

c3

DEPARTMENT OF TRADE AND COMMERCE

61-205

Private and Public Investment
in Canada
Outlook 1960



Published by Authority of
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 1960, comparative figures are given for 1958 and 1959. The estimates for 1960 are based on intentions as recorded at the end of 1959 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 18,000 establishments of all types including mines, manufacturing plants, utilities and retail stores. Surveys were also made of institutions and government departments. 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, government and individuals on construction and for machinery and equipment is important for a number of reasons. Since such expenditures account for a large, and traditionally variable proportion of gross national production, the size and content of the programme is a valuable indicator of certain of the more volatile demands likely to be placed upon the productive capacities of the economy during the period covered by the survey. 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 investment intentions as a guide in planning to meet the conditions that may arise.

This report on the outlook for investment in Canada in 1960 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.

JAMES A. ROBERTS

Associate Deputy Minister

Department of Trade and Commerce

Ottawa,

February, 1960.

TABLE OF CONTENTS

	Page
Section I. Appraisal of the 1960 Capital Expenditure Programme	5
Section II. Reference Tables	11
Section III. Definitions, Coverage and Comparative Summary	19

List of Tables

Section II.	
Table 1. Summary by Sectors	11
Table 2. Manufacturing	12
Table 3. Utilities	13
Table 4. Trade and Finance	14
Table 5. Services	15
Table 6. Private and Public	16
Table 7. Governments	17
Table 8. Business and Other	18
Section III.	
Table 9. Reconciliation with National Accounts Investment	20
Table 10. Coverage of 1959-60 Survey	21
Table 11. Comparison of Intended with Realized Expenditure in 1959	23

SECTION 1. APPRAISAL OF THE 1960 CAPITAL PROGRAMME

The Total Programme

Present capital expenditure plans of all sectors of the economy call for total outlays of \$8.8 billion in 1960. These plans were revealed in a recent survey covering business establishments, institutions, house-builders and all levels of government. Such a capital programme would be the largest on record exceeding the previous peak of \$8.7 billion established in 1957. It would also involve a 4 per cent increase over the programme accomplished last year. Within the total, construction outlays are expected to be the highest yet achieved exceeding moderately the level of the past few years. Expenditures for machinery are likely to show a significant improvement over those made in 1958 and 1959 and approach the record level achieved in 1957.

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		
Millions of Dollars						Per Cent		
1947 ¹	1,397	1,671	1,043	1,245	2,440	2,919	18.5	18.9
1948 ¹	1,824	1,905	1,263	1,343	3,087	3,248	20.4	20.6
1949.....	2,166	2,166	1,373	1,373	3,539	3,539	21.6	21.6
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	2,893	2,220	1,802	5,976	4,695	23.9	22.6
1954.....	3,737	2,876	1,984	1,586	5,721	4,462	23.0	22.1
1955.....	4,169	3,129	2,075	1,629	6,244	4,758	23.0	21.7
1956.....	5,273	3,775	2,761	2,041	8,034	5,816	26.3	24.4
1957.....	5,784	3,993	2,933	2,058	8,717	6,051	27.4	25.5
1958.....	5,830	3,956	2,534	1,734	8,364	5,690	25.7	23.8
1959.....	5,798	3,820	2,613	1,746	8,411	5,566	—	—
1960.....	5,942	—	2,828	—	8,770	—	—	—

¹ Newfoundland not included in these years.

The Composition of the Programme

While present plans indicate a fairly moderate increase in total private and public investment in 1960 the composition of the present programme is changed significantly from that of the past two years. Of particular importance is the resurgence in business investment anticipated this year following the sharp decline that took place in 1958 and the further easing in 1959. On the other hand, outlays for housing and social capital are likely to constitute a smaller part of the total investment programme this year. Such

spending is expected to increase by about 1 per cent, compared with increases of 14 per cent and 6 per cent in 1958 and 1959 respectively, when this type of investment provided an important stimulus to the economy.

This change in emphasis in the investment programme from social to business capital is related to the changes which have occurred in general economic conditions and reflects, too, the future demand trends anticipated by businessmen. Substantial additions to industrial capacity in 1957 and 1958 coincident with a temporary weakening in market demands resulted, for a time, in considerable free capacity in many industries. During the past year, markets have strengthened both at home and abroad, production has increased and operating levels in Canadian industry have been moving upward. This, in turn, has created new interest in expansion. At the same time, improved earnings along with increases in depreciation reserves have added to the supply of internal funds available for expansion or modernization purposes. In short, developments in 1959 have created a much more favourable atmosphere for an increased rate of business investment.

This more favourable atmosphere is reflected in the investment plans of Canadian business as reported in the recent survey. Business capital outlays, as now planned, involve a 6 per cent increase over those of last year. A sharply increased rate of spending in the resource based industries will provide the most important contribution to the overall increase in business investment. Outlays in the forest and mineral products industries are likely to be about 20 per cent above those of 1959. This includes a substantially higher rate of spending for new facilities in the base metal mining and primary iron and steel industries and in the forest based industries. Other areas of business investment expected to be notably higher this year include commercial building, with increases planned in retail outlets and office buildings. Secondary manufacturing industries, also, intend to expand their investment outlays significantly in 1960. Capital spending by the fuel and power, and transportation and communication industries, as now planned, involves little change from their programme of last year.

