

DEPARTMENT OF TRADE AND COMMERCE

**Private and Public Investment  
in Canada  
Outlook 1956**

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



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## INTRODUCTION

This report provides information for the year ahead on the planned 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 1956, comparative figures are given for 1954 and 1955. The estimates for 1956 are based on intentions as recorded at the end of 1955 and reflect the situation at that time. As the year progresses these intentions may have to be reassessed in the light of the availability of funds, labour and materials.

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 purpose 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 1956, 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, 1956.

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STATE OF NEW YORK

IN SENATE

January 11, 1906.

REPORT OF THE COMMISSIONERS OF THE LAND OFFICE

IN RESPONSE TO A RESOLUTION PASSED BY THE SENATE

ON APRIL 11, 1894, AND A RESOLUTION PASSED BY THE SENATE

ON APRIL 11, 1894.

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## SECTION 1. - APPRAISAL OF THE 1956 CAPITAL EXPENDITURE PROGRAMME

### The Total Programme

Canadian business, institutions, governments and housebuilders plan capital expenditures in 1956 of \$7.5 billion. If such a programme is realized it would mean that capital spending in 1956 would be 21 per cent greater than the \$6.2 billion accomplished in 1955, the previous highest year on record. By almost any measure the announced plans for 1956 constitute the most ambitious programme of capital spending undertaken in the post-war period. Not only is this the highest level ever recorded but the increase from last year, in volume terms, is substantially greater than that realized in any other year since 1947. In addition, it would probably represent a larger proportion of gross national product than in any other post-war year. Such a capital programme will exert strong demand pressures on the Canadian economy in 1956.

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	2,601	2,022	1,718	5,285	4,319	22.7	22.1
1953 .....	3,665	2,823	2,176	1,817	5,841	4,640	23.9	22.8
1954 .....	3,680	2,836	1,940	1,617	5,620	4,453	23.3	22.6
1955 .....	4,273	3,199	1,957	1,616	6,230	4,815	23.5	22.4
1956 .....	5,162	-	2,367	-	7,529	-	-	-

1. Newfoundland not included in these years.

### The Programme in Relation to Post-war Trends

The stepped-up rate of capital spending that occurred in 1955 and the further acceleration expected in 1956 represents the third distinct period of rapid build-up of capital facilities in the post-war years. The two previous periods were in the immediate post-war years and following the outbreak of hostilities in Korea. The relative rates of expansion over the whole period are illustrated in the following table.

	Year to Year changes in Capital Expenditures (Constant (1949) Dollars)					
	Construction		Machinery & Equipment		Total	
	Millions of Constant (1949) Dollars	Per Cent	Millions of Constant (1949) Dollars	Per Cent	Millions of Constant (1949) Dollars	Per Cent
1947 .....	+ 270	+ 19.1	+ 426	+ 50.8	+ 696	+ 31.7
1948 .....	+ 266	+ 15.8	+ 111	+ 8.8	+ 377	+ 12.8
1949 .....	+ 177	+ 9.1	+ 2	+ 0.1	+ 179	+ 5.4
1950 .....	+ 123	+ 5.8	- 8	- 0.6	+ 115	+ 3.3
1951 .....	+ 62	+ 2.8	+ 193	+ 14.1	+ 255	+ 7.1
1952 .....	+ 292	+ 12.6	+ 155	+ 9.9	+ 447	+ 11.5
1953 .....	+ 222	+ 8.5	+ 99	+ 5.8	+ 321	+ 7.4
1954 .....	+ 13	+ 0.5	- 200	- 11.0	- 187	- 4.0
1955 .....	+ 363	+ 12.8	- 1	- 0.1	+ 362	+ 8.1
1956 <sup>1</sup> .....	+ 585	+ 18.5	+ 262	+ 16.2	+ 847	+ 17.6

1. Assumes that intentions are expressed in terms of year-end, 1955, prices.

Since somewhat different factors stimulated the capital expansion in each of these periods the emphasis tended to be on different sectors of activity. All periods, however, have been characterized by a resurgence of capital spending in the commodity producing industries. In 1947 and 1948 the most important stimulus to capital spending came in the consumers' goods industries and in such export industries as agriculture and forest products. The Korean period emphasized investment in the defence and strategic materials industries such as minerals and fuel and power. The current expansion is being led by the export industries, principally those related to forest and mineral products, with strong support from the fuel and power and transportation industries.

Sector	1948	1952	1953	1954	1955	1956
	\$ Mill					
Commodity Producing Industries:						
Agriculture and Fishing .....	337.0	555.0	546.0	387.5	424.2	426.8
Forest Products Industry .....	158.4	222.5	193.3	184.4	258.2	390.5
Mineral Products Industry and Chemicals <sup>1</sup> .....	186.1	462.3	454.7	339.8	379.2	555.7
Other .....	335.9	431.8	501.4	489.6	486.7	609.7
Fuel and Power Industries .....	333.0	804.4	785.4	711.8	742.0	1,084.5
Service Industries:						
Trade, Finance and Commercial Services .....	281.1	343.9	526.1	581.9	578.1	616.5
Transportation, Communication and Storage .....	308.1	533.8	625.1	639.8	582.6	815.0
Housing .....	682.0	826.0	1,084.0	1,178.0	1,495.7	1,573.5
Institutions .....	137.4	278.3	301.3	337.3	408.7	447.5
Government Departments .....	392.5	827.1	824.0	767.7	873.3	1,008.9
<b>Total Capital Expenditures ....</b>	<b>3,151.5</b>	<b>5,285.1</b>	<b>5,841.3</b>	<b>5,617.8</b>	<b>6,228.7</b>	<b>7,528.6</b>

1. Includes Primary Iron and Steel.



	1948	1952	1953	1954	1955	1956
	Per Cent					
<b>Commodity Producing Industries:</b>						
Agriculture and Fishing .....	10.7	10.5	9.3	6.9	6.8	5.7
Forest Products Industry .....	5.0	4.2	3.3	3.3	4.1	5.2
Mineral Products Industry and Chemicals <sup>1</sup> .....	5.9	8.7	7.8	6.0	6.1	7.4
Other .....	10.7	8.2	8.6	8.7	7.8	8.1
<b>Fuel and Power Industries .....</b>	<b>10.6</b>	<b>15.2</b>	<b>13.4</b>	<b>12.7</b>	<b>11.9</b>	<b>14.4</b>
<b>Service Industries:</b>						
Trade, Finance and Commercial Services .....	8.9	6.5	9.0	10.4	9.3	8.2
Transportation, Communication and Storage .....	9.8	10.1	10.7	11.4	9.4	10.8
Housing .....	21.6	15.6	18.6	21.0	24.0	20.9
Institutions .....	4.4	5.3	5.2	6.0	6.6	5.9
Government Departments .....	12.4	15.7	14.1	13.6	14.0	13.4
<b>Total Capital Expenditure .....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1. Includes Primary Iron and Steel.

### The Programme by Sectors

From 1953 to 1955 capital outlays in service industries constituted an increasingly important part of the investment programme with housebuilding activity providing the most important stimulus. However, in 1955 some evidence of a resurgence in the commodity producing industries became apparent. The forest and mineral products industries, in particular, showed marked increases in capital spending and accounted for a larger part of the total programme. It is anticipated that there will be an even greater emphasis on expansion in these industries in 1956. The upsurge in economic activity in 1955 had a particularly pronounced effect on industrial material production, fuel and power requirements and transportation and communications. It is apparent that facilities in many of these industries are becoming increasingly inadequate to meet the growing demands placed upon them. In all these sectors substantial increases in capital spending are planned for 1956. At the same time there is a continuing need for extensive new facilities in the form of schools, hospitals, highways and municipal improvements. Housebuilding activity, too, is expected to continue at a high level. In fact, without exception, all major sectors of the economy expect either to maintain or increase their capital spending in 1956.

