

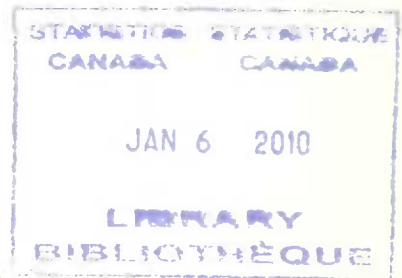
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DEPARTMENT OF TRADE AND COMMERCE

61-205

**Private and Public Investment
in Canada
Outlook 1959**

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The Honourable Gordon Churchill
Minister of Trade and Commerce



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 1959, comparative figures are given for 1957 and 1958. The estimates for 1959 are based on intentions as recorded at the end of 1958 and reflect the situation at that time. As the year progresses these intentions may have to be revised in the light of any new developments that may take place.

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 purpose 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 all 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. Since such expenditures account for a significant proportion of gross national production the size and content of the programme is a valuable indicator of the relative demands likely to be placed on Canadian production and manpower in accomplishing the programme. The extent to which capital facilities are being expanded reflects the outlook of management on future demands in relation to present capacity. It is largely for these reasons that it is important for both business and governments to have prior knowledge of the investment intentions of the economy as a guide in planning to meet the conditions that may arise.

This report on the outlook for investment in Canada in 1959 is a joint project of the Dominion Bureau of Statistics and the Economics Branch of the Department of Trade and Commerce, with participation in accordance with respective areas of responsibility.

J.H. ENGLISH

Deputy Minister

Department of Trade and Commerce

Ottawa,
March, 1959.

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SECTION 1. APPRAISAL OF THE 1959 CAPITAL PROGRAMME

The Total Programme

Present investment plans, both private and public, call for total capital expenditures of \$8.3 billion in 1959. This figure represents an aggregation of the investment intentions of individual business establishments, institutions, housebuilders and all levels of government, as reported in a recent survey. Such a capital expenditure programme would represent a continuation of capital spending at close to the high level of 1958. Within the total, outlays for construction would be slightly below those of last year while expenditures for machinery continue at about last year's rate. On the basis of these intentions as stated at year-end, the 1959 investment programme would be moderately below the all time peak of 1957 but would still comprise a larger percentage of gross national production than in any postwar year prior to 1956.

The following table illustrates the trend 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 ¹	1,397	1,672	1,043	1,245	2,440	2,917	18.5	18.9
1948 ¹	1,824	1,903	1,263	1,343	3,087	3,246	20.4	20.6
1949.....	2,166	2,166	1,373	1,373	3,539	3,539	21.7	21.7
1950.....	2,453	2,325	1,483	1,404	3,936	3,729	21.9	21.3
1951.....	2,871	2,405	1,868	1,562	4,739	3,967	22.4	21.4
1952.....	3,434	2,731	2,057	1,703	5,491	4,434	22.9	22.1
1953.....	3,756	2,892	2,220	1,803	5,976	4,695	23.9	22.6
1954.....	3,737	2,875	1,984	1,587	5,721	4,462	23.0	22.1
1955.....	4,169	3,131	2,075	1,638	6,244	4,769	23.1	21.7
1956.....	5,273	3,777	2,763	2,041	8,036	5,818	26.6	24.7
1957.....	5,784	3,994	2,933	2,053	8,717	6,047	27.7	25.7
1958.....	5,955	4,044	2,462	1,688	8,417	5,732	26.3	—
1959.....	5,866	—	2,455	—	8,321	—	—	—

¹ Newfoundland not included in these years.

The Composition of the Programme

Though roughly unchanged in total, the 1959 capital expenditure programme encompasses a further moderate shift from business investment toward spending for social capital. There are other significant changes in the make-up of 1959 capital outlays compared with those of last year. The 1958 investment programme was framed against the background of declining demand for the products of a number of Canada's key industries and of growing excess capacity in these same industries. Such a situation was not conducive to the undertaking of new expansion programmes. However, at the start of the year a number of large projects which had been started in earlier years were still underway. Continued work on these projects in 1958 helped to sustain the level of business investment, although, with less new work coming forward, such spending fell

15 per cent below the record outlays of 1957. The major expansive area in capital spending in 1958 was in housing and social capital. The provision of large amounts of government funds for mortgage purposes was supplemented as the year progressed by an increasing supply of funds from private sources. As a result, housing outlays rose to an all time high, about 25 per cent above those of the previous year. A further area of strength was in the substantial expansion of capital spending for institutions and by all levels of government. In these fields, the speed-up of work on the large backlog of needed projects was facilitated by the easier supply situation in the construction trades and lower interest rates.

The background of the 1959 capital programme is quite different from that of 1958. The slowdown in business activity apparent a year ago has given way to a situation of generally strengthening demand. Though free capacity still exists in Canadian industry, the influences that militated against new expansion programmes for most of 1958 have now been modified. Statistics on contracts awarded, building permits issued and new work undertaken indicate a renewed interest in expansion. The figures on actual spending planned by business for the current year do not fully portray the extent of the new expansionary influences. This year a much larger proportion of the planned expenditure represents newly initiated expansion programmes as opposed to carryover of work from projects started in preceding years.

In the forest and mineral products industries, outlays in 1958 were sustained by the continuing work on such large expansion programmes as those for pulp and paper, uranium and cement which had been undertaken in the boom period of 1955-1956. These developments have now been completed but new work coming forward is likely to be sufficient to fill the gap. On the other hand, in the field of fuel and power, the near completion of such large-scale undertakings as the St. Lawrence power development and the trans-Canada gas pipe line will mean that capital outlays in this group of industries will be considerably lower in 1959. In secondary manufacturing and transportation and communication, an approximately unchanged level of capital spending is indicated for 1959. Outlays for housing which were a major expansive influence in 1958 are likely to continue at a high level this year.

The major elements of added strength in capital spending in 1959 are expected to be in commercial and institutional building and government projects. In the case of commercial construction, this represents a renewed rate of growth following a moderate decline in 1958 and no doubt reflects, in part, the continued upward trend in consumer spending. Further progress toward meeting the backlog of institutional building and local improvements is facilitated by the ready availability of labour and materials. Although the cost of funds is higher than was the case through 1958, the substantial volume of new municipal debentures issued in the last quarter of last year would indicate that funds are available.

In summary, the 1959 capital spending programme in the business sector is more heavily weighted with new expansion projects than was the case last year. Spending on these new projects, as planned at this time, will be almost sufficient to offset the large gaps left by the completion of major undertakings in 1958. Outlays for social capital are expected to continue the growth rate of the last few years and housing construction will be a strong sustaining factor.