Expenditures for housing and social capital, in total, are expected to continue at about the levels of 1959. Within the total, a reduced level of spending on federal projects this year will help to make way for the larger programmes in other fields. In addition, housing outlays are expected to be moderately lower in 1960. Reduced outlays in these areas will be offset by moderate increases in the construction programmes of provincial and municipal governments and a sharply higher rate of activity in the building of hospital and university facilities.

The foregoing changes indicate that in 1960 a somewhat larger share of investment resources will be absorbed by Canadian business to expand and modernize its production facilities to take advantage of growing markets. Housing and most forms of public investment will account for a moderately diminished proportion of the total programme.

The Programme by Type

On the basis of present plans the 1960 investment programme will place a greater emphasis on the acquisition of machinery and equipment than has been the case in the past two years. Machinery purchases are expected to increase by about 8 per cent over those of 1959 but will still be slightly below the all time record for such expenditures established in 1957. Construction outlays as now planned will be slightly above those of last year and will be the largest on record. A 5 per cent increase in spending for non-residential construction will be partly offset by the anticipated decline in housing activity.

Sector	1955	1956	1957	1958	1959 ¹	1960 ²
Millions of Dollars						
Business Capital (excluding Housing):						
Forest and Mineral Products	597	1,111	1,162	655	632	764
Fuel and Power	823	1,224	1,553	1,325	1,089	1,122
Trade, Finance and Commercial Services	562	611	690	706	759	855
Transportation, Storage and Communication	577	820	1,006	1,000	937	924
Other	1,034	1,238	1,243	1,183	1,303	1,345
Sub-total	3,593	5,004	5,654	4,869	4,720	5,010
Housing and Social Capital:						
Housing	1,397	1,547	1,430	1,782	1,759	1,696
Institutional Services	408	402	455	515	531	625
Govt. Depts. and Waterworks	846	1,083	1,178	1,198	1,401	1,439
Sub-total	2,651	3,032	3,063	3,495	3,691	3,760
Total Capital Expenditures	6,244	8,036	8,717	8,364	8,411	8,770

¹ Preliminary.

² Intentions.

Sector	1955	1956	1957	1958	1959 ¹	1960 ²
Per Cent Distribution						
Business Capital (excluding Housing):						
Forest and Mineral Products	9.6	13.8	13.3	7.8	7.5	8.7
Fuel and Power	13.2	15.2	17.8	15.8	12.9	12.8
Trade, Finance and Commercial Services	9.0	7.6	7.9	8.5	9.0	9.7
Transportation, Storage and Communication	9.2	10.2	11.6	12.0	11.1	10.5
Other	16.6	15.5	14.3	14.1	15.6	15.4
Sub-total	57.6	62.3	64.9	58.2	56.1	57.1
Housing and Social Capital:						
Housing	22.4	19.2	16.4	21.3	20.9	19.3
Institutional Services	6.5	5.0	5.2	6.2	6.3	7.1
Govt. Depts. and Waterworks	13.5	13.5	13.5	14.3	16.7	16.5
Sub-total	42.4	37.7	35.1	41.8	43.9	42.9
Total Capital Expenditures	100.0	100.0	100.0	100.0	100.0	100.0

¹ Preliminary.

² Intentions.

Type ¹	Capital Expenditures			Per Cent Distribution		
	1958	1959	1960	1958	1959	1960
	Millions of Dollars					
Housing	1,782	1,759	1,696	21.3	20.9	19.3
Non-Residential Construction	4,048	4,039	4,246	48.4	48.0	48.5
Total Construction	5,830	5,798	5,942	69.7	68.9	67.8
Machinery and Equipment	2,534	2,613	2,828	30.3	31.1	32.2
Total Capital Expenditures	8,364	8,411	8,770	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 - 1958-1960" to be published later.

The demand for industrial machinery will be particularly strong in view of the projected increase of 17 per cent in such outlays by the manufacturing industry. More moderate increases in demand may be anticipated for office, store and hospital equipment, and for transportation equipment other than railway rolling stock, this being the only major type of equipment for which a lower level of demand is indicated.

In non-residential construction the emphasis in 1960 is likely to be on building rather than engineering construction. A substantially higher level of activity is anticipated in the building of commercial and institutional structures although with little change indicated in industrial construction the increase in total non-residential building activity will be somewhat modified. Plans indicate that engineering construction will continue at about 1959 levels. Within this category, moderate increases in road building, the construction of water and sewer works and in telephone facilities will be offset by equally moderate declines in marine and railway construction and in the building of power facilities.

The present estimates provide for a further decline in residential construction in 1960. It is estimated that the number of new housing units started this year will be from 10 to 15 per cent fewer than the 141,000 starts of 1959. However, with 82,000 units under construction at the start of the year completions are expected to be close to last year's level of 146,000. In terms of the value of housing put in place in 1960 this will involve a decline of about 4 per cent from that of 1959.

Repair Expenditures

In addition to the \$8.8 billion planned for capital purposes, outlays of \$2.8 billion are expected to be made for the repair of existing facilities.