### The Programme by Type

Of the total 1956 programme \$5,162 million or 69 per cent is expected to be spent for construction work and the remaining \$2,367 million for the purchases of machinery and equipment. This represents about the same distribution of spending as occurred in 1955. In terms of value, both construction spending and that for machinery and equipment are expected to increase by 21 per cent.

The major part of the increased demand for machinery and equipment will be for industrial and mining machinery and for railway rolling stock. Purchases of other types of machinery and equipment will likely be of somewhat the same order of magnitude as in 1955.

Type <sup>1</sup>	Capital Expenditures \$ Mill			Per Cent Distribution		
	1954	1955	1956	1954	1955	1956
Housing .....	1,178	1,496	1,574	21.0	24.0	20.9
Non-Residential Construction .....	2,502	2,777	3,588	44.5	44.6	47.7
<b>Total Construction .....</b>	<b>3,680</b>	<b>4,273</b>	<b>5,162</b>	<b>65.5</b>	<b>68.6</b>	<b>68.6</b>
Machinery and Equipment .....	1,940	1,957	2,367	34.5	31.4	31.4
<b>Total Capital Expenditures .....</b>	<b>5,620</b>	<b>6,230</b>	<b>7,529</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—1954-1956", to be published later.

In construction, it is expected that nearly all the increase will be accounted for by industrial building and by construction of an engineering type. Such projects as the St. Lawrence Seaway and the gas pipe line to the Pacific Coast will add greatly to the volume of engineering construction. There is no allowance in the present estimate for any outlays that may be made on the gas pipeline from Alberta to the Central Provinces. Residential building is assumed to remain about unchanged. While it is estimated that 135,000 units will be completed in 1956 compared with the 127,000 completions in 1955, allowance is made for some decline in the number of starts from the 138,000 level recorded in 1955. This decline in starts is based on the expectation that mortgage funds will be more difficult to obtain.

### Repair Expenditures

In addition to the \$7,529 million planned for capital purposes, outlays of \$2,243 million are expected to be spent for the repairs of existing facilities. This is made up, \$1,106 million for repairs to structures and \$1,137 million for repairs to machinery and equipment.

Total outlays planned for both new construction and repairs to existing structures amount to \$6,268 million, a 19 per cent increase from 1955. This represents the overall increase in demands on the construction industry. Similarly, expenditures for repairs to existing machinery and for purchases of new machinery are expected to total \$3,504 million, or 14 per cent more than in 1955.

### Factors Affecting the Programme

The capital expenditure programme as outlined reflects, for the most part, the stated intentions of business, institutions and governments. The extent to which these intentions will be realized will depend upon a number of factors.

For one thing any change in the present strong demand situation could result in a modification of plans. Currently, however, there is no indication of any general weakening in markets, at least as far as the present year is concerned. In view of the substantial increase in investment indicated, a more significant consideration will be the availability of materials, labour and investment funds.

During the latter half of 1955 material shortages were already limiting the amount of construction that could be accomplished. A tight supply situation developed in a number of construction materials but the major difficulties arose in connection with the key items, cement and steel.

In 1955 the available supply of cement increased by about 12 per cent. Most of the cement manufacturing companies are at present engaged on large scale expansion programmes. However, even under the most favourable circumstances it does not seem likely that much more than 10 per cent more cement will be available from domestic sources in 1956.

The steel companies, too, are presently embarking on programmes to expand further their capacity but little, if any, of this additional capacity will be available in 1956. Some additional supplies may be available in 1956 due to the fact that in 1955 mills were not operating at capacity during the early months of the year. But even if capacity operations are continued throughout 1956 total production would be little more than 5 per cent greater than that of last year. With some decline in exports in prospect, possibly close to 10 per cent more steel could be available from domestic mills for domestic consumption.

It should be borne in mind, however, that steel is also in strong demand for other purposes and it is difficult to ascertain how much of the increased domestic supply will be available for the construction and machinery building industries.

In any event it is apparent that a substantial increase in imports of both cement and steel will be required if supplies are to be sufficient to provide for the projected rise of 18 per cent in the overall volume of investment. In view of the many demands for steel and construction materials in the United States and in Western Europe, additional supplies from these traditional sources may be difficult to obtain. However, even with this tight supply situation, shipments from abroad have been increasing rapidly in recent months. In 1955 imports of cement were the highest in the post-war period. Imports of steel were unusually low in the first half of 1955 but rose sharply in the latter part of the year. In fact, if the fourth quarter rate of imports were maintained throughout 1956 the total supply of steel available in the Canadian market would be close to 15 per cent greater than in 1955. These figures, however, are not representative of the position on individual types of steel and certain items such as structurals may be in tighter supply than others.

Shortages have occurred in some other construction materials in 1955 including gypsum products, glass and brick. However, these materials are more closely related to the housing programme and with a levelling off in activity in this field the situation may correct itself.

On balance, delays arising from material shortages are likely to occur frequently during the coming season. In fact, all-out operations in key material industries and continuation of the current upward trend in imports of scarce items will be necessary to avoid a substantial shortfall in the overall programme.

Because of the shift in emphasis toward construction of an engineering type, the increase in the demand for construction labour may be somewhat less than is suggested by the projected rise in the volume of investment. Nevertheless skilled tradesmen were already in short supply at the peak of the 1955 season and there is every likelihood that a tighter market for construction workers will prevail in 1956.

The present level of interest rates is higher than the average level in 1955 and raises the possibility that money may be more difficult and expensive to obtain in 1956 than it was on an average last year. There is also some indication that the chartered banks investment in insured residential mortgages may be smaller than in 1955 and some account has already been taken of this in preparing the housing estimates. The availability of funds may be a restraining factor in respect to investment plans in some other sectors as well.

On the whole, it would appear that the accomplishment of a capital expenditure programme of the magnitude planned would place a considerable strain on the available supplies of labour, materials and investment funds. Only with a combination of unusually favourable circumstances does it seem likely that such a programme could be accomplished. It is possible, however, that rising costs will tend to maintain the level of dollar outlays even though, in physical terms, the programme should fall short of expectations.

## SECTION II. REFERENCE TABLES—CAPITAL AND REPAIR EXPENDITURES, 1954 to 1956

TABLE 1. Summary by Sectors, Canada, 1954 to 1956<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 .....	1954	78	310	388	69	118	187	147	428	575
		1955	80	344	424	72	121	193	152	465	617
		1956	83	344	427	76	123	199	159	467	626
2	Forestry .....	1954	26	20	46	20	26	46	46	46	92
		1955	35	27	62	19	25	44	54	52	106
		1956	36	24	60	19	23	42	55	47	102
3	Mining, Quarrying & Oil Wells .....	1954	184	94	278	16	46	62	200	140	340
		1955	220	81	301	17	48	65	237	129	366
		1956	300	124	424	18	48	66	318	172	490
4	Manufacturing .....	1954	283	534	822	98	391	489	386	925	1,311
		1955	345	594	939	96	405	501	441	999	1,440
		1956	462	842	1,304	97	404	501	559	1,246	1,805
5	Utilities .....	1954	610	514	1,124	261	345	606	871	859	1,730
		1955	600	441	1,041	257	338	595	857	779	1,636
		1956	1,002	580	1,582	315	350	665	1,317	930	2,247
6	Construction Industry .....	1954	9	88	97	3	70	73	12	158	170
		1955	11	96	107	3	73	76	14	169	183
		1956	10	76	86	3	71	74	13	147	160
7	Housing .....	1954	1,178	—	1,178	222	—	222	1,400	—	1,400
		1955	1,496	—	1,496	238	—	238	1,734	—	1,734
		1956	1,574	—	1,574	252	—	252	1,826	—	1,826
8	Trade—Wholesale and Retail .....	1954	204	164	368	35	36	71	239	200	439
		1955	193	157	350	35	30	65	228	187	415
		1956	214	156	370	33	30	63	247	186	433
9	Finance, Insurance and Real Estate....	1954	90	17	107	7	3	10	97	20	117
		1955	84	18	102	8	3	11	92	21	113
		1956	92	18	110	6	3	9	98	21	119
10	Commercial Services .....	1954	25	82	107	12	40	52	37	122	159
		1955	33	93	126	12	40	52	45	133	178
		1956	46	90	136	10	41	51	56	131	187
11	Institutional Services .....	1954	296	41	337	35	7	42	331	48	379
		1955	370	39	409	39	7	46	409	46	455
		1956	402	45	447	42	7	49	444	52	496
12	Government Departments <sup>2</sup> .....	1954	692	76	768	236	33	269	928	109	1,037
		1955	806	67	873	219	34	253	1,025	101	1,126
		1956	941	68	1,009	235	37	272	1,176	105	1,281
13	Total (Items 1 to 12) .....	1954	3,580	1,940	5,620	1,014	1,115	2,129	4,594	3,055	7,749
		1955	4,273	1,957	6,230	1,015	1,124	2,139	5,288	3,081	8,369
		1956	5,162	2,367	7,529	1,106	1,137	2,243	6,268	3,504	9,772