Sector	1954	1955	1956	1957	1958 ¹	1959 ²
	\$ Mill					
Business Capital (excluding Housing):						
Forest and Mineral Products	483	597	1,111	1,162	650	612
Fuel and Power	748	823	1,224	1,553	1,380	1,103
Trade, Finance and Commercial Services	582	562	611	690	692	798
Transportation, Storage and Communication	582	577	820	1,006	970	956
Other	935	1,034	1,238	1,243	1,149	1,147
Sub-total	3,330	3,593	5,004	5,654	4,841	4,616
Housing and Social Capital:						
Housing	1,238	1,397	1,547	1,430	1,781	1,728
Institutional Services	338	408	402	455	490	550
Govt. Depts. and Waterworks	815	846	1,083	1,178	1,305	1,427
Sub-total	2,391	2,651	3,032	3,063	3,576	3,705
Total Capital Expenditures	5,721	6,244	8,036	8,717	8,417	8,321

¹ Preliminary.
² Intentions.

Sector	1954	1955	1956	1957	1958 ¹	1959 ²
	Per Cent Distribution					
Business Capital (excluding Housing):						
Forest and Mineral Products	8.4	9.6	13.8	13.3	7.7	7.4
Fuel and Power	13.1	13.2	15.2	17.8	16.4	13.2
Trade, Finance and Commercial Services	10.2	9.0	7.6	7.9	8.2	9.6
Transportation, Storage and Communication	10.2	9.2	10.2	11.6	11.5	11.5
Other	16.3	16.6	15.5	14.3	13.7	13.8
Sub-total	58.2	57.6	62.3	64.9	57.5	55.5
Housing and Social Capital:						
Housing	21.7	22.4	19.2	16.4	21.2	20.8
Institutional Services	5.9	6.5	5.0	5.2	5.8	6.6
Govt. Depts. and Waterworks	14.2	13.5	13.5	13.5	15.5	17.1
Sub-total	41.8	42.4	37.7	35.1	42.5	44.5
Total Capital Expenditures	100.0	100.0	100.0	100.0	100.0	100.0

¹ Preliminary.
² Intentions.

The Programme by Type

Present plans call for both construction spending and outlays for machinery and equipment to continue at almost the same levels as in 1958. In the case of construction, both the 1958 programme and that planned for this year are higher than in any previous year on record. On the other hand, spending intentions indicate that machinery purchases will remain 10 to 15 per cent below the peak levels of 1956 and 1957.

Type ¹	Capital Expenditures \$ Mill			Per Cent Distribution		
	1957	1958	1959	1957	1958	1959
Housing	1,430	1,781	1,728	16.4	21.2	20.8
Non-Residential Construction.....	4,354	4,174	4,138	50.0	49.6	49.7
Total Construction	5,784	5,955	5,866	66.4	70.8	70.5
Machinery and Equipment	2,933	2,462	2,455	33.6	29.2	29.5
Total Capital Expenditures.....	8,717	8,417	8,321	100.0	100.0	100.0

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 - 1957-1959" to be published later.

Expenditures for most types of construction are expected to be somewhat higher in 1959. The most important increases will be in commercial buildings such as shopping centres and office buildings and in institutional structures particularly hospitals and universities. Added strength may be anticipated, too, in such activities as road and street construction, sewers and waterworks and other types of government structures. Increases in these areas will be offset by a sharply reduced programme of pipe line construction and a somewhat lower level of activity in industrial building and in the provision of electric generating facilities.

Residential construction is estimated to remain roughly unchanged with starts somewhat less and completions above the levels of last year (165,000 and 147,000 respectively). In this regard, the unusually large number of starts in the latter months of 1958 resulted in a record 88,000 units under construction but not completed at year end. This is adding materially to house-building activity in the early part of the year.

Present plans indicate that moderately larger outlays will be made in 1959 for most types of industrial machinery and for office, store and hospital equipment. These estimates provide, too, for an increase in the purchases of motor vehicles for business use. The only important area of machinery spending where further weakness is expected in 1959 is in railway rolling stock.

Repair Expenditures

In addition to the \$8.3 billion planned for capital purposes, outlays of \$2.7 billion are expected to be made for the repair of existing facilities.

Total outlays for new construction and repairs to existing structures amount to \$7.2 billion, about the same as in 1958. This represents the overall demands that are

likely to be made on the construction industry. Similarly, expenditures for repairs to existing machinery and purchases of new machinery are expected to total \$3.8 billion. This, too, would involve about the same level of spending as in 1958.

The Requirements of the 1959 Programme

The demands of the 1959 investment programme in terms of materials and labour are determined by the physical volume of work put in place. Thus, if firms in stating their investment intentions have anticipated increased prices this would mean that the actual volume of materials and labour required would be less than might be indicated by the dollar figures shown. On the basis of 1958 experience it does not seem likely that increased construction costs have been anticipated for 1959. During the past year wage rates in the construction industry have tended to increase while prices of building materials have shown modest declines, although these have tended to stabilize in the later part of the year. However, in spite of the higher wage rates and relative stability in material prices, there is some indication that, at least for some types of construction, actual costs were lower in 1958. This has resulted from two factors. First, a trend towards greater efficiency in construction through intensified mechanization and the consolidation of construction firms has been apparent. The resulting increase in operational size has warranted the application of large scale machinery and has stimulated the adoption of prefabrication techniques. Second, bidding on construction jobs has been very competitive in 1958 and this probably meant lower profit margins for some contractors. As a result, there has been evidence of lower tender prices during the past year. With little change anticipated in construction activity in 1959, the continuation of keenly competitive conditions and improvements in productivity will help to offset possible tendencies toward higher costs arising from the strengthening in general demand.

The accomplishment of the 1959 construction programme may be expected to require about the same volume of building materials as last year. With some change in the pattern of construction, requirements of pipe for gas transmission and distribution will be somewhat lower in 1959. However, demands for other construction materials will at least equal, and in some cases exceed, those of 1958.

The increased emphasis on building construction this year would tend to require relatively more on-site workers per dollar expended. However, this may be offset if the construction industry continues its trend toward more intensive mechanization. On the whole, the construction programme as outlined can likely be accomplished with about the same labour force that was employed last year.

The spending intentions for machinery and equipment in 1959 involves an increased demand for industrial, office and store machinery and lower requirements of railway rolling stock. The impact of these requirements upon domestic industry will depend, in large part, upon the ability of Canadian producers to compete with foreign suppliers.

Factors Affecting the Programme

The capital expenditure programme as outlined reflects, for the most part, the stated intentions of business, institutions and governments as at the end of 1958. Unforeseen events of many kinds may arise to cause discrepancies between outlays planned and those actually realized. Also, the intentions themselves may be affected by changes in general economic conditions.

The present outlook is that both labour and materials will be in good supply and, barring major work stoppages, will be adequate to meet the programme planned.

On the economic side, the present intentions were framed at a time when business conditions were in the initial stages of recovery. If this recovery continues, and particularly if it accelerates in tempo, it may be expected that additional expansion projects will be forthcoming as the year progresses, especially in the commodity producing industries. In the past, in periods of improving business conditions investment intentions have always under-estimated actual accomplishment. In current circumstances, however, the extent to which intentions may be exceeded will probably be limited by the amount of excess capacity still present in a number of industries.