Expenditures for the repair of structures are likely to approach \$1.4 billion bringing total outlays for construction, both new and repair, to \$7.3 billion, or 3 per cent above similar expenditures last year. Similarly, outlays for the repair of existing machinery and for the purchases of new machinery are, in total, expected to amount to \$4.3 billion, 6 per cent greater than those made in 1959.

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 1959. The extent to which these intentions may be realized will depend on the availability and cost of manpower, materials and funds. For example accomplishment may be affected by such unforeseen events as prolonged work stoppages. In addition, if economic conditions change as the year progresses present investment plans, too, may be changed.

It appears likely that present productive capacity in the building materials industries and the available supply of labour will be at least adequate for the moderate increase in construction activity now planned. In fact bidding on construction jobs is likely to continue to be keenly competitive and this should hold any upward pressure on prices to modest proportions.

While outlays for machinery and equipment are expected to increase significantly in 1960, overall demand, as revealed in present intentions, will be below the peak levels of 1957. Under these circumstances it is unlikely that the present programme will be significantly affected by undue delays in the delivery of machinery.

Strong competing demands for capital funds during 1959 have affected financing capabilities in some fields of investment and in particular has resulted in a decline in the supply of mortgage money available for house building. This is taken into account in the housing estimate for 1960. In other areas of investment, also, plans for 1960 presumably take into account the prevailing level of interest rates and other circumstances related to financing. However, if there is any significant change from present conditions in the capital market, investment plans are likely to be affected accordingly.

On the economic side, market demands are continuing to strengthen and prospects are generally favourable. Under similar conditions in the past, investment programmes have expanded as the year progressed and actual accomplishment has exceeded the early year intentions. With adequate supplies of labour and materials in prospect, this could well occur again in 1960. In addition, the present estimates do not include certain projected gas pipe line programmes, which await the outcome of applications now under consideration by the authorities.

SECTION II. REFERENCE TABLES - CAPITAL AND REPAIR EXPENDITURES, 1958 to 1960

TABLE 1. Summary by Sectors, Canada, 1958 to 1960¹

(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.....	1958	101	364	465	73	133	206	174	497	671
		1959	112	443	555	81	146	227	193	589	782
		1960	113	458	571	82	152	234	195	610	805
2	Forestry	1958	19	14	33	16	25	41	35	39	74
		1959	22	24	46	14	26	40	36	50	86
		1960	30	33	63	15	25	40	45	58	103
3	Mining, Quarrying and Oil Wells	1958	242	100	342	24	75	99	266	175	441
		1959	262	82	344	25	76	101	287	158	445
		1960	318	88	406	24	78	102	342	166	508
4	Manufacturing	1958	398	697	1,095	110	462	572	508	1,159	1,667
		1959	358	716	1,074	116	487	603	474	1,203	1,677
		1960	356	840	1,196	114	490	604	470	1,330	1,800
5	Utilities	1958	1,405	748	2,153	250	400	650	1,655	1,148	2,803
		1959	1,158	690	1,848	267	417	684	1,425	1,107	2,532
		1960	1,135	700	1,835	285	420	705	1,420	1,120	2,540
6	Construction Industry	1958	16	141	157	4	118	122	20	259	279
		1959	16	167	183	4	119	123	20	286	306
		1960	17	170	187	4	122	126	21	292	313
7	Housing	1958	1,782	-	1,782	407	-	407	2,189	-	2,189
		1959	1,759	-	1,759	431	-	431	2,190	-	2,190
		1960	1,696	-	1,696	457	-	457	2,153	-	2,153
8	Trade - Wholesale and Retail	1958	195	161	356	35	33	88	230	194	424
		1959	174	159	333	32	34	66	206	193	399
		1960	187	177	364	30	34	64	217	211	428
9	Finance, Insurance and Real Estate ..	1958	150	30	180	12	6	18	162	36	198
		1959	204	40	244	12	6	18	216	46	262
		1960	253	46	299	14	7	21	267	53	320
10	Commercial Services	1958	51	118	169	16	44	60	67	162	229
		1959	56	126	182	15	44	59	71	170	241
		1960	59	133	192	12	44	56	71	177	248
11	Institutional Services.....	1958	457	57	514	49	8	57	506	65	571
		1959	473	58	531	54	9	63	527	67	594
		1960	559	67	626	54	11	65	613	78	691
12	Government Departments	1958	1,014	104	1,118	266	48	314	1,280	152	1,432
		1959	1,204	108	1,312	278	56	334	1,482	164	1,646
		1960	1,219	116	1,335	283	58	341	1,502	174	1,676
13	Total (Items 1 to 12)	1958	5,830	2,534	8,364	1,262	1,352	2,614	7,092	3,886	10,978
		1959	5,798	2,613	8,411	1,329	1,420	2,749	7,127	4,033	11,160
		1960	5,942	2,828	8,770	1,374	1,441	2,815	7,316	4,269	11,585

¹ Actual expenditures 1958, preliminary actual 1959, intentions 1960.

