.1	16.8	2.7	1.6	4.3	18.4	2.7	21.1
3	Steam Railways and Tele- graphs.	1953	106.6	168.5	275.1	196.0	200.0	396.0	302.6	368.5	671.1
		1954	59.7	184.2	243.9	180.0	167.5	347.5	239.7	351.7	591.4
		1955	66.6	119.2	185.8	176.9	158.0	334.9	243.5	277.2	520.7
4	Electric Railways .....	1953	12.8	14.0	26.8	5.6	14.8	20.4	18.4	28.8	47.2
		1954	10.4	3.8	14.2	5.9	14.6	20.5	16.3	18.4	34.7
		1955	6.2	6.2	12.4	5.8	14.7	20.5	12.0	20.9	32.9
5	Water Transport .....	1953	7.6	30.8	38.4	2.6	22.4	25.0	10.2	53.2	63.4
		1954	10.1	19.0	29.1	2.6	13.8	16.4	12.7	32.8	45.5
		1955	46.1	13.5	59.6	3.2	11.7	14.9	49.3	25.2	74.5
6	Motor Carriers .....	1953	3.0	23.9	26.9	1.4	34.1	35.5	4.4	58.0	62.4
		1954	4.2	18.4	22.6	1.2	31.6	32.8	5.4	50.0	55.4
		1955	3.6	16.6	20.2	1.1	30.4	31.5	4.7	47.0	51.7
7	Grain Elevators .....	1953	11.0	3.2	14.2	5.0	2.5	7.5	16.0	5.7	21.7
		1954	8.9	2.8	11.7	5.2	2.1	7.3	14.1	4.9	19.0
		1955	9.2	2.3	12.0	4.3	1.8	6.1	13.5	4.6	18.1
8	Telephones .....	1953	70.9	90.8	161.7	16.3	44.9	61.2	87.2	135.7	222.9
		1954	77.1	110.4	187.5	17.4	50.5	67.9	94.5	160.9	255.4
		1955	85.9	114.2	200.1	18.9	53.2	74.1	104.8	169.4	274.2
9	Broadcasting .....	1953	3.8	4.3	8.1	0.3	0.8	1.1	4.1	5.1	9.2
		1954	4.5	7.8	12.3	0.3	0.8	1.1	4.8	8.6	13.4
		1955	1.4	2.6	4.0	0.3	0.6	0.9	1.7	3.2	4.9
10	Municipal Waterworks .....	1953	44.4	4.7	49.1	9.3	1.5	10.8	53.7	6.2	59.9
		1954	47.8	3.4	51.2	10.6	1.6	12.2	58.4	5.0	63.4
		1955	49.7	4.5	54.2	9.9	1.6	11.5	59.6	6.1	65.7
11	Other Utilities <sup>2</sup> .....	1953	77.2	26.2	103.4	3.3	19.9	23.2	80.5	46.1	126.6
		1954	65.9	24.1	90.0	5.4	21.0	26.4	71.3	45.1	116.4
		1955	72.0	20.6	92.6	3.9	22.0	25.9	75.9	42.6	118.5
12	Capital Items Charged to Operating Expenses.	1953	-	10.2	10.2	-	-	-	-	10.2	10.2
		1954	-	9.2	9.2	-	-	-	-	9.2	9.2
		1955	-	8.4	8.4	-	-	-	-	8.4	8.4
13	<b>Total (Items 1 to 12) .....</b>	1953	<b>686.5</b>	<b>522.1</b>	<b>1,208.6</b>	<b>272.5</b>	<b>361.8</b>	<b>634.3</b>	<b>959.0</b>	<b>883.9</b>	<b>1,842.9</b>
		1954	<b>638.6</b>	<b>475.4</b>	<b>1,114.0</b>	<b>260.9</b>	<b>323.1</b>	<b>584.0</b>	<b>899.5</b>	<b>798.5</b>	<b>1,698.0</b>
		1955	<b>695.3</b>	<b>415.2</b>	<b>1,110.5</b>	<b>258.0</b>	<b>315.2</b>	<b>573.2</b>	<b>953.3</b>	<b>730.4</b>	<b>1,683.7</b>

1. Actual expenditures 1953, preliminary actual 1954, intentions 1955.  
2. Includes Air Transport, Warehousing and Oil and Gas Pipe Lines.