SECTION II. REFERENCE TABLES - CAPITAL AND REPAIR EXPENDITURES, 1957 TO 1959

TABLE 1. Summary by Sectors, Canada, 1957 to 1959¹
(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	1957	93	341	434	67	130	197	160	471	631
		1958	101	368	469	73	132	205	174	500	674
		1959	101	375	476	73	136	209	174	511	685
2	Forestry	1957	28	20	48	21	30	51	49	50	99
		1958	20	13	33	16	24	40	36	37	73
		1959	26	22	48	14	24	38	40	46	86
3	Mining, Quarrying and Oil Wells	1957	407	199	606	22	69	91	429	268	697
		1958	267	95	362	22	66	88	289	161	450
		1959	271	75	346	23	67	90	294	142	436
4	Manufacturing	1957	520	959	1,479	115	498	613	635	1,457	2,092
		1958	402	680	1,082	106	441	547	508	1,121	1,629
		1959	341	702	1,043	111	457	568	452	1,159	1,611
5	Utilities	1957	1,475	833	2,308	269	408	677	1,744	1,241	2,985
		1958	1,411	724	2,135	265	405	670	1,676	1,129	2,805
		1959	1,182	662	1,844	298	404	702	1,480	1,066	2,546
6	Construction Industry	1957	16	142	158	3	119	122	19	261	280
		1958	16	117	133	3	122	125	19	239	258
		1959	16	115	131	4	120	124	20	235	255
7	Housing ²	1957	1,430	-	1,430	383	-	383	1,813	-	1,813
		1958	1,781	-	1,781	407	-	407	2,188	-	2,188
		1959	1,728	-	1,728	426	-	426	2,154	-	2,154
8	Trade - Wholesale and Retail	1957	205	165	370	36	36	72	241	201	442
		1958	191	154	345	31	30	61	222	184	406
		1959	210	180	390	32	31	63	242	211	453
9	Finance, Insurance and Real Estate	1957	110	26	136	11	5	16	121	31	152
		1958	149	30	179	13	6	19	162	36	198
		1959	204	33	237	14	6	20	218	39	257
10	Commercial Services	1957	68	116	184	15	43	58	83	159	242
		1958	51	118	169	16	43	59	67	161	228
		1959	51	121	172	13	43	56	64	164	228
11	Institutional Services	1957	407	47	454	48	8	56	455	55	510
		1958	435	55	490	49	8	57	484	63	547
		1959	486	64	550	48	8	56	534	72	606
12	Government Departments	1957	1,025	85	1,110	247	41	288	1,272	126	1,398
		1958	1,131	108	1,239	274	47	321	1,405	155	1,560
		1959	1,250	106	1,356	279	48	327	1,529	154	1,683
13	Total (Items 1 to 12)	1957	5,784	2,933	8,717	1,237	1,387	2,624	7,021	4,320	11,341
		1958	5,955	2,462	8,417	1,275	1,324	2,599	7,230	3,786	11,016
		1959	5,866	2,455	8,321	1,335	1,344	2,679	7,201	3,799	11,000

¹ Actual expenditures 1957, preliminary actual 1958, intentions 1959.

² See Industry Classification - Section III.

TABLE 2. Manufacturing, Canada, 1957 to 1959¹

(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	1957	36.3	80.8	117.1	13.0	51.0	64.0	49.3	131.8	181.1
		1958	40.7	79.6	120.3	13.3	45.0	58.3	54.0	124.6	178.6
		1959	42.5	79.2	121.7	12.9	44.4	57.3	55.4	123.6	179.0
2	Tobacco and Tobacco Products	1957	1.9	7.2	9.1	1.1	2.7	3.8	3.0	9.9	12.9
		1958	3.2	6.4	9.6	0.6	1.5	2.1	3.8	7.9	11.7
		1959	4.5	6.3	10.8	0.7	1.5	2.2	5.2	7.8	13.0
3	Rubber Products	1957	6.1	10.9	17.0	1.1	7.8	8.9	7.2	18.7	25.9
		1958	2.3	6.6	8.9	1.0	7.2	8.2	3.3	13.8	17.1
		1959	1.8	10.2	12.0	1.0	7.3	8.3	2.8	17.5	20.3
4	Leather Products	1957	1.3	2.3	3.6	0.7	2.3	3.0	2.0	4.6	6.6
		1958	0.5	1.6	2.1	0.7	2.5	3.2	1.2	4.1	5.3
		1959	0.5	1.5	2.0	0.6	2.3	2.9	1.1	3.8	4.9
5	Textile Products	1957	7.9	31.4	39.3	3.1	18.1	21.2	11.0	49.5	60.5
		1958	3.0	20.1	23.1	2.8	15.8	18.6	5.8	35.9	41.7
		1959	2.8	18.0	18.8	3.1	15.5	18.6	5.9	31.5	37.4
6	Clothing	1957	1.2	9.6	10.8	1.1	4.4	5.5	2.3	14.0	16.3
		1958	0.8	7.4	8.2	1.1	4.1	5.2	1.9	11.5	13.4
		1959	0.3	6.1	6.4	1.1	4.1	5.2	1.4	10.2	11.6
7	Wood Products	1957	10.3	28.7	39.0	6.5	27.6	34.1	16.8	56.3	73.1
		1958	9.0	21.5	30.5	6.0	23.9	29.9	15.0	45.4	60.4
		1959	10.4	19.4	29.8	5.7	22.4	28.1	16.1	41.8	57.9
8	Paper Products	1957	66.3	200.0	266.3	8.1	90.1	98.2	74.4	290.1	364.5
		1958	23.2	107.9	131.1	6.8	83.1	89.9	30.0	191.0	221.0
		1959	18.5	101.2	119.7	6.9	81.4	88.3	25.4	182.6	208.0
9	Printing, Publishing and Allied Industries	1957	17.3	22.8	40.1	2.0	5.7	7.7	19.3	28.5	47.8
		1958	16.0	22.1	38.1	2.0	5.4	7.4	18.0	27.5	45.5
		1959	13.2	19.1	32.3	1.7	5.2	6.9	14.9	24.3	39.2
10	Iron and Steel Products	1957	54.5	125.1	179.6	16.6	100.1	116.7	71.1 ¹	225.2	296.3
		1958	35.4	89.5	124.9	13.0	77.9	90.9	48.4	167.4	215.8
		1959	27.1	104.2	131.3	14.5	97.0	111.5	41.6	201.2	242.8
11	Transportation Equipment	1957	18.1	44.3	62.4	11.6	33.8	45.4	29.7	78.1	107.8
		1958	19.2	31.7	50.9	10.5	28.1	38.6	29.7	59.8	89.5
		1959	14.9	37.0	51.9	11.2	28.3	39.5	26.1	65.3	91.4
12	Non-ferrous Metal Products	1957	69.9	74.5	144.4	8.5	54.0	62.5	78.4	128.5	206.9
		1958	39.3	42.0	81.3	8.9	49.3	58.2	48.2	91.3	139.5
		1959	30.1	41.6	71.7	9.3	52.0	61.3	39.4	93.6	133.0
13	Electrical Apparatus and Supplies	1957	13.8	30.5	44.3	3.3	15.4	18.7	17.1	45.9	63.0
		1958	7.7	23.8	31.5	2.9	14.2	17.1	10.6	38.0	48.6
		1959	4.6	20.9	25.5	2.8	14.0	16.8	7.4	34.9	42.3
14	Non-metallic Mineral Products ..	1957	29.4	49.2	78.6	3.1	35.9	39.0	32.5	85.1	117.6
		1958	12.8	23.6	36.4	2.6	32.8	35.4	15.4	56.4	71.8
		1959	17.3	31.4	48.7	2.6	33.6	36.2	19.9	65.0	84.9
15	Products of Petroleum and Coal	1957	113.4	16.6	130.0	26.0	5.9	31.9	139.4	22.5	161.9
		1958	138.6	10.8	149.4	23.3	4.4	27.7	161.9	15.2	177.1
		1959	123.7	9.2	132.9	26.1	4.2	30.3	149.3	13.4	163.2
16	Chemical Products	1957	65.6	84.1	149.7	8.1	39.6	47.7	73.7	123.7	197.4
		1958	47.8	75.5	123.3	8.7	42.1	50.8	56.5	117.6	174.1
		1959	24.0	85.5	109.5	8.8	40.0	48.8	32.8	125.5	158.3
17	Miscellaneous	1957	6.6	8.5	15.1	1.5	4.1	5.6	8.1	12.6	20.7
		1958	2.5	8.2	10.7	1.4	3.6	5.0	3.9	11.8	15.7
		1959	4.8	7.4	12.2	1.7	3.7	5.4	6.5	11.1	17.6
18	Capital Items Charged to Operating Expenses	1957	-	132.5	132.5	-	-	-	-	132.5	132.5
		1958	-	101.9	101.9	-	-	-	-	101.9	101.9
		1959	-	105.3	105.3	-	-	-	-	105.3	105.3
19	Total (Items 1 to 18)	1957	519.9	959.0	1,478.9	115.4	498.5	613.9	635.3	1,457.5	2,092.8
		1958	402.0	680.2	1,082.2	105.6	440.9	546.5	507.6	1,121.1	1,628.7
		1959	341.0	701.5	1,042.5	110.7	456.9	567.6	451.7	1,158.4	1,610.1