TABLE 2. Manufacturing, Canada, 1958 to 1960¹
(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	1958	40.5	85.7	126.2	13.9	51.4	65.3	54.4	137.1	191.5
		1959	41.4	79.9	121.3	15.4	48.4	63.8	56.8	128.3	185.1
		1960	53.0	82.0	135.0	15.2	47.5	62.7	68.2	129.5	197.7
2	Tobacco and Tobacco Products	1958	4.1	7.5	11.6	1.1	2.8	3.9	5.2	10.3	15.5
		1959	3.2	4.0	7.2	0.6	1.4	2.0	3.8	5.4	9.2
		1960	3.1	4.6	7.7	0.7	1.4	2.1	3.8	6.0	9.8
3	Rubber Products	1958	2.0	6.4	8.4	1.0	7.5	8.5	3.0	13.9	16.9
		1959	4.0	8.8	12.8	1.1	7.9	9.0	5.1	16.7	21.8
		1960	5.9	19.7	25.6	1.1	7.8	8.9	7.0	27.5	34.5
4	Leather Products	1958	0.5	1.9	2.4	0.6	2.3	2.9	1.1	4.2	5.3
		1959	0.8	2.0	2.8	0.5	2.5	3.0	1.3	4.5	5.8
		1960	0.7	1.8	2.5	0.6	2.3	2.9	1.3	4.1	5.4
5	Textile Products	1958	2.6	20.7	23.3	2.8	16.0	18.8	5.4	36.7	42.1
		1959	4.4	19.2	23.6	3.2	16.3	19.5	7.6	35.5	43.1
		1960	4.0	22.2	26.2	3.1	16.8	19.9	7.1	39.0	46.1
6	Clothing	1958	0.7	7.5	8.2	1.1	3.9	5.0	1.8	11.4	13.2
		1959	1.6	9.4	11.0	1.3	4.0	5.3	2.9	13.4	16.3
		1960	1.0	8.1	9.1	1.2	4.0	5.2	2.2	12.1	14.3
7	Wood Products	1958	8.8	22.1	30.9	5.9	24.7	30.6	14.7	46.8	61.5
		1959	12.4	34.6	47.0	5.8	24.5	30.3	18.2	59.1	77.3
		1960	10.2	31.3	41.5	5.7	24.2	29.9	15.9	55.5	71.4
8	Paper Products	1958	25.5	101.7	127.2	7.2	85.7	92.9	32.7	187.4	220.1
		1959	22.1	98.8	120.9	8.4	90.1	98.5	30.5	188.9	219.4
		1960	31.8	138.1	169.9	7.4	91.6	99.0	39.2	229.7	266.9
9	Printing, Publishing and Allied Industries	1958	13.4	20.1	33.5	2.0	6.3	8.3	15.4	26.4	41.8
		1959	11.2	24.3	35.5	1.9	6.0	7.9	13.1	30.3	43.4
		1960	6.7	18.2	24.9	2.3	6.1	8.4	9.0	24.3	33.3
10	Iron and Steel Products	1958	35.7	90.7	126.4	14.4	83.3	97.7	50.1	174.0	224.1
		1959	43.3	114.0	157.3	16.0	103.7	119.7	59.3	217.7	277.0
		1960	43.9	141.8	185.7	16.5	102.4	118.9	60.4	244.2	304.6
11	Transportation Equipment	1958	16.6	37.7	54.3	10.4	30.7	41.1	27.0	68.4	95.4
		1959	19.6	37.6	57.2	10.0	30.7	40.7	29.6	68.3	97.9
		1960	23.3	35.7	59.0	8.8	28.4	38.2	33.1	64.1	97.2
12	Non-ferrous Metal Products	1958	43.7	52.2	95.9	9.6	49.3	58.9	53.3	101.5	154.8
		1959	26.9	35.6	62.5	10.7	48.3	59.0	37.6	83.9	121.5
		1960	18.0	48.7	66.7	10.7	51.2	61.9	28.7	99.9	128.6
13	Electrical Apparatus and Supplies	1958	7.3	21.8	29.1	2.9	14.0	16.9	10.2	35.8	46.0
		1959	7.5	22.2	29.7	3.0	14.6	17.6	10.5	36.8	47.3
		1960	7.3	30.6	37.9	3.1	14.8	17.9	10.4	45.4	55.8
14	Non-metallic Mineral Products	1958	14.4	25.9	40.3	2.9	32.2	35.1	17.3	58.1	75.4
		1959	25.4	44.0	69.4	4.2	37.0	41.2	29.6	81.0	110.6
		1960	12.6	34.0	46.6	3.3	36.1	39.4	15.9	70.1	86.0
15	Products of Petroleum and Coal	1958	136.0	7.3	143.3	23.4	6.2	29.6	159.4	13.5	172.9
		1959	105.1	11.7	116.8	22.6	5.2	27.8	127.7	16.9	144.6
		1960	95.9	6.5	102.4	22.5	5.1	27.6	118.4	11.6	130.0
16	Chemical Products	1958	43.1	73.5	116.6	9.2	41.9	51.1	52.3	115.4	167.7
		1959	24.4	49.7	74.1	10.2	42.4	52.6	34.6	92.1	126.7
		1960	34.0	86.6	120.6	9.6	45.8	55.4	43.6	132.4	176.0
17	Miscellaneous	1958	2.7	9.3	12.0	1.4	3.9	5.3	4.1	13.2	17.3
		1959	4.7	10.9	15.6	1.6	4.0	5.6	6.3	14.9	21.2
		1960	4.3	9.7	14.0	1.7	4.2	5.9	6.0	13.9	19.9
18	Capital Items Charged to Operating Expenses	1958	-	105.4	105.4	-	-	-	-	105.4	105.4
		1959	-	109.4	109.4	-	-	-	-	109.4	109.4
		1960	-	120.9	120.9	-	-	-	-	120.9	120.9
19	Total (Items 1 to 18)	1958	397.6	697.4	1,095.0	109.8	462.1	571.9	507.4	1,159.5	1,666.9
		1959	358.0	716.1	1,074.1	116.5	487.0	603.5	474.5	1,203.1	1,677.6
		1960	355.7	840.5	1,196.2	114.5	489.7	604.2	470.2	1,330.2	1,800.4