TABLE 4. Trade and Finance, Canada, 1953 to 1955<sup>1</sup>

(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair Expenditures			Capital and Repair 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)	
<b>TRADE:</b>											
1	Wholesale.....	1953	38.0	25.7	63.7	5.4	7.0	12.4	43.4	32.7	76.1
		1954	37.2	18.5	55.7	3.9	5.2	9.1	41.1	23.7	64.8
		1955	24.3	12.9	37.2	3.3	5.2	8.5	27.6	18.1	45.7
2	Chain Stores.....	1953	28.0	22.0	50.0	4.2	4.6	8.8	32.2	26.6	58.8
		1954	36.7	22.0	58.7	6.0	4.4	10.4	42.7	26.4	69.1
		1955	36.1	27.3	63.4	4.7	4.6	9.3	40.8	31.9	72.7
3	Independent Stores.....	1953	77.7	53.4	131.1	15.4	14.0	29.4	93.1	67.4	160.5
		1954	88.3	56.8	145.1	19.8	14.0	33.8	108.1	70.8	178.9
		1955	96.6	64.4	161.0	16.8	13.8	30.6	113.4	78.2	191.6
4	Department Stores.....	1953	21.9	6.7	28.6	4.2	2.5	6.7	26.1	9.2	35.3
		1954	24.5	12.2	36.7	4.4	2.7	7.1	28.9	14.9	43.8
		1955	17.1	7.7	24.8	4.2	2.5	6.7	21.3	10.2	31.5
5	Automotive Trade.....	1953	25.7	18.1	43.8	7.2	7.6	14.8	32.9	25.7	58.6
		1954	31.7	16.6	48.3	8.5	7.6	16.1	40.2	24.2	64.4
		1955	43.0	18.6	61.6	8.5	7.6	16.1	51.5	26.2	77.7
6	Capital Items Charged to Operating Expenses.	1953	-	12.9	12.9	-	-	-	-	12.9	12.9
		1954	-	12.8	12.8	-	-	-	-	12.8	12.8
		1955	-	13.2	13.2	-	-	-	-	13.2	13.2
7	Sub-total (Items 1 to 6).....	1953	191.3	138.8	330.1	36.4	35.7	72.1	227.7	174.5	402.2
		1954	218.4	138.9	357.3	42.6	33.9	76.5	261.0	172.8	433.8
		1955	217.1	144.1	361.2	37.5	33.7	71.2	254.6	177.8	432.4
<b>FINANCE:</b>											
8	Banks.....	1953	9.8	4.7	14.5	3.2	1.0	4.2	13.0	5.7	18.7
		1954	15.0	5.0	20.0	3.2	1.1	4.3	18.2	6.1	24.3
		1955	19.4	5.1	24.5	2.6	0.9	3.5	22.0	6.0	28.0
9	Insurance, Trust and Loan Companies	1953	15.0	2.0	17.0	1.4	0.6	2.0	16.4	2.6	19.0
		1954	18.3	2.9	21.2	1.5	2.4	3.9	19.8	5.3	25.1
		1955	10.3	1.9	12.2	1.1	1.1	2.2	11.4	3.0	14.4
10	Other Financial <sup>2</sup> .....	1953	38.3	7.9	46.2	2.8	1.5	4.3	41.1	9.4	50.5
		1954	62.0	8.4	70.4	3.0	1.5	4.5	65.0	9.9	74.9
		1955	75.0	8.6	83.6	3.3	1.5	4.8	78.3	10.1	88.4
11	Sub-total (Items 8 to 10).....	1953	63.1	14.6	77.7	7.4	3.1	10.5	70.5	17.7	88.2
		1954	95.3	16.3	111.6	7.7	5.0	12.7	103.0	21.3	124.3
		1955	104.7	15.6	120.3	7.0	3.5	10.5	111.7	19.1	130.8
12	<b>Total (Items 7 and 11).....</b>	<b>1953</b>	<b>254.4</b>	<b>153.4</b>	<b>407.8</b>	<b>43.8</b>	<b>38.8</b>	<b>82.6</b>	<b>298.2</b>	<b>192.2</b>	<b>490.4</b>
		<b>1954</b>	<b>313.7</b>	<b>155.2</b>	<b>468.9</b>	<b>50.3</b>	<b>38.9</b>	<b>89.2</b>	<b>364.0</b>	<b>194.1</b>	<b>558.1</b>
		<b>1955</b>	<b>321.8</b>	<b>159.7</b>	<b>481.5</b>	<b>44.5</b>	<b>37.2</b>	<b>81.7</b>	<b>366.3</b>	<b>196.9</b>	<b>563.2</b>