1. Actual expenditures 1954, preliminary actual 1955, intentions 1956.

2. Includes expenditures of the Federal Government under the Capital Assistance Programme.

TABLE 2. Manufacturing, Canada, 1954 to 1956<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 .....	1954	38.6	65.7	104.3	13.2	41.2	54.4	51.8	106.9	158.7
		1955	37.6	64.5	102.1	12.7	39.9	52.6	50.3	104.4	154.7
		1956	31.6	60.9	92.5	11.3	37.2	48.5	42.9	98.1	141.0
2	Tobacco and Tobacco Products....	1954	0.6	2.5	3.1	0.7	1.7	2.4	1.3	4.2	5.5
		1955	1.5	2.3	3.8	0.9	1.8	2.7	2.4	4.1	6.5
		1956	1.7	2.9	4.6	0.7	0.9	1.6	2.4	3.8	6.2
3	Rubber Products .....	1954	4.6	11.1	15.7	1.0	5.9	6.9	5.6	17.0	22.6
		1955	3.3	12.9	16.2	0.9	6.0	6.9	4.2	18.9	23.1
		1956	3.2	15.2	18.4	0.9	6.4	7.3	4.1	21.6	25.7
4	Leather Products .....	1954	0.5	1.8	2.3	0.6	2.0	2.6	1.1	3.8	4.9
		1955	0.3	1.6	1.9	0.6	2.2	2.8	0.9	3.8	4.7
		1956	1.1	1.6	2.7	0.6	2.1	2.7	1.7	3.7	5.4
5	Textile Products .....	1954	7.5	21.0	28.5	2.7	14.3	17.0	10.2	35.3	45.5
		1955	5.3	21.6	26.9	2.9	16.3	19.2	8.2	37.9	46.1
		1956	8.9	20.7	29.6	3.0	16.4	19.4	11.9	37.1	49.0
6	Clothing .....	1954	2.2	7.6	9.8	1.3	4.0	5.3	3.5	11.6	15.1
		1955	1.8	6.7	8.5	1.2	4.1	5.3	3.0	10.8	13.8
		1956	1.2	5.1	6.3	1.0	3.9	4.9	2.2	9.0	11.2
7	Wood Products .....	1954	8.4	24.5	32.9	6.5	24.1	30.6	14.9	48.6	63.5
		1955	10.0	25.6	35.6	7.0	24.0	31.0	17.0	49.6	66.6
		1956	9.7	21.2	30.9	6.2	22.2	28.4	15.9	43.4	59.3
8	Paper Products .....	1954	21.6	65.7	87.3	8.2	75.1	83.3	29.8	140.8	170.6
		1955	32.7	105.0	137.7	9.4	81.3	90.7	42.1	186.3	228.4
		1956	66.8	199.6	266.4	9.5	84.4	93.9	76.3	284.0	360.3
9	Printing, Publishing and Allied Industries.	1954	11.7	19.7	31.4	2.4	4.9	7.3	14.1	24.6	38.7
		1955	6.6	18.8	25.4	1.9	4.6	6.5	8.5	23.4	31.9
		1956	13.8	17.6	31.4	1.5	4.3	5.8	15.3	21.9	37.2
10	Iron and Steel Products .....	1954	22.0	66.4	88.4	12.6	64.0	76.6	34.6	130.4	165.0
		1955	27.4	65.3	92.7	12.8	73.0	85.8	40.2	138.3	178.5
		1956	40.6	89.2	129.8	16.2	66.8	83.0	56.8	156.0	212.8
11	Transportation Equipment .....	1954	20.9	44.3	65.2	10.9	30.0	40.9	31.8	74.3	106.1
		1955	19.8	36.5	56.3	9.5	27.3	36.8	29.3	63.8	93.1
		1956	19.2	49.0	68.2	9.5	27.8	37.3	28.7	76.8	105.5
12	Non-ferrous Metal Products .....	1954	20.3	33.3	53.6	8.7	40.1	48.8	29.0	73.4	102.4
		1955	37.6	46.0	83.6	8.7	45.6	54.3	46.3	91.6	137.9
		1956	56.2	57.1	113.3	8.9	48.6	57.5	65.1	105.7	170.8
13	Electrical Apparatus and Supplies	1954	11.7	20.0	31.7	3.1	13.6	16.7	14.8	33.6	48.4
		1955	10.3	21.2	31.5	2.6	12.9	15.5	12.9	34.1	47.0
		1956	10.7	25.7	36.4	3.1	14.2	17.3	13.8	39.9	53.7
14	Non-metallic Mineral Products ....	1954	19.6	23.6	43.2	2.8	23.8	26.6	22.4	47.4	69.8
		1955	22.6	23.3	45.9	2.8	22.9	25.7	25.4	46.2	71.6
		1956	28.3	46.2	74.5	2.7	25.0	27.7	31.0	71.2	102.2
15	Products of Petroleum and Coal ..	1954	79.6	14.0	93.6	15.7	11.5	27.2	95.3	25.5	120.8
		1955	96.7	11.2	107.9	16.1	10.0	26.1	112.8	21.2	134.0
		1956	95.2	16.9	112.1	15.5	9.6	25.1	110.7	26.5	137.2
16	Chemical Products .....	1954	15.1	24.7	39.8	6.2	31.4	37.6	21.3	56.1	77.4
		1955	26.9	33.6	60.5	5.0	30.2	35.2	31.9	63.8	95.7
		1956	71.0	94.2	165.2	5.3	31.4	36.7	76.3	125.6	201.9
17	Miscellaneous .....	1954	2.7	4.5	7.2	1.0	3.3	4.3	3.7	7.8	11.5
		1955	4.6	6.6	11.2	1.1	2.9	4.0	5.7	9.5	15.2
		1956	2.6	5.9	8.5	1.1	2.9	4.0	3.7	8.8	12.5
18	Capital Items Charged to Operating Expenses.	1954	—	84.1	84.1	—	—	—	—	84.1	84.1
		1955	—	90.8	90.8	—	—	—	—	90.8	90.8
		1956	—	113.3	113.3	—	—	—	—	113.3	113.3
19	Total (Items 1 to 18) <sup>2</sup> .....	1954	287.3	534.5	822.1	97.6	390.9	488.5	385.2	923.4	1,310.6
		1955	345.0	593.5	938.5	96.1	405.0	501.1	441.1	998.5	1,439.6
		1956	461.8	842.3	1,304.1	97.0	404.1	501.1	558.8	1,246.4	1,805.2