¹ Actual expenditures 1958, preliminary actual 1959, intentions 1960

TABLE 3. Utilities, Canada, 1958 to 1960¹
(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	1958	496.3	183.9	680.2	40.2	27.0	67.2	536.5	210.9	747.4
		1959	432.6	187.0	619.6	43.3	25.5	68.8	475.9	212.5	688.4
		1960	413.1	187.9	601.0	46.3	27.3	73.6	459.4	215.2	674.6
2	Gas Distribution	1958	74.1	5.2	79.3	3.8	2.4	6.2	77.9	7.6	85.5
		1959	75.0	8.4	83.4	5.8	1.7	7.5	80.8	10.1	90.9
		1960	70.3	9.2	79.5	6.1	1.9	8.0	76.4	11.1	87.5
3	Railway Transport and Telegraphs.	1958	182.6	175.6	358.2	145.5	180.3	325.8	328.1	355.9	684.0
		1959	239.3	129.7	369.0	159.4	181.7	341.1	398.7	311.4	710.1
		1960	209.2	104.4	313.6	170.7	170.5	341.2	379.9	274.9	654.8
4	Urban Transit	1958	3.4	13.5	16.9	4.5	17.8	22.3	7.9	31.3	39.2
		1959	4.6	12.9	17.5	4.0	17.6	21.6	8.6	30.5	39.1
		1960	20.7	6.6	27.3	4.0	17.9	21.9	24.7	24.5	49.2
5	Water Transport and Services.	1958	132.5	35.5	168.0	3.4	17.2	20.6	135.9	52.7	188.6
		1959	47.6	32.4	80.0	3.5	15.6	19.1	51.1	48.0	99.1
		1960	44.6	44.1	88.7	4.7	15.5	20.2	49.3	59.6	108.9
6	Motor Transport	1958	1.9	31.1	33.0	0.8	36.5	37.3	2.7	67.6	70.3
		1959	3.7	40.4	44.1	1.0	39.6	40.6	4.7	80.0	34.7
		1960	4.0	36.8	40.8	1.0	40.0	41.0	5.0	76.8	81.8
7	Grain Elevators	1958	10.0	1.6	11.6	5.1	2.2	7.3	15.1	3.8	18.9
		1959	16.7	7.4	24.1	4.7	2.2	6.9	21.4	9.6	31.0
		1960	6.8	2.3	9.1	4.2	2.0	6.2	11.0	4.3	15.3
8	Telephones	1958	126.7	202.9	329.6	26.1	78.1	104.2	152.8	281.0	433.8
		1959	134.6	181.4	316.0	25.3	88.4	113.7	159.9	269.8	429.7
		1960	146.3	197.6	343.9	27.4	94.8	122.2	173.7	292.4	466.1
9	Broadcasting	1958	2.2	7.1	9.3	0.4	2.4	2.8	2.6	9.5	12.1
		1959	4.4	8.3	12.7	0.7	2.4	3.1	5.1	10.7	15.8
		1960	3.8	7.9	11.7	0.5	2.8	3.3	4.3	10.7	15.0
10	Municipal Waterworks	1958	75.9	4.2	80.1	14.7	1.6	16.3	90.6	5.8	96.4
		1959	84.4	4.8	89.2	13.9	1.5	15.4	98.3	6.3	104.6
		1960	96.8	7.2	104.0	14.8	1.6	16.4	111.6	8.8	120.4
11	Other Utilities ²	1958	299.1	72.4	371.5	5.6	34.2	39.8	304.7	106.6	411.3
		1959	114.9	63.3	178.2	5.4	40.7	46.1	120.3	104.0	224.3
		1960	119.2	81.7	200.9	5.7	45.8	51.5	124.9	127.5	252.4
12	Capital Items Charged to Operating Expenses.	1958	-	14.7	14.7	-	-	-	-	14.7	14.7
		1959	-	14.2	14.2	-	-	-	-	14.2	14.2
		1960	-	14.4	14.4	-	-	-	-	14.4	14.4
13	Total (Items 1 to 12) ..	1958	1,404.7	747.7	2,152.4	250.1	399.7	649.8	1,634.8	1,147.4	2,802.2
		1959	1,157.8	690.2	1,848.0	267.0	416.9	683.9	1,424.8	1,107.1	2,531.9
		1960	1,134.8	700.1	1,834.9	285.4	420.1	705.5	1,420.2	1,120.2	2,540.4

¹ Actual expenditures 1958, preliminary actual 1959, intentions 1960.