1. Actual expenditures 1953, preliminary actual 1954, intentions 1955.

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, 1953 to 1955<sup>1</sup>

(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair Expenditures			Capital and Repair 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)
<b>COMMERCIAL SERVICES:</b>										
1	Laundries and Dry Cleaners	1953 1.5	4.7	6.2	0.9	2.0	2.9	2.4	6.7	9.1
		1954 1.3	3.6	4.9	0.8	1.9	2.7	2.1	5.5	7.6
		1955 0.8	2.7	3.5	0.8	1.8	2.6	1.6	4.5	6.1
2	Theatres .....	1953 5.0	3.3	8.3	0.8	0.6	1.4	5.8	3.9	9.7
		1954 4.0	4.5	8.5	0.6	1.0	1.6	4.6	5.5	10.1
		1955 3.7	2.4	6.1	0.5	0.7	1.2	4.2	3.1	7.3
3	Hotels .....	1953 12.3	5.9	18.2	9.6	5.3	14.9	21.9	11.2	33.1
		1954 10.2	4.9	15.1	8.5	5.1	13.6	18.7	10.0	28.7
		1955 12.2	4.6	16.8	7.7	4.4	12.1	19.9	9.0	28.9
4	Other Commercial Services <sup>2</sup>	1953 10.4	75.2	85.6	1.6	32.1	33.7	12.0	107.3	119.3
		1954 13.9	66.6	80.5	1.4	32.7	34.1	15.3	99.3	114.6
		1955 14.9	66.7	81.6	1.3	33.3	34.6	16.2	100.0	116.2
5	Sub-total (Items 1 to 4)....	1953 29.2	89.1	118.3	12.9	40.0	52.9	42.1	129.1	171.2
		1954 29.4	79.6	109.0	11.3	40.7	52.0	40.7	120.3	161.0
		1955 31.6	76.4	108.0	10.3	40.2	50.5	41.9	116.6	158.5
<b>INSTITUTIONAL SERVICES:</b>										
6	Churches .....	1953 24.8	2.9	27.7	5.9	0.8	6.7	30.7	3.7	34.4
		1954 30.6	3.1	33.7	6.0	0.8	6.8	36.6	3.9	40.5
		1955 31.6	2.8	34.4	5.0	0.6	5.6	36.6	3.4	40.0
7	Universities .....	1953 14.5	2.5	17.0	2.2	0.3	2.5	16.7	2.8	19.5
		1954 12.7	2.3	15.0	2.3	0.7	3.0	15.0	3.0	18.0
		1955 18.1	2.4	20.5	2.1	0.5	2.6	20.2	2.9	23.1
8	Schools .....	1953 120.9	12.2	133.1	15.2	2.0	17.2	136.1	14.2	150.3
		1954 137.8	17.7	155.5	15.4	2.8	18.2	153.2	20.5	173.7
		1955 150.6	20.6	171.2	17.0	3.0	20.0	167.6	23.6	191.2
9	Hospitals .....	1953 103.1	15.2	118.3	10.1	4.3	14.4	113.2	19.5	132.7
		1954 103.6	13.4	117.0	10.9	3.2	14.1	114.5	16.6	131.1
		1955 140.2	17.5	157.7	11.1	3.2	14.3	151.3	20.7	172.0
10	Other Institutional <sup>3</sup> .....	1953 5.0	0.2	5.2	0.8	0.1	0.9	5.8	0.3	6.1
		1954 7.7	0.2	7.9	0.8	0.1	0.9	8.5	0.3	8.8
		1955 8.5	0.7	9.2	1.0	0.1	1.1	9.5	0.8	10.3
11	Sub-total (Items 6 to 10)...	1953 268.3	33.0	301.3	34.2	7.5	41.7	302.5	40.5	343.0
		1954 292.4	36.7	329.1	35.4	7.6	43.0	327.8	44.3	372.1
		1955 349.0	44.0	393.0	36.2	7.4	43.6	385.2	51.4	436.6
12	GOVERNMENT DEPARTMENTS	1953 737.2	86.8	824.0	196.6	29.7	226.3	933.8	116.5	1,050.3
		1954 693.5	71.6	765.1	220.3	36.9	257.2	913.8	108.5	1,022.3
		1955 754.7	67.2	821.9	226.3	37.7	264.0	981.0	104.9	1,085.9
13	<b>Total (Items 5, 11 and 12)</b>	1953 1,034.7	208.9	1,243.6	243.7	77.2	320.9	1,278.4	286.1	1,564.5
		1954 1,015.5	187.9	1,203.2	267.0	85.2	352.2	1,282.3	273.1	1,555.4
		1955 1,135.3	187.6	1,322.9	272.8	85.3	358.1	1,408.1	272.9	1,681.0

1. Actual expenditures 1953, preliminary actual 1954, intentions 1955.

2. Includes estimates for other commercial vehicles not covered, recreation and amusement centres other than theatres, professional services and independent restaurants.