1. Actual expenditures 1954, preliminary actual 1955, intentions 1956.

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

TABLE 3. Utilities, Canada, 1954 to 1956<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 .....	1954	287.9	115.9	403.8	29.9	21.6	51.5	317.8	137.5	455.3
		1955	298.6	97.6	396.2	33.6	19.5	53.1	332.2	117.1	449.3
		1956	457.3	122.2	579.5	34.3	20.5	54.8	491.6	142.7	634.3
2	Gas Distribution .....	1954	13.9	1.9	15.8	2.4	1.6	4.0	16.3	3.5	19.8
		1955	15.4	2.2	17.6	2.8	2.0	4.8	18.2	4.2	22.4
		1956	34.6	3.5	38.1	3.1	2.1	5.2	37.7	5.6	43.3
3	Steam Railways and Tele- graphs.	1954	70.3	183.8	254.1	178.9	174.9	353.8	249.2	358.7	607.9
		1955	67.3	109.3	176.6	174.4	163.8	338.2	241.7	273.1	514.8
		1956	85.7	206.7	292.4	226.1	167.9	394.0	311.8	374.6	686.4
4	Electric Railways .....	1954	7.9	7.0	14.9	6.0	14.9	20.9	13.9	21.9	35.8
		1955	6.4	10.0	16.4	5.1	14.9	20.0	11.5	24.9	36.4
		1956	9.6	13.1	22.7	6.0	15.0	21.0	15.6	28.1	43.7
5	Water Transport .....	1954	11.3	28.5	39.8	2.8	17.1	19.9	14.1	45.6	59.7
		1955	17.6	23.5	41.1	2.6	13.9	16.5	20.2	37.4	57.6
		1956	85.5	19.4	104.9	4.1	14.1	18.2	89.6	33.5	123.1
6	Motor Carriers .....	1954	4.6	23.5	28.1	1.0	37.3	38.3	5.6	60.8	66.4
		1955	3.5	31.6	35.1	1.1	36.7	37.8	4.6	68.3	72.9
		1956	5.7	21.8	27.5	1.1	36.9	38.0	6.8	58.7	65.5
7	Grain Elevators .....	1954	10.6	3.0	13.6	5.0	2.2	7.2	15.6	5.2	20.8
		1955	8.3	2.8	11.1	4.4	1.9	6.3	12.7	4.7	17.4
		1956	8.0	3.4	11.4	3.7	1.7	5.4	11.7	5.1	16.8
8	Telephones .....	1954	76.0	105.0	181.0	17.5	50.4	67.9	93.5	155.4	248.9
		1955	82.1	120.8	202.9	18.8	57.7	76.5	100.9	178.5	279.4
		1956	93.5	143.0	236.5	20.6	62.7	83.3	114.1	205.7	319.8
9	Broadcasting .....	1954	4.8	9.4	14.2	0.3	1.0	1.3	5.1	10.4	15.5
		1955	3.8	5.8	9.6	0.3	1.5	1.8	4.1	7.3	11.4
		1956	3.9	6.5	10.4	0.6	1.1	1.7	4.5	7.6	12.1
10	Municipal Waterworks .....	1954	57.0	2.4	59.4	12.2	1.3	13.5	69.2	3.7	72.9
		1955	50.5	1.5	52.0	10.8	1.7	12.5	61.3	3.2	64.5
		1956	67.8	2.2	70.0	12.1	1.4	13.5	79.9	3.6	83.5
11	Other Utilities <sup>2</sup> .....	1954	65.9	22.2	88.1	4.9	22.3	27.2	70.8	44.5	115.3
		1955	46.8	25.6	72.4	3.1	24.7	27.8	49.9	50.3	100.2
		1956	150.2	25.8	176.0	3.4	26.7	30.1	153.6	52.5	206.1
12	Capital Items Charged to Operating Expenses.	1954	—	11.0	11.0	—	—	—	—	11.0	11.0
		1955	—	10.0	10.0	—	—	—	—	10.0	10.0
		1956	—	11.9	11.9	—	—	—	—	11.9	11.9
13	Total (Items 1 to 12) .....	1954	610.2	513.6	1,123.8	260.9	344.6	605.5	871.1	858.2	1,729.3
		1955	600.3	440.7	1,041.0	257.0	338.3	595.3	857.3	779.0	1,636.3
		1956	1,001.8	579.5	1,581.3	315.1	350.1	665.2	1,315.3	929.6	2,246.5

1. Actual expenditures 1954, preliminary actual 1955, intentions 1956.  
2. Includes Air Transport, Warehousing and Oil and Gas Pipe Lines.

**TABLE 4: Trade and Finance, Canada, 1954 to 1956<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 .....	1954	33.4	23.4	56.8	4.3	7.9	12.2	37.7	31.3	69.0
		1955	19.2	25.1	44.3	4.6	6.1	10.7	23.8	31.2	55.0
		1956	39.0	26.4	65.4	5.4	5.3	10.7	44.4	31.7	76.1
2	Chain Stores .....	1954	32.3	27.3	59.6	4.4	3.7	8.1	36.7	31.0	67.7
		1955	33.8	30.2	64.0	4.8	3.2	8.0	38.6	33.4	72.0
		1956	36.0	26.7	62.7	3.8	3.3	7.1	39.8	30.0	69.8
3	Independent Stores .....	1954	79.1	65.5	144.6	14.7	13.0	27.7	93.8	78.5	172.3
		1955	84.3	62.5	146.8	14.0	10.3	24.3	98.3	72.8	171.1
		1956	81.3	57.1	138.4	12.6	10.6	23.2	93.9	67.7	161.6
4	Department Stores .....	1954	27.9	11.5	39.4	4.1	2.8	6.9	32.0	14.3	46.3
		1955	19.7	5.7	25.4	3.7	2.6	6.3	23.4	8.3	31.7
		1956	11.7	4.6	16.3	3.7	2.7	6.4	15.4	7.3	22.7
5	Automotive Trade .....	1954	31.4	21.1	52.5	7.7	9.1	16.8	39.1	30.2	69.3
		1955	36.4	19.7	56.1	7.6	7.3	14.9	44.0	27.0	71.0
		1956	45.5	27.3	72.8	7.9	8.0	15.9	53.4	35.3	88.7
6	Capital Items Charged to Operating Expenses.	1954	--	14.8	14.8	--	--	--	--	14.8	14.8
		1955	--	13.8	13.8	--	--	--	--	13.8	13.8
		1956	--	13.8	13.8	--	--	--	--	13.8	13.8
7	Sub-total (Items 1 to 6).....	1954	204.1	163.6	367.7	35.2	36.5	71.7	239.3	200.1	439.4
		1955	193.4	157.0	350.4	34.7	29.5	64.2	228.1	186.5	414.6
		1956	213.5	155.9	369.4	33.4	29.9	63.3	246.9	185.8	432.7
<b>FINANCE:</b>											
8	Banks .....	1954	14.4	5.2	19.6	2.9	1.1	4.0	17.3	6.3	23.6
		1955	15.4	6.3	21.7	3.6	0.9	4.5	19.0	7.2	26.2
		1956	25.8	7.5	33.3	2.1	0.9	3.0	27.9	8.4	36.3
9	Insurance, Trust and Loan Companies.	1954	18.0	3.1	21.1	1.4	0.6	2.0	19.4	3.7	23.1
		1955	8.7	3.2	11.9	1.2	0.6	1.8	9.9	3.8	13.7
		1956	10.1	2.2	12.3	0.7	0.6	1.3	10.8	2.8	13.6
10	Other Financial <sup>2</sup> .....	1954	58.0	8.4	66.4	3.0	1.4	4.4	61.0	9.8	70.8
		1955	59.8	8.6	68.4	3.3	1.5	4.8	63.1	10.1	73.2
		1956	56.3	8.8	65.1	3.7	1.6	5.3	60.0	10.4	70.4
11	Sub-total (Items 8 to 10).....	1954	90.4	16.7	107.1	7.3	3.1	10.4	97.7	19.8	117.5
		1955	83.9	18.1	102.0	8.1	3.0	11.1	92.0	21.1	113.1
		1956	92.2	18.5	110.7	6.5	3.1	9.6	98.7	21.6	120.3
12	Total (Items 7 and 11) .....	1954	294.5	180.3	474.8	42.5	39.6	82.1	337.0	219.9	556.9
		1955	277.3	175.1	452.4	42.8	32.5	75.3	320.1	207.6	527.7
		1956	305.7	174.4	480.1	39.9	33.0	72.9	345.6	207.4	553.0