² Includes Air Transport, Warehousing, Oil and Gas Pipe Lines, and Toll Highways and Bridges.

TABLE 4. Trade and Finance, Canada, 1958 to 1960¹
(Millions of Dollars)

Item No.	Type of Enterprises	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	1958	23.4	22.6	46.0	4.4	6.5	10.9	27.8	29.1	56.9
		1959	23.1	24.1	47.2	4.6	7.0	11.6	27.7	31.1	58.8
		1960	28.9	22.8	51.7	4.3	7.1	11.4	33.2	29.9	63.1
2	Chain Stores	1958	43.1	31.6	74.7	4.9	4.1	9.0	48.0	35.7	83.7
		1959	32.4	30.5	62.9	4.7	4.4	9.1	37.1	34.9	72.0
		1960	36.3	34.4	70.7	4.3	4.4	8.7	40.6	38.8	79.4
3	Independent Stores	1958	75.4	56.5	131.9	12.1	9.3	21.4	87.5	65.8	153.3
		1959	57.7	53.3	111.0	10.4	9.5	19.9	68.1	62.8	130.9
		1960	62.6	60.8	123.4	10.3	9.6	19.9	72.9	70.4	143.3
4	Department Stores	1958	13.2	7.1	20.3	4.7	3.0	7.7	17.9	10.1	28.0
		1959	14.0	6.6	20.6	4.0	3.3	7.3	18.0	9.9	27.9
		1960	16.3	12.1	28.4	3.6	3.4	7.0	19.9	15.5	35.4
5	Automotive Trade	1958	39.8	28.5	68.3	8.7	10.2	18.9	48.5	38.7	87.2
		1959	46.7	30.1	76.8	8.3	9.5	17.8	55.0	39.6	94.6
		1960	42.8	31.5	74.3	8.0	9.0	17.0	50.8	40.5	91.3
6	Capital Items Charged to Operating Expenses.	1958	—	14.4	14.4	—	—	—	—	14.4	14.4
		1959	—	14.3	14.3	—	—	—	—	14.3	14.3
		1960	—	15.6	15.6	—	—	—	—	15.6	15.6
7	Sub-total (Items 1 to 6)	1958	194.9	160.7	355.6	34.8	33.1	67.9	229.7	193.8	423.5
		1959	173.9	158.9	332.8	32.0	33.7	65.7	205.9	192.6	398.5
		1960	186.9	177.2	364.1	30.5	33.5	64.0	217.4	210.7	428.1
FINANCE:											
8	Banks	1958	20.0	9.3	29.3	4.5	1.5	6.0	24.5	10.8	35.3
		1959	27.1	12.0	39.1	3.6	1.5	5.1	30.7	13.5	44.2
		1960	38.1	10.2	48.3	4.2	1.5	5.7	42.3	11.7	54.0
9	Insurance, Trust and Loan Companies.	1958	16.3	4.7	21.0	1.6	0.7	2.3	17.9	5.4	23.3
		1959	19.6	4.5	24.1	1.7	0.6	2.3	21.3	5.1	26.4
		1960	19.7	3.9	23.6	1.6	0.7	2.3	21.3	4.6	25.9
10	Other Financial ²	1958	114.0	16.0	130.0	6.0	3.6	9.6	120.0	19.6	139.6
		1959	157.0	24.0	181.0	6.5	4.1	10.6	163.5	28.1	191.6
		1960	195.0	32.0	227.0	8.5	5.2	13.7	203.5	37.2	240.7
11	Sub-total (Items 8 to 10)	1958	150.3	30.0	180.3	12.1	5.8	17.9	162.4	35.8	198.2
		1959	203.7	40.5	244.2	11.8	6.2	18.0	215.5	46.7	262.2
		1960	252.8	46.1	298.9	14.3	7.4	21.7	267.1	53.5	320.6
12	Total (Items 7 and 11)	1958	345.2	190.7	535.9	46.9	38.9	85.8	392.1	229.6	621.7
		1959	377.6	198.4	577.0	43.8	39.9	83.7	421.4	239.3	660.7
		1960	439.7	223.3	663.0	44.8	40.9	85.7	484.5	284.2	748.7

¹ Actual expenditures 1958, preliminary actual 1959, intentions 1960.