¹ Actual expenditures 1957, preliminary actual 1958, intentions 1959.

TABLE 3. Utilities, Canada, 1957 to 1959¹
(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	Electric Power ²	1957	559.8	243.5	803.3	40.6	25.4	66.0	600.4	268.9	869.3
		1958	528.2	174.6	702.8	39.8	23.3	63.1	568.0	197.9	765.9
		1959	444.4	180.7	625.1	43.1	24.6	67.7	487.5	205.3	692.8
2	Gas Distribution	1957	64.8	5.0	69.8	4.3	1.7	6.0	69.1	6.7	75.8
		1958	81.7	7.2	88.9	4.1	2.1	6.2	85.8	9.3	95.1
		1959	66.0	9.4	75.4	4.5	2.2	6.7	70.5	11.3	82.1
3	Railway Transport and Tele- graphs ²	1957	188.4	234.9	423.3	162.7	194.4	357.1	351.1	429.3	780.4
		1958	180.3	178.6	358.9	161.6	188.7	350.3	341.9	367.3	709.2
		1959	227.2	135.3	362.5	186.3	183.4	369.7	413.5	318.7	732.2
4	Urban Transit ²	1957	9.3	13.0	22.3	5.4	17.8	23.2	14.7	30.8	45.5
		1958	3.3	13.0	16.3	4.4	18.1	22.5	7.7	31.1	38.8
		1959	16.0	12.1	28.1	4.3	17.8	22.1	20.3	29.9	50.2
5	Water Transport and Serv- ices	1957	114.4	32.2	146.6	3.7	19.1	22.8	118.1	51.3	169.4
		1958	121.5	32.5	154.0	3.3	16.3	19.6	124.8	48.8	173.6
		1959	79.6	20.7	100.3	4.1	14.6	18.7	83.7	35.3	119.0
6	Motor Transport ²	1957	6.8	32.7	39.5	1.1	37.6	38.7	7.9	70.3	78.2
		1958	1.6	25.3	26.9	1.0	34.3	35.3	2.6	59.6	62.2
		1959	2.5	21.5	24.0	1.1	34.5	35.6	3.6	56.0	59.6
7	Grain Elevators	1957	7.0	3.2	10.2	5.5	2.2	7.7	12.5	5.4	17.9
		1958	8.3	1.8	10.1	4.7	1.9	6.6	13.0	3.7	16.7
		1959	16.8	2.4	19.2	4.2	1.9	6.1	21.0	4.3	25.3
8	Telephones	1957	112.7	192.5	305.2	25.1	68.9	94.0	137.8	261.4	399.2
		1958	128.3	196.2	324.5	25.2	78.6	103.8	153.5	274.8	428.3
		1959	148.3	189.1	337.4	27.3	85.3	112.6	175.6	274.4	450.0
9	Broadcasting	1957	4.6	5.0	9.6	0.4	2.2	2.6	5.0	7.2	12.2
		1958	1.9	7.3	9.2	0.4	2.2	2.6	2.3	9.5	11.8
		1959	3.9	7.0	10.9	0.4	2.3	2.7	4.3	9.3	13.6
10	Municipal Waterworks	1957	62.2	6.8	69.0	14.9	1.5	16.4	77.1	8.3	85.4
		1958	62.2	3.5	65.7	14.8	1.6	16.4	77.0	5.1	82.1
		1959	67.3	3.1	70.4	17.3	1.5	18.8	84.6	4.6	89.2
11	Other Utilities ³	1957	345.4	47.7	393.1	5.5	36.8	42.3	350.9	84.5	435.4
		1958	293.6	69.8	363.4	5.8	37.8	43.6	299.4	107.6	407.0
		1959	110.5	67.0	177.5	5.5	35.6	41.1	116.0	102.6	218.6
12	Capital Items Charged to Operating Expenses	1957	—	16.1	16.1	—	—	—	—	16.1	16.1
		1958	—	14.5	14.5	—	—	—	—	14.5	14.5
		1959	—	13.7	13.7	—	—	—	—	13.7	13.7
13	Total (Items 1 to 12).....	1957	1,475.4	832.6	2,308.0	269.2	407.6	676.8	1,744.6	1,240.2	2,984.8
		1958	1,410.9	724.3	2,135.2	265.1	404.9	670.0	1,676.0	1,129.2	2,805.2
		1959	1,182.5	662.0	1,844.5	298.1	403.7	701.8	1,480.6	1,065.7	2,546.3

¹ Actual expenditures 1957, preliminary actual 1958, intentions 1959.

² See Industry Classification—Section III.