3. Includes privately-operated social and welfare institutions.



TABLE 6. Private and Public, Canada, 1953 to 1955<sup>1</sup>  
(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair Expenditures			Capital and Repair 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)	
<b>PRIVATE:</b>											
1	Business Enterprises .....	1953	1,224.6	1,812.0	3,036.6	379.0	924.3	1,303.3	1,603.6	2,736.3	4,339.9
		1954	1,141.6	1,475.5	2,618.1	368.5	848.4	1,216.9	1,510.1	2,324.9	3,835.0
		1955	1,221.5	1,443.9	2,665.4	359.2	849.7	1,208.9	1,580.7	2,293.6	3,874.3
2	Institutions and Housing ....	1953	1,155.0	15.9	1,171.8	228.2	4.0	232.2	1,384.1	19.9	1,404.0
		1954	1,271.9	14.6	1,286.5	235.9	4.0	239.9	1,507.8	18.6	1,526.4
		1955	1,384.6	18.6	1,403.2	242.0	2.8	244.8	1,626.6	21.4	1,648.0
3	Sub-total (Items 1 and 2) ..	1953	2,380.5	1,827.9	4,208.4	607.2	928.3	1,535.5	2,987.7	2,756.2	5,743.9
		1954	2,413.5	1,491.1	3,904.6	604.4	852.4	1,456.8	3,017.9	2,343.5	5,361.4
		1955	2,606.1	1,462.5	4,068.6	601.2	852.5	1,453.7	3,207.3	2,315.0	5,522.3
<b>PUBLIC:</b>											
4	Government Owned Enterprises <sup>2</sup> .	1953	351.2	244.2	595.4	148.4	165.0	313.4	499.6	409.2	908.8
		1954	397.8	218.9	616.7	155.2	155.7	310.9	553.0	374.6	927.6
		1955	455.8	188.9	644.7	150.5	137.6	288.1	606.3	326.5	932.8
5	Government Operated Institutions and Housing <sup>3</sup> .	1953	196.1	17.1	213.2	19.8	3.0	22.8	215.9	20.1	236.0
		1954	189.1	22.4	211.5	21.1	4.0	25.1	210.2	26.4	236.6
		1955	247.4	25.4	272.8	23.0	4.2	27.2	270.4	29.6	300.0
6	Government Departments ....	1953	737.2	86.8	824.0	196.6	29.7	226.3	933.8	116.5	1,050.3
		1954	693.6	71.6	765.2	220.3	36.9	257.2	913.9	108.5	1,022.4
		1955	754.7	67.2	821.9	226.3	37.7	264.0	981.0	104.9	1,085.9
7	Sub-total (Items 4 to 6) ....	1953	1,284.5	348.1	1,632.6	364.8	197.7	562.5	1,649.3	545.8	2,195.1
		1954	1,280.5	312.9	1,593.4	396.6	196.6	593.2	1,677.1	509.5	2,186.6
		1955	1,457.9	281.5	1,739.4	399.8	179.5	579.3	1,857.7	461.0	2,318.7
8	<b>Total Private and Public (Items 3 and 7).</b>	1953	<b>3,665.0</b>	<b>2,176.0</b>	<b>5,841.0</b>	<b>972.0</b>	<b>1,126.0</b>	<b>2,098.0</b>	<b>4,637.0</b>	<b>3,302.0</b>	<b>7,939.0</b>
		1954	<b>3,694.0</b>	<b>1,804.0</b>	<b>5,498.0</b>	<b>1,001.0</b>	<b>1,049.0</b>	<b>2,050.0</b>	<b>4,695.0</b>	<b>2,853.0</b>	<b>7,548.0</b>
		1955	<b>4,064.0</b>	<b>1,744.0</b>	<b>5,808.0</b>	<b>1,001.0</b>	<b>1,032.0</b>	<b>2,033.0</b>	<b>5,065.0</b>	<b>2,776.0</b>	<b>7,841.0</b>