1. Actual expenditures 1954, preliminary actual 1955, intentions 1956.

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, 1954 to 1956<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.	1954	0.9	4.4	5.3	0.9	2.4	3.3	1.8	6.8	8.6
		1955	0.9	5.1	6.0	0.9	2.1	3.0	1.8	7.2	9.0
		1956	0.7	2.8	3.5	0.6	1.9	2.5	1.3	4.7	6.0
2	Theatres .....	1954	4.6	4.8	9.4	1.1	0.4	1.5	5.7	5.2	10.9
		1955	2.9	2.2	5.1	0.7	0.4	1.1	3.6	2.6	6.2
		1956	1.4	0.7	2.1	0.3	0.3	0.6	1.7	1.0	2.7
3	Hotels .....	1954	9.3	5.9	15.2	8.8	5.0	13.8	18.1	10.9	29.0
		1955	11.9	4.3	16.2	8.5	4.5	13.0	20.4	8.8	29.2
		1956	21.5	6.3	27.8	8.2	4.4	12.6	29.7	10.7	40.4
4	Other Commercial Services <sup>2</sup>	1954	10.5	66.7	77.2	1.5	32.7	34.2	12.0	99.4	111.4
		1955	17.1	81.3	98.4	1.5	33.5	35.0	18.6	114.8	133.4
		1956	22.8	80.2	103.0	1.4	34.1	35.5	24.2	114.3	138.5
5	Sub-total (Items 1 to 4)	1954	25.3	81.8	107.1	12.3	40.5	52.8	37.6	122.3	159.9
		1955	32.8	92.9	125.7	11.6	40.5	52.1	44.4	133.4	177.8
		1956	46.4	90.0	136.4	10.5	40.7	51.2	56.9	130.7	187.6
<b>INSTITUTIONAL SERVICES:</b>											
6	Churches .....	1954	30.6	3.2	33.8	6.0	0.8	6.8	36.6	4.0	40.6
		1955	33.7	3.1	36.8	6.3	0.6	6.9	40.0	3.7	43.7
		1956	43.1	3.3	46.4	5.4	0.7	6.1	48.5	4.0	52.5
7	Universities.....	1954	16.6	3.4	20.0	2.7	0.4	3.1	19.3	3.8	23.1
		1955	22.8	3.6	26.4	3.1	0.4	3.5	25.9	4.0	29.9
		1956	31.2	3.5	34.7	2.9	0.3	3.2	34.1	3.8	37.9
8	Schools .....	1954	135.3	18.8	154.1	15.8	2.6	18.4	151.1	21.4	172.5
		1955	172.1	17.0	189.1	18.3	2.7	21.0	190.4	19.7	210.1
		1956	183.6	19.0	202.6	18.5	2.7	21.2	202.1	21.7	223.8
9	Hospitals .....	1954	106.4	15.2	121.6	9.3	2.8	12.1	115.7	18.0	133.7
		1955	132.1	14.5	146.6	10.3	3.5	13.8	142.4	18.0	160.4
		1956	131.5	19.1	150.6	14.3	3.4	17.7	145.8	22.5	168.3
10	Other Institutional <sup>3</sup> .....	1954	7.6	0.2	7.8	0.8	-	0.8	8.4	0.2	8.6
		1955	9.0	0.8	9.8	1.2	-	1.2	10.2	0.8	11.0
		1956	12.8	0.4	13.2	1.4	-	1.4	14.2	0.4	14.6
11	Sub-total (Items 6 to 10)	1954	296.5	40.8	337.3	34.6	6.6	41.2	331.1	47.4	378.5
		1955	369.7	39.0	408.7	39.2	7.2	46.4	408.9	46.2	455.1
		1956	402.2	45.3	447.5	42.5	7.1	49.6	444.7	52.4	497.1
12	GOVERNMENT DEPARTMENTS.	1954	691.6	76.1	767.7	236.3	32.6	268.9	927.9	108.7	1,036.6
		1955	806.3	67.0	873.3	219.0	33.5	252.5	1,025.3	100.5	1,125.8
		1956	940.8	68.1	1,008.9	234.6	36.8	271.4	1,175.4	104.9	1,280.3
13	Total (Items 5, 11 and 12).	1954	1,013.4	198.7	1,212.1	283.2	79.7	362.9	1,296.6	278.4	1,575.0
		1955	1,208.8	198.9	1,407.7	269.8	81.2	351.0	1,478.6	280.1	1,758.7
		1956	1,389.4	203.4	1,592.8	287.6	84.6	372.2	1,677.0	288.0	1,965.0

1. Actual expenditures 1954, preliminary actual 1955, intentions 1956.

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, 1954 to 1956<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.....	1954	1,149.8	1,584.0	2,733.8	366.3	916.4	1,282.7	1,516.1	2,500.4	4,016.5
		1955	1,221.8	1,697.5	2,919.3	369.8	935.8	1,305.6	1,591.6	2,633.3	4,224.9
		1956	1,628.6	1,973.0	3,601.6	373.4	937.5	1,310.9	2,002.0	2,910.5	4,912.5
2	Institutions and Housing	1954	1,289.4	16.6	1,306.0	236.5	3.2	239.7	1,525.9	19.8	1,545.7
		1955	1,629.6	14.8	1,644.4	252.8	3.1	255.9	1,882.4	17.9	1,900.3
		1956	1,685.5	19.6	1,705.1	269.3	2.9	272.2	1,954.8	22.5	1,977.3
3	Sub-total (Items 1 and 2)	1954	2,439.2	1,600.6	4,039.8	602.8	919.6	1,522.4	3,042.0	2,520.2	5,562.2
		1955	2,851.4	1,712.3	4,563.7	622.6	938.9	1,561.5	3,474.0	2,651.2	6,125.2
		1956	3,314.1	1,992.6	5,306.7	642.7	940.4	1,583.1	3,956.8	2,933.0	6,889.8
<b>PUBLIC:</b>											
4	Government Owned Enterprises <sup>2</sup>	1954	364.1	239.1	603.2	154.8	159.4	314.2	518.9	398.5	917.4
		1955	379.2	153.5	532.7	149.0	147.5	296.5	528.2	301.0	829.2
		1956	616.4	280.6	897.0	203.5	155.6	359.1	819.9	436.2	1,256.1
5	Government Operated Institutions and Housing <sup>3</sup>	1954	185.1	24.2	209.3	20.1	3.4	23.5	205.2	27.6	232.8
		1955	236.1	24.2	260.3	24.4	4.1	28.5	260.5	28.3	288.8
		1956	290.7	25.7	316.4	25.2	4.2	29.4	315.9	29.9	345.8
6	Government Departments	1954	691.6	76.1	767.7	236.3	32.6	263.9	927.9	108.7	1,036.6
		1955	806.3	67.0	873.3	219.0	33.5	252.5	1,025.3	100.5	1,125.8
		1956	940.8	68.1	1,008.9	234.6	36.8	271.4	1,175.4	104.9	1,280.3
7	Sub-total (Items 4 to 6)	1954	1,240.8	339.4	1,580.2	411.2	195.4	606.6	1,652.0	534.8	2,186.8
		1955	1,421.6	244.7	1,666.3	392.4	185.1	577.5	1,814.0	429.8	2,243.8
		1956	1,847.9	374.4	2,222.3	463.3	196.6	659.9	2,311.2	571.0	2,882.2
8	Total Private and Public (Items 1 and 7)	1954	3,680.0	1,940.0	5,620.0	1,014.0	1,115.0	2,129.0	4,694.0	3,055.0	7,749.0
		1955	4,273.0	1,957.0	6,230.0	1,015.0	1,124.0	2,139.0	5,288.0	3,081.0	8,369.0
		1956	5,162.0	2,367.0	7,529.0	1,106.0	1,137.0	2,243.0	6,268.0	3,504.0	9,772.0