³ Includes Air Transport, Warehousing, Oil and Gas Pipe Lines, and Toll Highways and Bridges.

TABLE 4. Trade and Finance, Canada, 1957 to 1959¹

(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)	
TRADE:											
1	Wholesale	1957	30.2	30.0	60.2	5.2	6.9	12.1	35.4	36.9	72.3
		1958	22.8	22.1	44.9	4.1	5.7	9.8	26.9	27.8	54.7
		1959	30.0	21.3	51.3	4.0	6.0	10.0	34.0	27.3	61.3
2	Chain Stores	1957	39.2	29.6	68.8	4.0	4.4	8.4	43.2	34.0	77.2
		1958	38.9	30.5	69.4	4.3	3.9	8.2	43.2	34.4	77.6
		1959	38.2	35.3	73.5	4.1	3.9	8.0	42.3	39.2	81.5
3	Independent Stores	1957	68.5	52.7	121.2	10.5	9.5	20.0	79.0	62.2	141.2
		1958	68.4	53.8	122.2	10.0	8.3	18.3	78.4	62.1	140.5
		1959	67.0	63.7	130.7	10.0	8.4	18.4	77.0	72.1	149.1
4	Department Stores	1957	14.7	8.3	23.0	4.7	3.6	8.3	19.4	11.9	31.3
		1958	14.0	7.5	21.5	3.5	2.9	6.4	17.5	10.4	27.9
		1959	14.0	9.9	23.9	3.5	2.8	6.3	17.5	12.7	30.2
5	Automotive Trade	1957	52.6	29.6	82.2	11.2	11.7	22.9	63.8	41.3	105.1
		1958	46.7	26.2	72.9	9.3	9.6	18.9	56.0	35.8	91.8
		1959	60.4	34.1	94.5	10.1	9.9	20.0	70.5	44.0	114.5
6	Capital Items Charged to Operating Expenses.	1957	-	14.9	14.9	-	-	-	-	14.9	14.9
		1958	-	13.6	13.6	-	-	-	-	13.6	13.6
		1959	-	15.6	15.6	-	-	-	-	15.6	15.6
7	Sub-total (Items 1 to 6)	1957	205.2	165.1	370.3	35.6	36.1	71.7	240.8	201.2	442.0
		1958	190.8	153.7	344.5	31.2	30.4	61.6	222.0	184.1	406.1
		1959	269.6	179.9	389.5	31.7	31.0	62.7	241.3	210.9	452.2
FINANCE:											
8	Banks	1957	19.9	8.0	27.9	4.0	0.9	4.9	23.9	8.9	32.8
		1958	19.4	9.1	28.5	4.9	1.4	6.3	24.3	10.5	34.8
		1959	30.5	9.4	39.9	4.6	1.5	6.1	35.1	10.9	46.0
9	Insurance, Trust and Loan Companies	1957	14.1	4.6	18.7	1.4	0.8	2.2	15.5	5.4	20.9
		1958	15.6	4.2	19.8	1.7	0.8	2.5	17.3	5.0	22.3
		1959	23.2	3.9	27.1	1.6	0.8	2.4	24.8	4.7	29.5
10	Other Financial ²	1957	75.6	13.6	89.2	5.5	3.2	8.7	81.1	16.8	97.9
		1958	114.2	16.2	130.4	6.0	3.6	9.6	120.2	19.8	140.0
		1959	150.0	19.5	169.5	8.0	3.6	11.6	158.0	23.1	181.1
11	Sub-total (Items 8 to 10)	1957	109.6	26.2	135.8	10.9	4.9	15.8	120.5	31.1	151.6
		1958	149.2	29.5	178.7	12.6	5.8	18.4	161.8	35.3	197.1
		1959	203.7	32.8	236.5	14.2	5.9	20.1	217.9	38.7	256.6
12	Total (Items 7 and 11)	1957	314.8	191.3	506.1	46.5	41.0	87.5	361.3	232.3	593.6
		1958	340.0	183.2	523.2	43.8	36.2	80.0	383.8	219.4	603.2
		1959	413.3	212.7	626.0	45.9	36.9	82.8	459.2	249.6	708.8

¹ Actual expenditures 1957, preliminary actual 1958, intentions 1959.

² The largest part of this item is accounted for by expenditures of real estate companies engaged in developing, owning and leasing properties.

TABLE 5. Services, Canada, 1957 to 1959¹
(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)	
COMMERCIAL SERVICES:											
1	Laundries and Dry Cleaners	1957	0.8	5.6	6.4	0.8	2.5	3.3	1.6	8.1	9.7
		1958	2.3	4.8	7.1	1.0	2.4	3.4	3.3	7.2	10.5
		1959	0.4	2.9	3.3	0.7	2.2	2.9	1.1	5.1	6.2
2	Theatres	1957	2.8	1.0	3.8	0.5	0.4	0.9	3.3	1.4	4.7
		1958	1.1	0.8	1.9	0.5	0.4	0.9	1.6	1.2	2.8
		1959	0.6	0.9	1.5	0.2	0.4	0.6	0.8	1.3	2.1
3	Hotels	1957	34.3	11.3	45.6	11.8	4.9	16.7	46.1	16.2	62.3
		1958	21.3	9.1	30.4	12.6	3.7	16.3	33.9	12.8	46.7
		1959	15.3	7.8	23.1	10.2	3.6	13.8	25.5	11.4	36.9
4	Other Commercial Services ²	1957	29.6	98.3	127.9	1.9	35.4	37.3	31.5	133.7	165.2
		1958	26.3	103.3	129.6	1.8	36.4	38.2	28.1	139.7	167.8
		1959	34.9	109.2	144.1	2.3	37.1	39.4	37.2	146.3	183.5
5	Sub-total (Items 1 to 4)	1957	67.5	116.2	183.7	15.0	43.2	58.2	82.5	159.4	241.9
		1958	51.0	118.0	169.0	15.9	42.9	58.8	66.9	160.9	227.8
		1959	51.2	120.8	172.0	13.4	43.3	56.7	64.6	164.1	228.7
INSTITUTIONAL SERVICES:											
6	Churches	1957	52.8	3.7	56.5	8.3	0.6	8.9	61.1	4.3	65.4
		1958	55.1	3.8	58.9	7.7	0.6	8.3	62.8	4.4	67.2
		1959	48.1	3.5	51.6	6.6	0.5	7.1	54.7	4.0	58.7
7	Universities	1957	38.0	4.5	42.5	4.0	0.2	4.2	42.0	4.7	46.7
		1958	48.7	6.1	54.8	4.8	0.2	5.0	53.5	6.3	59.8
		1959	68.0	8.5	76.5	4.2	0.3	4.5	72.2	8.8	81.0
8	Schools	1957	197.6	19.6	217.2	20.4	3.1	23.5	218.0	22.7	240.7
		1958	200.7	20.8	221.5	21.8	3.4	25.0	222.3	24.2	246.5
		1959	204.4	22.6	227.0	22.5	3.6	26.1	226.9	26.2	253.1
9	Hospitals	1957	111.7	19.1	130.8	14.0	4.2	18.2	125.7	23.3	149.0
		1958	124.5	23.5	148.0	13.8	4.1	17.9	138.3	27.6	165.9
		1959	152.1	28.5	180.6	14.5	4.0	18.5	166.6	32.5	199.1
10	Other Institutional Services ³	1957	7.3	0.4	7.7	1.2	—	1.2	8.5	0.4	8.9
		1958	6.2	0.4	6.6	0.8	0.1	0.9	7.0	0.5	7.5
		1959	13.6	0.4	14.0	0.7	0.1	0.8	14.3	0.5	14.8
11	Sub-total (Items 6 to 10)	1957	407.4	47.3	454.7	47.9	8.1	56.0	455.3	55.4	510.7
		1958	435.2	54.6	489.8	48.7	8.4	57.1	483.9	63.0	546.9
		1959	486.2	63.5	549.7	48.5	8.5	57.0	534.7	72.0	606.7
12	GOVERNMENT DEPARTMENTS	1957	1,024.6	84.7	1,109.3	246.7	41.3	288.0	1,271.3	126.0	1,397.3
		1958	1,131.3	108.1	1,239.4	274.0	47.2	321.2	1,405.3	155.3	1,560.6
		1959	1,250.4	106.1	1,356.5	279.1	47.5	326.6	1,529.5	153.6	1,683.1
	Total (Items 5, 11 and 12)	1957	1,499.5	248.2	1,747.7	309.6	92.6	402.2	1,809.1	340.8	2,149.9
		1958	1,617.5	280.7	1,898.2	338.6	98.5	437.1	1,956.1	379.2	2,335.3
		1959	1,787.8	290.4	2,078.2	341.0	99.3	440.3	2,128.8	389.7	2,518.5