1. Actual expenditures 1953, preliminary actual 1954, intentions 1955.

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 7. Governments, Canada, 1953 to 1955<sup>1</sup>**  
(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair Expenditures			Capital and Repair 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)
<b>FEDERAL GOVERNMENT:</b>										
1	Government Owned Enterprises <sup>2</sup>	1953 49.7	98.3	148.0	105.9	130.1	236.0	155.6	228.4	384.0
		1954 47.0	135.3	182.3	110.6	121.1	231.7	157.6	256.4	414.0
		1955 97.4	93.6	191.0	106.1	103.6	209.7	203.5	197.2	400.7
2	Government Operated Institutions and Housing <sup>3</sup>	1953 38.3	—	38.3	—	—	—	38.3	—	38.3
		1954 15.6	—	15.6	—	—	—	15.6	—	15.6
		1955 48.3	—	48.3	—	—	—	48.3	—	48.3
3	Government Departments .....	1953 324.9	57.3	382.2	40.6	8.8	49.4	365.5	66.1	431.6
		1954 249.5	32.2	281.7	37.2	11.0	48.2	286.7	43.2	329.9
		1955 278.4	28.9	307.3	36.8	10.2	47.0	315.2	39.1	354.3
4	Sub-total (Items 1 to 3) ....	1953 412.9	155.6	568.5	146.5	138.9	285.4	559.4	294.5	853.9
		1954 312.1	167.5	479.6	147.8	132.1	279.9	459.9	299.6	759.5
		1955 424.1	122.5	546.6	142.9	113.8	256.7	567.0	236.3	803.3
<b>PROVINCIAL GOVERNMENTS:</b>										
5	Government Owned Enterprises <sup>2</sup>	1953 227.7	113.1	340.8	22.3	16.7	39.0	250.0	129.8	379.8
		1954 255.6	65.0	320.6	21.0	16.1	37.1	276.6	81.1	357.7
		1955 266.3	73.2	339.5	21.0	16.4	37.4	287.3	89.6	376.9
6	Government Operated Institutions and Housing <sup>3</sup>	1953 25.0	2.9	27.9	5.0	0.4	5.4	30.0	3.3	33.3
		1954 29.1	2.6	31.7	5.7	0.7	6.4	34.8	3.3	38.1
		1955 43.2	2.9	46.1	6.7	0.8	7.5	49.9	3.7	53.6
7	Government Departments .....	1953 248.3	10.6	258.9	92.9	5.8	98.7	341.2	16.4	357.6
		1954 252.3	18.2	270.5	100.2	12.5	112.7	352.5	30.7	383.2
		1955 269.0	15.3	284.3	104.1	13.2	117.3	373.1	28.5	401.6
8	Sub-total (Items 5 to 7) ....	1953 501.0	126.6	627.6	120.2	22.9	143.1	621.2	149.5	770.7
		1954 537.0	85.8	622.8	126.9	29.3	156.2	663.9	115.1	779.0
		1955 578.5	91.4	669.9	131.8	30.4	162.2	710.3	121.8	832.1
<b>MUNICIPAL GOVERNMENTS:</b>										
9	Government Owned Enterprises <sup>2</sup>	1953 73.8	32.8	106.6	20.2	18.2	38.4	94.0	51.0	145.0
		1954 95.2	18.6	113.8	23.6	18.5	42.1	118.8	37.1	155.9
		1955 92.1	22.1	114.2	23.4	17.6	41.0	115.5	39.7	155.2
10	Government Operated Institutions and Housing <sup>3</sup>	1953 132.8	14.2	147.0	14.8	2.6	17.4	147.6	16.8	164.4
		1954 144.4	19.8	164.2	15.4	3.3	18.7	159.8	23.1	182.9
		1955 155.9	22.5	178.4	16.3	3.4	19.7	172.2	25.9	198.1
11	Government Departments .....	1953 164.0	18.9	182.9	63.1	15.1	78.2	227.1	34.0	261.1
		1954 191.8	21.2	213.0	82.9	13.4	96.3	274.7	34.6	309.3
		1955 207.3	23.0	230.3	85.4	14.3	99.7	292.7	37.3	330.0
12	Sub-total (Items 9 to 11)....	1953 370.6	65.9	436.5	98.1	35.9	134.0	468.7	101.8	570.5
		1954 431.4	59.6	491.0	121.9	35.2	157.1	553.3	94.8	648.1
		1955 455.3	67.6	522.9	125.1	35.3	160.4	580.4	102.9	683.3
13	<b>Total (Items 4, 8 and 12) 1953</b>	<b>1,284.5</b>	<b>348.1</b>	<b>1,632.6</b>	<b>364.8</b>	<b>197.7</b>	<b>562.5</b>	<b>1,649.3</b>	<b>545.8</b>	<b>2,195.1</b>
	<b>1954</b>	<b>1,280.5</b>	<b>312.9</b>	<b>1,593.4</b>	<b>396.6</b>	<b>196.6</b>	<b>593.2</b>	<b>1,677.1</b>	<b>509.5</b>	<b>2,186.6</b>
	<b>1955</b>	<b>1,457.9</b>	<b>281.5</b>	<b>1,739.4</b>	<b>399.8</b>	<b>179.5</b>	<b>579.3</b>	<b>1,857.7</b>	<b>461.0</b>	<b>2,318.7</b>