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, 1958 to 1960¹

(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	1958	1.8	6.4	8.2	0.9	2.7	3.6	2.7	9.1	11.8
		1959	0.9	5.7	6.6	0.9	2.4	3.3	1.8	8.1	9.9
		1960	0.8	4.0	4.8	0.8	2.0	2.8	1.6	6.6	7.6
2	Theatres	1958	0.9	0.8	1.7	0.5	0.4	0.9	1.4	1.2	2.6
		1959	0.8	0.9	1.7	0.3	0.4	0.7	1.1	1.3	2.4
		1960	0.7	1.2	1.9	0.6	0.4	1.0	1.3	1.6	2.9
3	Hotels	1958	22.8	8.6	31.4	12.4	4.3	16.7	35.2	12.9	48.1
		1959	23.2	9.8	33.0	11.5	4.7	16.2	34.7	14.5	49.2
		1960	19.6	7.5	27.1	9.0	4.0	13.0	28.6	11.5	40.1
4	Other Commercial Services ²	1958	25.8	102.7	128.5	2.3	36.5	38.8	28.1	139.2	167.3
		1959	30.7	109.8	140.5	2.3	37.0	39.3	33.0	146.8	179.8
		1960	38.0	120.6	158.6	1.8	37.5	39.3	39.8	158.1	197.9
5	Sub-total (Items 1 to 4)	1958	51.3	118.5	169.8	16.1	43.9	60.0	67.4	162.4	229.8
		1959	55.6	126.2	181.8	15.0	44.5	59.5	70.6	170.7	241.3
		1960	59.1	133.3	192.4	12.2	43.9	56.1	71.3	177.2	248.5
INSTITUTIONAL SERVICES:											
6	Churches	1958	55.0	3.4	58.4	7.9	0.4	8.3	62.9	3.8	66.7
		1959	53.0	2.8	55.8	8.2	0.6	8.8	61.2	3.4	64.6
		1960	50.9	3.1	54.0	7.2	0.6	7.8	58.1	3.7	61.8
7	Universities	1958	55.7	7.6	63.3	5.0	0.3	5.3	60.7	7.9	68.6
		1959	72.2	8.8	81.0	4.3	0.5	4.8	76.5	9.3	85.8
		1960	88.3	11.0	99.3	4.3	1.0	5.3	92.6	12.0	104.6
8	Schools	1958	201.9	20.8	222.7	21.6	3.4	25.0	223.5	24.2	247.7
		1959	213.8	22.4	236.2	24.9	3.6	28.5	238.7	26.0	264.7
		1960	232.0	23.3	255.3	26.6	4.7	31.3	258.6	28.0	286.6
9	Hospitals	1958	136.1	25.4	161.5	13.8	3.9	17.7	149.9	29.3	179.2
		1959	126.0	23.4	149.4	16.0	4.5	20.5	142.0	27.9	169.9
		1960	172.9	28.5	201.4	15.3	4.5	19.8	188.2	33.0	221.2
10	Other Institutional Services ³	1958	8.6	0.2	8.8	0.9	0.1	1.0	9.5	0.3	9.8
		1959	8.3	0.5	8.8	0.8	0.1	0.9	9.1	0.6	9.7
		1960	14.6	0.7	15.3	0.8	0.1	0.9	15.4	0.8	16.2
11	Sub-total (Items 6 to 10)	1958	457.3	57.4	514.7	49.2	8.1	57.3	506.5	65.5	572.0
		1959	473.3	57.9	531.2	54.2	9.3	63.5	527.5	67.2	594.7
		1960	558.7	66.6	625.3	54.2	10.9	65.1	612.9	77.5	690.4
12	GOVERNMENT DEPARTMENTS	1958	1,014.3	103.7	1,118.0	265.6	47.7	313.3	1,279.9	151.4	1,431.3
		1959	1,204.0	107.6	1,311.6	278.3	55.8	334.1	1,482.3	163.4	1,645.7
		1960	1,218.6	116.5	1,335.1	283.2	57.5	340.7	1,501.8	174.0	1,675.8
13	Total (Items 5, 11 and 12)	1958	1,522.9	279.6	1,802.5	330.9	99.7	430.6	1,853.8	379.3	2,233.1
		1959	1,732.9	291.7	2,024.6	347.5	109.6	457.1	2,080.4	401.3	2,481.7
		1960	1,836.4	316.4	2,152.8	349.6	112.3	461.9	2,186.0	428.7	2,614.7

¹ Actual expenditures 1958, preliminary actual 1959, intentions 1960.