1. Actual expenditures 1954, preliminary actual 1955, intentions 1956.

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, 1934 to 1936<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> .	1954 51.7	134.7	186.4	110.9	121.2	232.1	162.6	255.9	418.5
		1955 66.6	67.0	133.6	104.7	110.1	214.8	171.3	177.1	348.4
		1956 140.8	168.2	309.0	155.9	115.7	271.6	296.7	283.9	580.6
2	Government Operated Housing.	1954 15.6	—	15.6	—	—	—	15.6	—	15.6
		1955 22.3	—	22.3	—	—	—	22.3	—	22.3
		1956 59.2	—	59.2	—	—	—	59.2	—	59.2
3	Government Departments....	1954 241.3	38.0	279.3	43.3	10.5	53.8	284.6	48.5	333.1
		1955 260.0	27.3	287.8	39.7	8.7	48.4	299.7	36.5	336.2
		1956 284.5	24.8	309.3	47.2	9.1	56.3	331.7	33.9	365.6
4	Sub-total (Items 1 to 3) ..	1954 308.6	172.7	481.3	154.2	131.7	285.9	462.8	304.4	767.2
		1955 348.9	94.8	443.7	144.4	118.8	263.2	493.3	213.6	706.9
		1956 484.5	193.0	677.5	203.1	124.8	327.9	687.6	317.8	1,005.4
<b>PROVINCIAL GOVERNMENTS:</b>										
5	Government Owned Enterprises <sup>2</sup> .	1954 225.8	82.7	308.5	19.1	19.4	38.5	244.9	102.1	347.0
		1955 233.1	65.4	298.5	21.1	19.2	40.3	254.2	84.6	338.8
		1956 371.0	90.2	461.2	21.8	21.3	43.1	392.8	111.5	504.3
6	Government Operated Institutions <sup>3</sup> .	1954 28.2	4.9	33.1	4.9	0.3	5.2	33.1	5.2	38.3
		1955 45.8	6.5	52.3	6.5	1.0	7.5	52.3	7.5	59.8
		1956 54.2	6.6	60.8	6.7	1.0	7.7	60.9	7.6	68.5
7	Government Departments ..	1954 244.6	18.1	262.7	110.4	8.2	118.6	355.0	26.3	381.3
		1955 308.3	17.5	325.8	101.2	10.7	111.9	409.5	28.2	437.7
		1956 401.3	17.6	419.4	108.8	13.1	121.9	510.6	30.7	541.3
8	Sub-total (Items 5 to 7) ..	1954 498.6	105.7	604.3	134.4	27.9	162.3	633.0	133.6	766.6
		1955 587.2	89.4	676.6	128.8	30.9	159.7	716.0	120.3	836.3
		1956 827.0	114.4	941.4	137.3	35.4	172.7	964.3	149.8	1,114.1
<b>MUNICIPAL GOVERNMENTS:</b>										
9	Government Owned Enterprises <sup>2</sup> .	1954 86.6	21.7	108.3	24.8	16.8	43.6	111.4	40.5	151.9
		1955 79.5	21.1	100.6	23.2	18.2	41.4	102.7	39.3	142.0
		1956 104.6	22.2	126.8	25.8	18.6	44.4	130.4	40.8	171.2
10	Government Operated Institutions <sup>3</sup> .	1954 141.3	19.3	160.6	15.2	3.1	18.3	156.5	22.4	178.9
		1955 168.0	17.7	185.7	17.9	3.1	21.0	185.9	20.8	206.7
		1956 177.3	19.1	196.4	18.5	3.2	21.7	195.8	22.3	218.1
11	Government Departments....	1954 205.7	20.0	225.7	82.6	13.9	96.5	288.3	33.9	322.2
		1955 238.0	21.7	259.7	78.1	14.1	92.2	316.1	35.8	351.9
		1956 254.5	25.7	280.2	79.6	14.6	93.2	333.1	40.3	373.4
12	Sub-total (Items 9 to 11)	1954 433.6	61.0	494.6	122.6	35.8	158.4	556.2	95.8	653.0
		1955 485.5	60.5	546.0	119.2	35.4	154.6	604.7	95.9	700.6
		1956 536.4	67.0	603.4	122.9	36.4	159.3	659.3	103.4	762.7
13	<b>Total (Items 4, 8 and 12)</b>	1954 1,240.3	339.4	1,580.2	411.2	195.4	606.6	1,652.0	534.8	2,186.8
		1955 1,421.6	244.7	1,666.3	392.4	185.1	577.5	1,814.0	429.8	2,243.8
		1956 1,847.9	374.4	2,222.3	493.3	196.6	689.9	2,311.2	571.0	2,882.2

1. Actual expenditures 1954, preliminary actual 1955, intentions 1956.

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 provincial hospitals, schools and universities, and municipal hospitals and schools.

TABLE 8. Business and Other, Canada, 1954 to 1956<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.	1954	1,322	1,309	2,631	339	730	1,069	1,661	2,039	3,700
		1955	1,795	1,408	3,203	380	745	1,125	2,175	2,153	4,328
		1956	1,928	1,674	3,602	372	743	1,115	2,300	2,417	4,717
2	Utilities.....	1954	610	514	1,124	261	345	606	871	859	1,730
		1955	600	441	1,041	257	338	595	857	779	1,636
		1956	1,002	580	1,582	315	350	665	1,317	930	2,247
3	Sub-total (Items 1 and 2) .....	1954	1,932	1,823	3,755	600	1,075	1,675	2,532	2,898	5,430
		1955	2,395	1,849	4,244	637	1,083	1,720	3,032	2,932	5,964
		1956	2,930	2,254	5,184	687	1,093	1,780	3,617	3,347	6,964
4	Other <sup>3</sup> .....	1954	1,748	117	1,865	414	40	454	2,162	157	2,319
		1955	1,878	108	1,986	378	41	419	2,256	149	2,405
		1956	2,232	113	2,345	419	44	463	2,651	157	2,808
5	Total (Items 3 and 4) .....	1954	3,680	1,940	5,620	1,014	1,115	2,129	4,694	3,055	7,749
		1955	4,273	1,957	6,230	1,015	1,124	2,139	5,288	3,081	8,369
		1956	5,162	2,367	7,529	1,106	1,137	2,243	6,268	3,504	9,772

1. Actual expenditures 1954, preliminary actual 1955, intentions 1956.

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 COMPARATIVE SUMMARY

#### 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 1954, 1955 and 1956.

TABLE 9. Reconciliation with National Accounts Investment

		Housing	Other Construction	Machinery and Equipment	Total
Private and Public Capital Expenditures .....	1954	1,178	2,502	1,940	5,620
	1955	1,496	2,777	1,957	6,230
	1956	1,574	3,588	2,367	7,529
Deduct: direct government outlays <sup>1</sup> .....	1954	12	843	99	954
	1955	20	1,002	90	1,112
	1956	44	1,151	95	1,290
New construction and new machinery equipment expendi- tures as per National Accounts.	1954	1,166	1,659	1,841	4,666
	1955	1,476	1,775	1,867	5,118
	1956	1,530	2,437	2,272	6,239

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 1955-56 Survey". Those groups for which independent estimates were made are listed in the table with a blank in the per cent column.