1. Actual expenditures, 1953, preliminary actual 1954, intentions 1955.

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, 1953 to 1955<sup>1</sup>**  
(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair Expenditures			Capital and Repair 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 <sup>2</sup> (excluding Utilities).	1953	1,203	1,534	2,737	255	727	982	1,458	2,261	3,719
		1954	1,252	1,220	2,472	263	681	944	1,515	1,901	3,416
		1955	1,380	1,218	2,598	252	672	924	1,632	1,890	3,522
2	Utilities .....	1953	687	522	1,209	272	362	634	959	884	1,843
		1954	639	475	1,114	261	323	584	900	798	1,698
		1955	695	415	1,110	258	315	573	953	730	1,683
3	Sub-total (Items 1 and 2) .....	1953	1,890	2,056	3,946	527	1,089	1,616	2,417	3,145	5,562
		1954	1,891	1,695	3,586	524	1,004	1,528	2,415	2,699	5,114
		1955	2,075	1,633	3,708	510	987	1,497	2,585	2,620	5,205
4	Other <sup>3</sup> .....	1953	1,775	120	1,895	445	37	482	2,220	157	2,377
		1954	1,803	109	1,912	477	45	522	2,280	154	2,434
		1955	1,989	111	2,100	491	45	536	2,480	156	2,636
5	Total (Items 3 and 4) .....	1953	3,665	2,176	5,841	972	1,126	2,098	4,637	3,302	7,939
		1954	3,694	1,804	5,498	1,001	1,049	2,050	4,695	2,853	7,548
		1955	4,064	1,744	5,808	1,001	1,032	2,033	5,665	2,776	7,841

1. Actual expenditures 1953, preliminary actual 1954, Intentions 1955.

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.

### 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 expenditures. New capital 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 the firm with its own working force. Gross outlay is asked for on the questionnaires with no deduction for scrap or trade-in value of old assets. Excluded are expenditures made for the acquisition of previously existing structures, for used machinery and equipment and for land, since outlays of this type involve only the transfer of property and not the creation 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 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 expenditures represent outlays made to maintain the operating efficiency of the existing stock of durable physical assets. Major repair costs which materially lengthen the expected serviceable life of the asset or raise its productivity are treated as part of capital expenditures. Excluded also are costs for the routine care of assets such as cleaning and oiling of machinery.

#### **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 of Gross Domestic Investment published in the National Accounts. Generally speaking, the National Accounts series includes only expenditures of organizations whose principal source of revenue is from the sale of goods or services to the public. This excludes the items listed in the footnote to Table 9, 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 in Table 9 for the years 1953, 1954 and 1955.

## 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 1954-55 Survey". Those groups for which independent estimates were made are listed in the table with a blank in the per cent column.

**TABLE 9. Reconciliation with National Accounts Investment**

		Housing	Other Construc- tion	Machinery and Equipment	Total
Private and Public Capital Expenditures .....	1953	1,084	2,581	2,176	5,841
	1954	1,169	2,525	1,804	5,498
	1955	1,283	2,781	1,744	5,808
Deduct: direct government outlays <sup>1</sup> .....	1953	23	875	103	1,001
	1954	10	849	93	952
	1955	27	934	90	1,051
New construction and new machinery equipment expenditures as per National Accounts.	1953	1,061	1,706	2,073	4,840
	1954	1,159	1,676	1,711	4,546
	1955	1,256	1,847	1,654	4,757

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.