¹ Actual expenditures 1957, preliminary actual 1958, intentions 1959.

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

³ Includes privately-operated social and welfare institutions.

TABLE 6. Private and Public, Canada, 1957 to 1959¹
(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)	
PRIVATE:											
1	Business Enterprises	1957	2,081.7	2,442.1	4,523.8	408.5	1,155.6	1,564.1	2,490.2	3,597.7	6,087.9
		1958	1,750.9	1,959.1	3,710.0	393.4	1,080.8	1,474.2	2,144.3	3,039.9	5,184.2
		1959	1,663.5	1,972.0	3,635.5	402.4	1,110.4	1,512.8	2,065.9	3,082.4	5,148.3
2	Institutions and Housing	1957	1,555.0	20.2	1,575.2	402.9	3.1	406.0	1,957.9	23.3	1,981.2
		1958	1,918.1	25.8	1,943.9	426.6	3.8	430.4	2,344.7	29.6	2,374.3
		1959	1,876.9	30.2	1,907.1	444.9	3.6	448.5	2,321.8	33.8	2,355.6
3	Sub-total (Items 1 and 2)	1957	3,636.7	2,462.3	6,099.0	811.4	1,158.7	1,970.1	4,448.1	3,621.0	8,069.1
		1958	3,669.0	1,984.9	5,653.9	820.0	1,084.6	1,904.6	4,489.0	3,069.5	7,558.5
		1959	3,540.4	2,002.2	5,542.6	847.3	1,114.0	1,961.3	4,387.7	3,116.2	7,503.9
PUBLIC:											
4	Government Owned Enterprises ² .	1957	840.3	358.9	1,199.2	150.9	182.0	332.9	991.2	540.9	1,532.1
		1958	856.4	340.2	1,196.6	151.8	187.6	339.4	1,008.2	527.8	1,536.0
		1959	738.2	313.4	1,051.6	178.6	177.6	356.2	916.8	491.0	1,407.8
5	Government Operated Institutions and Housing. ³	1957	282.4	27.1	309.5	28.0	5.0	33.0	310.4	32.1	342.5
		1958	298.3	28.8	327.1	29.2	4.6	33.8	327.5	33.4	360.9
		1959	337.0	33.3	370.3	30.0	4.9	34.9	367.0	38.2	405.2
6	Government Departments	1957	1,024.6	84.7	1,109.3	246.7	41.3	288.0	1,271.3	126.0	1,397.3
		1958	1,131.3	108.1	1,239.4	274.0	47.2	321.2	1,405.3	155.3	1,560.6
		1959	1,250.4	106.1	1,356.5	279.1	47.5	326.6	1,529.5	153.6	1,683.1
7	Sub-total (Items 4 to 6)	1957	2,147.3	470.7	2,618.0	425.6	228.3	653.9	2,572.9	699.0	3,271.9
		1958	2,286.0	477.1	2,763.1	455.0	239.4	694.4	2,741.0	716.5	3,457.5
		1959	2,325.6	452.8	2,778.4	487.7	230.0	717.7	2,813.3	682.8	3,496.1
8	Total Private and Public (Items 3 and 7).	1957	5,784.0	2,933.0	8,717.0	1,237.0	1,387.0	2,624.0	7,021.0	4,320.0	11,341.0
		1958	5,955.0	2,462.0	8,417.0	1,275.0	1,324.0	2,599.0	7,230.0	3,786.0	11,016.0
		1959	5,866.0	2,455.0	8,321.0	1,335.0	1,344.0	2,679.0	7,201.0	3,799.0	11,000.0

¹ Actual expenditures 1957, preliminary actual 1958, intentions 1959.