The total coverage of the survey may be expressed in several ways. Actually reported expenditures account for 83.9 per cent of total outlays in those groups covered by direct survey and for 76.3 per cent of total estimated expenditures in all sectors. The estimates of total outlays in the groups covered by survey, amounting to 91 per cent of all spending, are thought to be of a better quality than the remaining 9 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 1953 of all the firms in each industry by the corresponding 1953 total for the firms reporting in the 1956 survey. In carrying out this procedure it has been assumed that the proportion of production of the reporting establishments in both 1953 and 1956 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 76.3 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 23.7 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 1955 preliminary actual expenditures and the 1956 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 1955 to 1956 can be calculated with more precision than the absolute magnitude of expenditures in the two years.

TABLE 10. Coverage of 1935-36 Survey

Type of Enterprise	Per Cent Coverage <sup>1</sup>	Type of Enterprise	Per Cent Coverage <sup>1</sup>
Agriculture and Fishing <sup>2</sup> : (Table 1) .....	—	Construction Industry <sup>3</sup> : (Table 1) .....	17.7
Forestry <sup>3</sup> : (Table 1) .....	37.6	Housing <sup>4</sup> : (Table 1) .....	77.0
Mining, Quarrying and Oil Wells <sup>3</sup> : (Table 1).....	94.8	Trade: (Table 4).....	44.0
Manufacturing: (Table 2) .....	90.8	Wholesale <sup>5</sup> (Proper).....	39.3
Food and Beverages .....	81.2	Chain Stores .....	74.8
Tobacco and Tobacco Products .....	99.4	Independent Stores <sup>2</sup> .....	—
Rubber Products .....	96.1	Department Stores .....	98.6
Leather Products .....	76.1	Automotive Trade .....	93.3
Textile and Textile Products .....	90.0	Finance: (Table 4).....	70.3
Clothing .....	64.9	Banks .....	100.0
Wood Products .....	67.2	Insurance, Trust and Loan Companies .....	97.2
Paper Products .....	96.1	Other Financial .....	49.9
Printing, Publishing and Allied Industries .....	64.2	Commercial Services: (Table 5).....	19.0
Iron and Steel Products .....	90.9	Laundries and Dry Cleaners .....	45.4
Transportation Equipment .....	97.8	Theatres .....	88.1
Non-ferrous Metal Products .....	96.6	Hotels .....	80.6
Electrical Apparatus and Supplies .....	80.9	Other Commercial Services <sup>2</sup> .....	—
Non-metallic Mineral Products .....	89.4	Institutional Service: (Table 5).....	75.8
Products of Petroleum and Coal .....	97.0	Churches .....	65.6
Chemical Products .....	90.5	Universities .....	81.9
Miscellaneous .....	71.9	Schools .....	67.9
Utilities: (Table 3).....	95.8	Hospitals .....	83.7
Central Electric Stations .....	95.8	Other Institutional .....	88.6
Gas Distribution .....	100.0	Government Departments: (Table 1) .....	79.3
Steam Railways and Telegraphs .....	100.0	Total: Groups Covered by Direct Survey ....	83.9
Electric Railways .....	96.0	Total: All Groups .....	76.3
Water Transport .....	98.6		
Motor Carriers .....	59.4		
Grain Elevators .....	91.0		
Telephones .....	95.2		
Broadcasting .....	96.1		
Municipal Waterworks .....	80.3		
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 1956.

### Comparison of 1955 Realizations with Intentions

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 1956 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 of the 1955 capital expenditure intentions as of January 1955, the revised capital expenditure intentions as of June 1955 and preliminary estimate of realizations as of now. The present estimate of total outlays for 1955 is 7.3% above the original intention and 4.6% above the revised intentions, with construction increasing by 5.1% from original figures and 3.6% from the revised figures and machinery and equipment increasing by 12.2% and 7.0%. In most sectors the mid-year revised estimate of intentions indicated that the investment programme for 1955 would exceed earlier expectations. The mid-year revision, however, did not indicate the extent of the increase that was to occur in residential construction in the latter half of the year. Machinery and equipment expenditures also realized a



greater increase from original intentions than the mid-year survey indicated. Much of this increase occurred in the construction industry. Investment intentions of contractors were not revised at mid-year and preliminary estimates of 1955 expenditure are substantially higher than the original outlook.

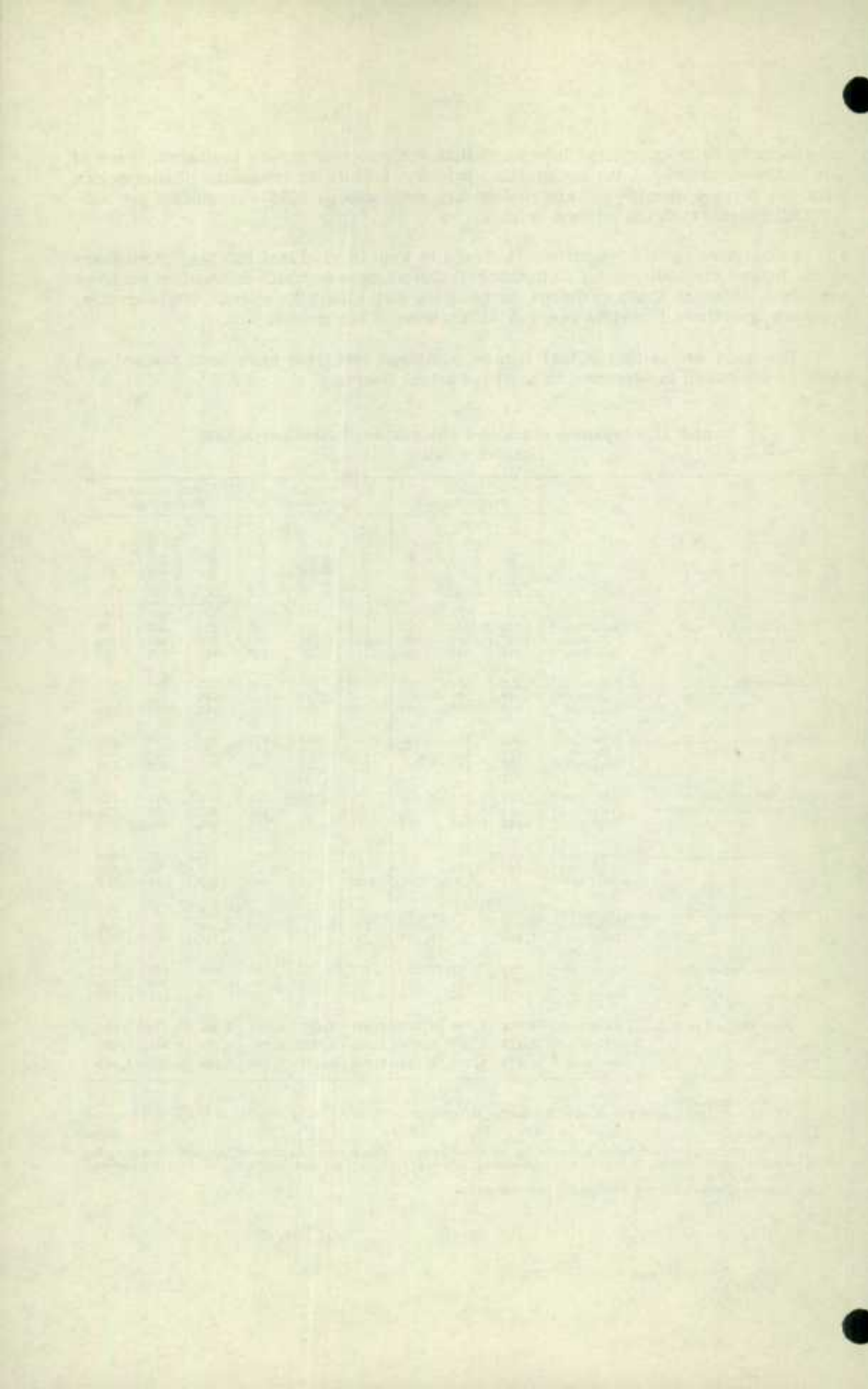
In considering this comparison it should be kept in mind that the 1955 preliminary actual figures are still subject to further revision as more accurate information becomes available. Although these revisions do not as a rule affect the overall totals greatly, there are sometimes important changes within some of the groups.