The total coverage of the survey may be expressed in several ways. Actually reported expenditures account for 85.0 per cent of total outlays in those groups covered by direct survey and for 76.4 per cent of total estimated expenditures in all sectors. The estimates of total outlays in the groups covered by survey, amounting to 91.4 per cent of all spending, are thought to be of a better quality than the remaining 8.6 per cent which represent independent estimates based on much less complete information.

The figures in the various tables of this report and those to follow in the regional supplement are estimates of total expenditures. In order to approximate full coverage for Canada, adjustments were made to allow for those firms which did not report. In manufacturing, the method used to inflate the reported expenditures was to multiply the known expenditures by a factor obtained by dividing the total value of production in 1952 of all the firms in each industry by the corresponding 1952 total for the firms reporting in the 1955 survey. In carrying out this procedure it has been assumed that the proportion of production of the reporting establishments in both 1952 and 1955 has not changed significantly during the period and further that there is a close relationship between total value of production and capital investment. In the utilities, trade, finance and institutional and commercial services sectors the same principle has been followed using appropriate basic data for the sector concerned. Expenditures reported by establishments for which no production or other basic data are available are included as "net additions". Since reporting firms accounted for 76.4 per cent of the total, it is believed that the estimating procedure for the non-reporting firms and the sectors not covered by direct survey, amounting to 24.6 per cent, does not introduce any great margin of error into the total. Estimates for individual industries or regions are, of course, subject to greater error than the total figures for Canada.

Both the 1954 preliminary actual expenditures and the 1955 forecast expenditures were reported by business establishments on the same questionnaire form. With the reported figures covering both years coming from the same group of establishments and with the estimating techniques for non-reporting firms the same for each year, the percentage change from 1954 to 1955 can be calculated with more precision than the absolute magnitude of expenditures in the two years.

**TABLE 10. Coverage of 1954-55 Survey**

Type of Enterprise	Per cent coverage <sup>1</sup>	Type of Enterprise	Per cent coverage <sup>1</sup>
<b>Agriculture and Fishing<sup>2</sup>: (Table 1)</b>	-	<b>Construction Industry<sup>3</sup>: (Table 1)....</b>	<b>31.5</b>
<b>Forestry<sup>3</sup>: (Table 1).....</b>	<b>32.8</b>	<b>Housing<sup>4</sup>: (Table 1) .....</b>	<b>77.0</b>
<b>Mining, Quarrying and Oil Wells<sup>3</sup>: (Table 1) .....</b>	<b>97.9</b>	<b>Trade: (Table 4).....</b>	<b>42.5</b>
<b>Manufacturing: (Table 2).....</b>	<b>91.2</b>	Wholesale <sup>5</sup> (Proper) .....	48.7
Food and Beverages .....	85.4	Chain Stores .....	74.3
Tobacco and Tobacco Products .....	91.2	Independent Stores <sup>2</sup> .....	-
Rubber Products.....	98.9	Department Stores.....	95.3
Leather Products .....	78.3	Automotive Trade .....	96.0
Textile and Textile Products....	93.0	<b>Finance: (Table 4) .....</b>	<b>76.6</b>
Clothing.....	63.7	Banks .....	100.0
Wood Products .....	63.0	Insurance, Trust and Loan Companies .....	98.2
Paper Products.....	94.6	Other Financial .....	66.6
Printing, Publishing and Allied Industries .....	73.2	<b>Commercial Services: (Table 5) .....</b>	<b>19.6</b>
Iron and Steel Products.....	91.3	Laundries and Dry Cleaners .....	43.0
Transportation Equipment.....	97.6	Theatres.....	44.9
Non-ferrous Metal Products .....	98.3	Hotels.....	75.6
Electrical Apparatus and Supplies .....	90.2	Other Commercial Services <sup>2</sup> .....	-
Non-metallic Mineral Products .....	90.0	<b>Institutional Services: (Table 5).....</b>	<b>81.3</b>
Products of Petroleum and Coal .....	96.6	Churches .....	77.8
Chemical Products.....	89.2	Universities.....	77.5
Miscellaneous.....	73.9	Schools.....	78.4
<b>Utilities: (Table 3) .....</b>	<b>94.1</b>	Hospitals .....	85.8
Central Electric Stations .....	92.7	<b>Government Departments: (Table 1)</b>	<b>91.6</b>
Gas Distribution.....	100.0	<b>Total: Groups Covered by Di- rect Survey .....</b>	<b>85.0</b>
Steam Railways and Telegraphs .....	100.0	<b>Total: All Groups .....</b>	<b>76.4</b>
Electric Railways .....	100.0		
Water Transport .....	98.9		
Motor Carriers.....	60.1		
Grain Elevators .....	82.0		
Telephones .....	94.0		
Broadcasting.....	92.8		
Municipal Waterworks .....	84.6		
Other Utilities .....	99.2		

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 \$200,000 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.