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, 1957 to 1959¹
(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)	
FEDERAL GOVERNMENT:											
1	Enterprises ²	1957	282.8	185.8	468.6	96.3	136.9	233.2	379.1	322.7	701.8
		1958	307.7	168.9	476.6	97.9	143.6	241.5	405.6	312.5	718.1
		1959	246.6	142.8	389.4	119.7	130.3	250.0	366.3	273.1	639.4
2	Housing	1957	39.1	-	39.1	-	-	-	39.1	-	39.1
		1958	40.0	-	40.0	-	-	-	40.0	-	40.0
		1959	57.7	-	57.7	-	-	-	57.7	-	57.7
3	Government Departments	1957	305.6	32.5	338.1	61.9	10.4	72.3	367.5	42.9	410.4
		1958	325.8	51.3	377.1	61.6	13.1	74.7	387.4	64.4	451.8
		1959	366.8	49.2	416.0	62.0	14.6	76.6	428.8	63.8	492.6
4	Sub-total (Items 1 to 3)	1957	627.5	218.3	845.8	158.2	147.3	305.5	785.7	365.6	1,151.3
		1958	673.5	220.2	893.7	159.5	156.7	316.2	833.0	376.9	1,209.0
		1959	671.1	192.0	863.1	181.7	144.9	326.6	852.8	336.9	1,189.7
PROVINCIAL GOVERNMENTS:											
5	Enterprises ²	1957	459.0	142.5	601.5	25.4	25.9	51.3	484.4	168.4	652.8
		1958	451.1	142.2	593.3	25.0	25.2	50.2	476.1	167.4	643.5
		1959	377.8	140.2	518.0	26.8	28.4	55.2	404.6	168.6	573.2
6	Institutions ³	1957	58.8	7.7	66.5	8.4	1.6	10.0	67.2	9.3	76.5
		1958	69.6	8.4	78.0	8.5	1.3	9.8	78.1	9.7	87.8
		1959	71.7	9.9	81.6	8.3	1.5	9.8	80.0	11.4	91.4
7	Government Departments	1957	460.6	21.0	481.6	112.7	16.0	128.7	573.3	37.0	610.3
		1958	511.6	25.2	536.8	126.7	17.2	143.9	638.3	42.4	680.7
		1959	545.1	24.5	569.6	130.8	17.7	148.5	675.9	42.2	718.1
8	Sub-total (Items 5 to 7)	1957	978.4	171.2	1,149.6	146.5	43.5	190.0	1,124.9	214.7	1,339.6
		1958	1,032.3	175.8	1,208.1	160.2	43.7	203.9	1,192.5	219.5	1,412.0
		1959	994.6	174.6	1,169.2	165.9	47.6	213.5	1,160.5	222.2	1,382.7
MUNICIPAL GOVERNMENTS:											
9	Enterprises ²	1957	98.5	30.6	129.1	29.2	19.2	48.4	127.7	49.8	177.5
		1958	97.6	29.1	126.7	28.9	18.8	47.7	126.5	47.9	174.4
		1959	113.8	30.4	144.2	32.1	18.9	51.0	145.9	49.3	195.2
10	Institutions ³	1957	184.5	19.4	203.9	19.6	3.4	23.0	204.1	22.8	226.9
		1958	188.7	20.4	209.1	20.7	3.3	24.0	209.4	23.7	233.1
		1959	207.6	23.4	231.0	21.7	3.4	25.1	229.3	26.8	256.1
11	Government Departments	1957	258.4	31.2	289.6	72.1	14.9	87.0	330.5	46.1	376.6
		1958	293.9	31.6	325.5	85.7	16.9	102.6	379.6	48.5	428.1
		1959	338.5	32.4	370.9	86.3	15.2	101.5	424.8	47.6	472.4
12	Sub-total (Items 9 to 11)	1957	541.4	81.2	622.6	120.9	37.5	158.4	662.3	118.7	781.0
		1958	580.2	81.1	661.3	135.3	39.0	174.3	715.5	120.1	835.6
		1959	659.9	86.2	746.1	140.1	37.5	177.6	800.0	123.7	923.7
13	Total (Items 4, 8 and 12)	1957	2,147.3	470.7	2,618.0	425.6	228.3	653.9	2,572.9	699.0	3,271.9
		1958	2,286.0	477.1	2,763.1	455.0	239.4	694.4	2,741.0	716.5	3,457.5
		1959	2,325.6	452.8	2,778.4	487.7	230.0	717.7	2,813.3	682.8	3,496.1

¹ Actual expenditures 1957, preliminary actual 1958, intentions 1959.

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, 1957 to 1959¹
(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 ² (excluding Utilities).	1957	1,796	1,968	3,764	383	930	1,313	2,179	2,898	5,077
		1958	1,680	1,575	3,255	390	864	1,254	2,070	2,439	4,509
		1959	1,686	1,623	3,309	399	884	1,283	2,085	2,507	4,592
2	Utilities	1957	1,475	833	2,308	269	408	677	1,744	1,241	2,985
		1958	1,411	724	2,135	265	405	670	1,676	1,129	2,805
		1959	1,182	662	1,844	298	404	702	1,480	1,066	2,546
3	Sub-total (Items 1 and 2).....	1957	3,271	2,801	6,072	652	1,338	1,990	3,923	4,139	8,062
		1958	3,091	2,299	5,390	655	1,269	1,924	3,746	3,568	7,314
		1959	2,868	2,285	5,153	697	1,288	1,985	3,565	3,573	7,138
4	Other ³	1957	2,513	132	2,645	585	49	634	3,098	181	3,279
		1958	2,864	163	3,027	620	55	675	3,484	218	3,702
		1959	2,998	170	3,168	638	56	694	3,636	226	3,862
5	Total (Items 3 and 4).....	1957	5,784	2,933	8,717	1,237	1,387	2,624	7,021	4,320	11,341
		1958	5,955	2,462	8,417	1,275	1,324	2,599	7,230	3,786	11,016
		1959	5,866	2,455	8,321	1,335	1,344	2,679	7,201	3,799	11,000

¹ Actual expenditures 1957, preliminary actual 1958, intentions 1959.

² Includes expenditures in agriculture, fishing, forestry, mining, manufacturing, the construction industry, rental housing, trade, finance and commercial services.

³ Includes expenditures in owner-occupied housing, institutional services and government departments.

SECTION III DEFINITIONS, COVERAGE AND COMPARATIVE SUMMARY

Industry Classification

The industry classification used in this report is the Standard Industrial Classification published by the Dominion Bureau of Statistics. It is not possible, however, to publish information for all classifications, therefore certain classes are grouped together, where such groupings may be done conveniently. Over time, conditions arise in the economy that necessitate adjustment in this classification. These changes may be of several types, (a) where only the name of a class is changed to describe more clearly the industry or, (b) where the basic industry structure changes and it is necessary to remove some expenditures from one group and include these with another group. In addition to classification changes, basic concepts are occasionally adjusted to include or exclude certain expenditures. When a general historical revision is made, data for earlier years are revised where such changes are practical and significant.

In the current publication, several of the sectors have been adjusted. The group **Central Electric Stations** is now called **Electric Power** and this group now includes expenditures of the Hydro Electric Power Commission of Ontario, which have been made on the Frequency Standardization program. These expenditures were not previously considered capital outlays and were therefore not included in **Private and Public Investment**. The group **Steam Railways and Telegraph** is now called **Railway Transport and Telegraph** and includes the few remaining interurban electric railways. The group **Electric Railways** is now called **Urban Transit** and includes electric and motor intraurban passenger carrying facilities. The **Motor Carriers** group has been changed to **Motor Transport** and includes motor interurban passenger and freight carrying facilities. The estimates of capital expenditures for **residential housing** have been revised to include supplementary building costs which were not previously included as capital outlays.

During the past two years, the **Capital and Repair** expenditures series has been re-examined and revised where appropriate. The revised series will be available early in 1959 under the title **Private and Public Investment in Canada 1946-1957** and will be consistent with data published in **Private and Public Investment Outlook 1959**.

Definitions

The purpose of this report is to set out the anticipated gross expenditures on durable physical assets, both new and repair, of the whole Canadian economy. 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 all costs charged to capital account, such as architectural, legal and engineering fees, as well as the value of work on capital assets undertaken by the firm with its own labour force. Gross outlays are reported, without any 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 assets 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 Business Gross Fixed Capital Formation, 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 1957, 1958 and 1959.