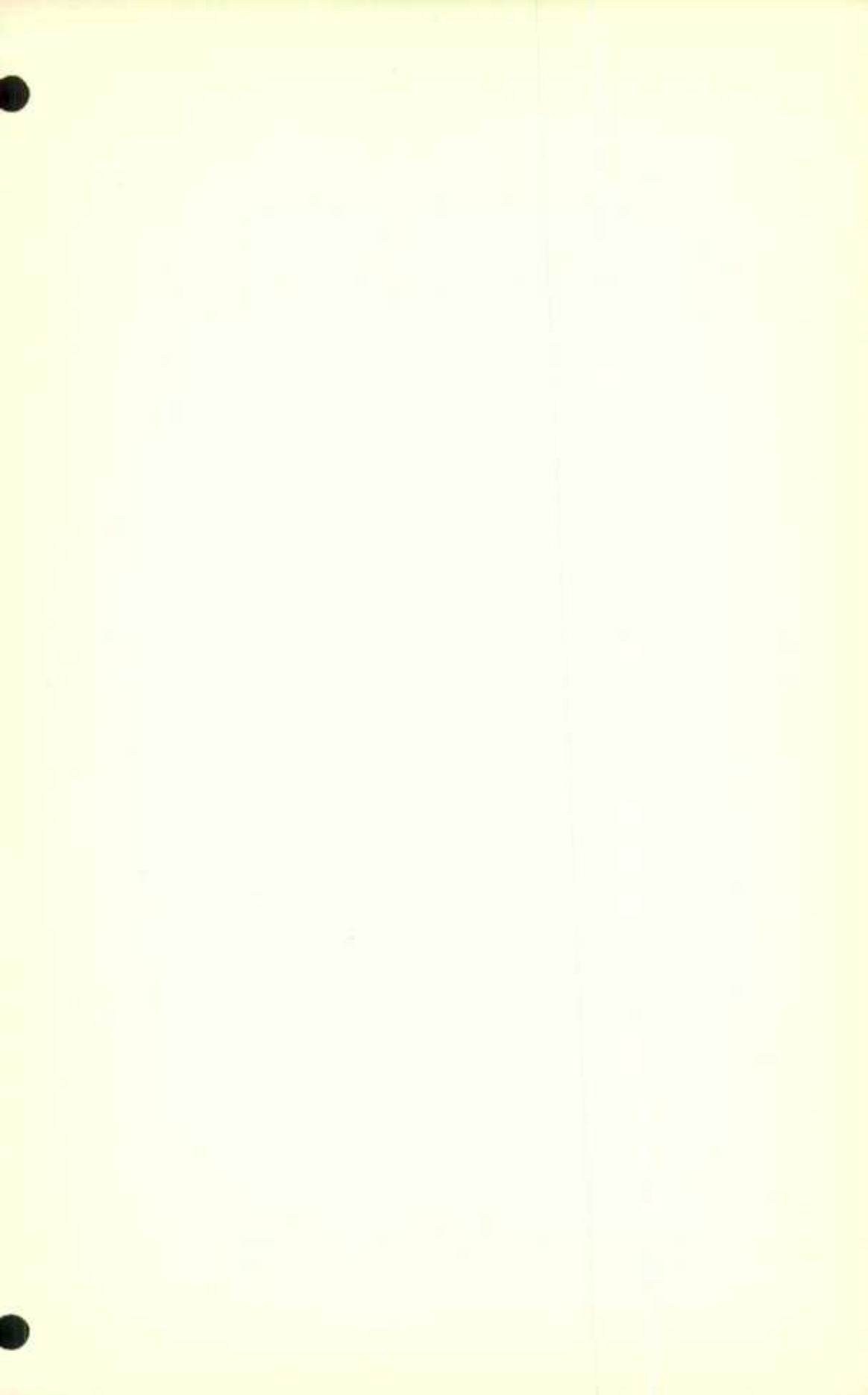
The 1954 preliminary actual figures published last year have been revised and changes have been incorporated in the 1954 actual figures.

**TABLE 11. Comparison of Intended with Realized Expenditure in 1955**  
(Millions of Dollars)

Item No.	Sector		Capital Expenditures			Repair Expenditures <sup>4</sup>			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 <sup>5</sup>	Intentions <sup>1</sup>	330	463	793	109	234	343	439	697	1,136
		Revised <sup>2</sup>	341	462	803	109	234	343	450	696	1,146
		Realized <sup>3</sup>	346	548	894	111	267	378	457	815	1,272
2	Manufacturing.....	Intentions <sup>1</sup>	298	519	817	89	361	450	387	880	1,267
		Revised <sup>2</sup>	314	590	904	89	361	450	403	951	1,354
		Realized <sup>3</sup>	345	594	939	96	405	501	441	999	1,440
3	Utilities .....	Intentions <sup>1</sup>	695	415	1,110	258	315	573	953	730	1,683
		Revised <sup>2</sup>	657	420	1,077	258	315	573	915	735	1,650
		Realized <sup>3</sup>	600	441	1,041	257	338	595	857	779	1,636
4	Trade, Finance and Commercial Services,	Intentions <sup>1</sup>	354	236	590	54	77	131	408	313	721
		Revised <sup>2</sup>	353	239	592	54	77	131	407	316	723
		Realized <sup>3</sup>	310	268	578	55	73	128	365	341	706
5	Institutions.....	Intentions <sup>1</sup>	349	44	393	36	7	43	365	51	436
		Revised <sup>2</sup>	348	47	395	36	7	43	364	54	438
		Realized <sup>3</sup>	370	39	409	39	7	46	409	46	455
6	Housing.....	Intentions <sup>1</sup>	1,283	—	1,283	229	—	229	1,512	—	1,512
		Revised <sup>2</sup>	1,327	—	1,327	229	—	229	1,556	—	1,556
		Realized <sup>3</sup>	1,496	—	1,496	238	—	238	1,734	—	1,734
7	Government Departments .....	Intentions <sup>1</sup>	755	67	822	226	38	264	981	105	1,086
		Revised <sup>2</sup>	785	71	856	226	38	264	1,011	109	1,120
		Realized <sup>3</sup>	806	67	873	219	34	253	1,025	101	1,126
8	Total (Items 1 to 7).....	Intentions <sup>1</sup>	4,064	1,744	5,808	1,001	1,032	2,033	5,065	2,776	7,841
		Revised <sup>2</sup>	4,125	1,829	5,954	1,001	1,032	2,033	5,126	2,861	7,987
		Realized <sup>3</sup>	4,273	1,977	6,230	1,015	1,124	2,139	5,288	3,081	8,369

1. As of January 1955.  
 2. Revision is based on results of mid-1955 partial survey of those firms reporting expenditure at commencement of year.  
 3. Preliminary figures.  
 4. Firms reporting in the mid-year survey were not asked to re-examine repair expenditures, as past experience revealed relatively small changes in this type of expenditure. Mid-year estimates are therefore a repeat of figures reported at the beginning of the year.  
 5. Construction industry not surveyed at mid-year review.





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