Housing estimates were made on a different basis from those derived from 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. 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, value estimates were then prepared for new construction (including improvements) and repair work likely to be undertaken in 1955.

### Quality of Estimates

In considering the accuracy of any forecast 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 outlays. In addition, the seasonal character of construction in Canada frequently means that early decisions must be made regarding capital spending plans for the year ahead.

In considering how closely statements of intentions compare with actual realization, it should be kept in mind that the figures given for 1955 represent the capital expenditure 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 and unfavourable weather may retard 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 table on the following page provides a comparison between the 1954 capital expenditure intentions as of January 1954, and preliminary estimates of realizations as of now. The present estimate of total outlays for 1954 is 5.8 per cent less than the one or original intentions, construction and machinery and equipment, falling short by 4.4 and 8.6 per cent, respectively. In some instances, these variations are due to improved coverage, particularly for "Hospitals" where the coverage was increased from 66.5 per cent to 85.8 per cent. Well over one half of the downward revision in the figures for "Institutions" may be ascribed to this factor. As mentioned in the "Appraisal", adverse weather conditions delayed progress on many construction projects. Just how much of the decline it accounts for is unknown but in a small special purpose survey requesting reasons for the decline in reported data, weather was mentioned most often. Further,

this qualitative survey revealed that in reporting original intentions for 1954, several large firms overestimated costs of their projected programmes. Also contributing to the shortfall, was one firm that reported expenditures involved in orders to be placed rather than anticipated outlays to be made in 1954. This alone accounted for about one fifth of the decline in the new estimates for machinery and equipment. More sharply reduced crop revenue of farmers than anticipated at the beginning of 1954, is reflected in the large decline in outlays for agricultural machinery; this forms a very substantial part of the capital expenditures of the "Primary Industries" group.

In considering this comparison it should be kept in mind that the 1954 preliminary actual figures are still subject to further revision as more accurate information becomes available. Although these revisions do not as a rule affect the overall totals greatly, there are sometimes important changes within some of the groups.

The 1953 preliminary actual figures published last year have been revised and changes have been incorporated in the 1953 actual figures.

**TABLE 11. Comparison of 1954 Intentions with 1954 Realization**  
(Millions of Dollars)

Item No.	Type of Enterprise		Capital Expenditures			Repair Expenditures			Capital and Repair 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 1954	331	544	875	101	236	337	432	780	1,212
		Realized 1954	273	476	749	108	236	344	381	712	1,093
2	Manufacturing.....	Intentions 1954	289	546	835	85	375	460	374	921	1,295
		Realized 1954	286	509	795	93	365	458	379	874	1,253
3	Utilities .....	Intentions 1954	704	535	1,239	276	346	622	980	881	1,861
		Realized 1954	639	475	1,114	261	323	584	900	798	1,698
4	Trade, Finance and Commercial Services.	Intentions 1954	315	232	547	49	74	123	364	306	670
		Realized 1954	342	235	577	62	80	142	404	315	719
5	Institutions.....	Intentions 1954	366	43	409	37	8	45	403	51	454
		Realized 1954	292	37	329	35	8	43	327	45	372
6	Housing.....	Intentions 1954	1,122	-	1,122	225	-	225	1,347	-	1,347
		Realized 1954	1,169	-	1,169	222	-	222	1,391	-	1,391
7	Government Departments ....	Intentions 1954	738	73	811	191	34	225	929	107	1,036
		Realized 1954	693	72	765	220	37	257	913	109	1,022
8	Total (Items 1 to 7).....	Intentions 1954	3,865	1,973	5,838	964	1,073	2,037	4,829	3,046	7,875
		Realized 1954	3,694	1,804	5,498	1,001	1,049	2,050	4,695	2,853	7,548









STATISTICS CANADA LIBRARY  
BIBLIOTHÈQUE STATISTIQUE CANADA



1010469199

6.3

~~1010~~