TABLE 9. Reconciliation with National Accounts Investment
(Millions of Dollars)

		Housing	Other Construc- tion	Machinery and Equipment	Total
Private and Public Capital Expenditures	1957	1,430	4,354	2,933	8,717
	1958	1,781	4,174	2,462	8,417
	1959	1,728	4,138	2,455	8,321
Deduct: direct government outlays ¹	1957	21	1,251	110	1,382
	1958	19	1,361	138	1,518
	1959	23	1,480	137	1,640
New construction and new machinery equipment expen- ditures as per National Accounts.	1957	1,409	3,103	2,823	7,335
	1958	1,762	2,813	2,324	6,899
	1959	1,705	2,658	2,318	6,681

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 1958-59 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 87.0 per cent of total outlays in those groups covered by direct survey and for 77.6 per cent of total estimated expenditures in all sectors. The estimates of total outlays in the groups covered by survey, amounting to 90 per cent of all spending, are thought to be of a better quality than the remaining 10 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 shipments in 1956 of all the firms in each industry by the corresponding 1956 total for the firms reporting in the 1959 survey. In carrying out this procedure it has been assumed that the proportion of shipments of the reporting establishments in both 1956 and 1959 has not changed significantly during the period and further that there is a close relationship between total value of shipments 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 77.6 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 22.4 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 1958 preliminary actual expenditures and the 1959 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 1958 to 1959 can be calculated with more precision than the absolute magnitude of expenditures in the two years.

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 1959.

Comparison of 1958 Realizations with Intentions.

In considering the accuracy of investment intentions, two separate factors should be kept in mind. First, it is necessary to consider the extent to which investment plans

TABLE 10. Coverage of 1958-59 Survey

Type of Enterprise	Per Cent Coverage ¹	Type of Enterprise	Per Cent Coverage ¹
Agriculture and Fishing: ² (Table 1)	-	Construction Industry: ² (Table 1)	-
Forestry: ³ (Table 1)	45.1	Housing: ⁴ (Table 1)	82.1
Mining, Quarrying and Oil Wells: ³ (Table 1)	96.5	Trade: (Table 4)	58.2
Manufacturing: ³ (Table 2)	91.4	Wholesale (Proper)	66.4
Food and Beverages	86.9	Chain Stores	93.9
Tobacco and Tobacco Products	99.8	Independent Stores ³	-
Rubber Products	98.2	Department Stores	99.9
Leather Products	74.2	Automotive Trade	96.7
Textile and Textile Products	91.6	Finance: (Table 4)	50.1
Clothing	71.1	Banks	100.0
Wood Products	64.7	Insurance, Trust and Loan Companies	96.0
Paper Products	95.7	Other Financial	31.0
Printing, Publishing and Allied Industries	72.9	Commercial Services: (Table 5)	9.3
Iron and Steel Products	89.6	Laundries and Dry Cleaners	53.0
Transportation Equipment	98.0	Theatres	79.6
Non-ferrous Metal Products	98.2	Hotels	56.2
Electrical Apparatus and Supplies	94.0	Other Commercial Services ²	-
Non-metallic Mineral Products	87.3	Institutional Services: (Table 5)	81.3
Products of Petroleum and Coal	99.2	Churches	61.7
Chemical Products	92.7	Universities	94.1
Miscellaneous	76.0	Schools	78.1
Utilities: (Table 3)	97.3	Hospitals	86.0
Electric Power	98.6	Other Institutional Services	76.5
Gas Distribution	100.0	Government Departments: (Table 1)	84.3
Railway Transport and Telegraphs	100.0	Total: Groups Covered by Direct Survey	87.0
Urban Transit	96.4	Total: All Groups	77.6
Water Transport and Services	99.3		
Motor Transport	76.4		
Grain Elevators	96.1		
Telephones	95.6		
Broadcasting	94.0		
Municipal Waterworks	78.7		
Other Utilities	99.4		

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 shipments 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 wood products.

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

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 1959 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 1958 capital expenditure intentions as of January 1958, the revised capital expenditure intentions as of June 1958, and preliminary estimate of realizations as of now. The present estimate of capital outlays for 1958 is 1.2% below the original intentions and 1.3% below the revised intentions. Construction expenditures decreased 0.6% from the original estimate and 1.2% from the revised; machinery and equipment decreased by 2.7% and 1.4%.

In considering this comparison it should be kept in mind that the 1958 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 1957 preliminary actual figures published last year have been revised and changes have been incorporated in the 1957 actual figures.

TABLE 11. Comparison of Intended With Realized Expenditure in 1958
(Millions of Dollars)

Type of Enterprise		Capital Expenditures			Repair Expenditures ⁴			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. ⁵	Intentions ¹	417	629	1,046	108	341	449	525	970	1,495
	Revised ²	398	605	1,003	108	341	449	506	946	1,452
	Realized ³	404	593	997	114	344	458	518	937	1,455
2 Manufacturing.....	Intentions ¹	408	733	1,141	110	478	588	518	1,211	1,729
	Revised ²	391	705	1,096	110	478	588	501	1,183	1,684
	Realized ³	402	680	1,082	106	441	547	508	1,121	1,629
3 Utilities	Intentions ¹	1,515	721	2,236	266	403	669	1,781	1,124	2,905
	Revised ²	1,487	737	2,224	266	403	669	1,753	1,140	2,893
	Realized ^{3,6}	1,411	724	2,135	265	405	670	1,676	1,129	2,805
4 Trade, Finance and Commercial Services.	Intentions ¹	389	299	688	59	76	135	448	375	823
	Revised ²	404	293	697	59	76	135	463	369	832
	Realized ³	391	302	693	60	79	139	451	381	832
5 Institutions	Intentions ¹	476	51	527	45	8	53	521	59	580
	Revised ²	449	55	504	45	8	53	494	63	557
	Realized ³	435	55	490	49	8	57	484	63	547
6 Housing	Intentions ¹	1,635	—	1,635	286	—	286	1,921	—	1,921
	Revised ²	1,768	—	1,768	286	—	286	2,054	—	2,054
	Realized ^{3,6}	1,781	—	1,781	407	—	407	2,188	—	2,188
7 Government Departments	Intentions ¹	1,151	97	1,248	271	50	321	1,422	147	1,569
	Revised ²	1,131	102	1,233	271	50	321	1,402	152	1,554
	Realized ³	1,131	108	1,239	274	47	321	1,405	155	1,560
8 Total (Items 1 to 7)	Intentions ¹	5,991	2,530	8,521	1,145	1,356	2,501	7,136	3,886	11,022
	Revised ²	6,028	2,497	8,525	1,145	1,356	2,501	7,173	3,853	11,026
	Realized ²	5,955	2,462	8,417	1,275	1,324	2,599	7,230	3,786	11,016

¹ As of January, 1958.

² Revision is based on results of mid-1958 partial survey of those firms reporting expenditures 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.

⁶ See Industry Classification - Section III.

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