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, 1958 to 1960¹
(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair Expenditures			Capital and Repair Expenditures		
		Construction (1)	Machinery and Equipment (2)	Sub-total (3)	Construction (4)	Machinery and Equipment (5)	Sub-total (6)	Construction (7)	Machinery and Equipment (8)	Total (9)
PRIVATE:										
1	Business Enterprises 1958	1,708.8	2,004.1	3,712.9	401.5	1,115.7	1,517.2	2,110.3	3,119.8	5,230.1
	1959	1,655.7	2,124.0	3,779.7	412.7	1,172.2	1,584.9	2,068.4	3,296.2	5,364.6
	1960	1,775.4	2,338.2	4,113.6	406.9	1,192.3	1,599.2	2,182.3	3,530.5	5,712.8
2	Institutions and Housing 1958	1,944.8	27.7	1,972.5	426.6	3.1	429.7	2,371.4	30.8	2,402.2
	1959	1,917.0	27.6	1,944.6	451.2	4.1	455.3	2,369.2	31.7	2,399.9
	1960	1,891.4	31.2	1,922.6	477.0	5.0	482.0	2,368.4	36.2	2,404.6
3	Sub-total (Items 1 and 2) 1958	3,653.6	2,031.8	5,685.4	828.1	1,118.8	1,946.9	4,481.7	3,150.6	7,632.3
	1959	3,572.7	2,151.6	5,724.3	863.9	1,176.3	2,040.2	4,436.6	3,327.9	7,764.5
	1960	3,666.8	2,369.4	6,036.2	883.9	1,197.3	2,081.2	4,550.7	3,566.7	8,117.4
PUBLIC:										
4	Government Owned Enterprises. ² 1958	867.9	369.2	1,237.1	138.9	180.6	319.5	1,006.8	549.8	1,556.6
	1959	706.3	323.4	1,029.7	153.0	183.0	336.0	859.3	506.4	1,365.7
	1960	693.0	306.3	999.3	172.9	180.2	353.1	865.9	486.5	1,352.4
5	Government Operated Institutions and Housing. ³ 1958	294.2	29.3	323.5	29.4	4.9	34.3	323.6	34.2	357.8
	1959	315.0	30.4	345.4	33.8	4.9	38.7	348.8	35.3	384.1
	1960	363.6	35.8	399.4	34.0	6.0	40.0	397.6	41.8	439.4
6	Government Departments 1958	1,014.3	103.7	1,118.0	265.6	47.7	313.3	1,279.9	151.4	1,431.3
	1959	1,204.0	107.6	1,311.6	278.3	55.8	334.1	1,482.3	163.4	1,645.7
	1960	1,218.6	116.5	1,335.1	283.2	57.5	340.7	1,501.8	174.0	1,675.8
7	Sub-total (Items 4 to 6) 1958	2,176.4	502.2	2,678.6	433.9	233.2	667.1	2,610.3	735.4	3,345.7
	1959	2,225.3	461.4	2,686.7	465.1	243.7	708.8	2,690.4	705.1	3,395.5
	1960	2,275.2	458.6	2,733.8	490.1	243.7	733.8	2,765.3	702.3	3,467.6
8	Total Private and Public (Items 3 and 7). 1958	5,830.0	2,534.0	8,364.0	1,262.0	1,352.0	2,614.0	7,092.0	3,886.0	10,978.0
	1959	5,798.0	2,613.0	8,411.0	1,329.0	1,420.0	2,749.0	7,127.0	4,033.0	11,160.0
	1960	5,942.0	2,828.0	8,770.0	1,374.0	1,441.0	2,815.0	7,316.0	4,269.0	11,585.0

¹ Actual expenditures 1958, preliminary actual 1959, intentions 1960.

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, 1958 to 1960¹
(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	1958	317.6	177.8	495.4	83.2	134.4	217.6	400.8	312.2	713.0
		1959	223.3	151.7	375.0	95.5	134.7	230.2	318.3	286.4	605.2
		1960	193.1	132.6	331.7	111.7	129.7	241.4	304.3	268.3	573.1
2	Housing	1958	40.0	-	40.0	-	-	-	40.0	-	40.0
		1959	29.9	-	29.9	-	-	-	29.9	-	29.9
		1960	35.8	-	35.8	-	-	-	35.8	-	35.8
3	Government Departments	1958	289.2	47.0	336.2	62.9	13.6	76.5	352.1	60.6	412.7
		1959	337.6	52.4	390.0	58.9	13.9	72.8	396.5	66.3	462.8
		1960	238.7	55.4	354.1	58.5	14.9	73.4	357.2	70.3	427.5
4	Sub total (Items 1 to 3)	1958	646.8	224.8	871.6	146.1	148.0	294.1	792.9	372.8	1,165.7
		1959	590.8	204.1	794.9	154.4	148.6	303.0	745.2	352.7	1,097.9
		1960	527.6	154.0	721.6	170.2	144.6	314.8	697.8	338.6	1,036.4
PROVINCIAL GOVERNMENTS:											
5	Enterprises ²	1958	433.3	163.4	596.7	26.7	27.0	53.7	460.0	190.4	650.4
		1959	369.7	141.7	511.4	28.1	27.9	56.0	397.8	169.6	567.4
		1960	362.0	145.5	507.5	30.3	30.1	60.4	392.3	175.6	567.9
6	Institutions ²	1958	68.3	8.9	77.2	8.7	1.5	10.2	77.0	10.4	87.4
		1959	85.6	9.1	94.7	10.5	0.9	11.4	96.1	10.0	106.1
		1960	97.6	11.1	108.7	8.7	0.9	9.6	106.3	12.0	118.3
7	Government Departments	1958	437.7	25.3	463.0	122.2	17.2	139.4	559.9	42.5	602.4
		1959	552.3	23.8	576.1	129.1	22.0	151.1	681.4	45.8	727.2
		1960	561.2	28.0	589.2	132.6	23.1	155.7	693.0	51.1	744.9
8	Sub-total (Items 5 to 7)	1958	939.3	197.5	1,136.9	157.6	45.7	203.3	1,096.9	243.3	1,340.2
		1959	1,007.6	174.6	1,182.2	167.7	50.8	218.5	1,175.3	225.4	1,400.7
		1960	1,020.8	184.6	1,205.4	171.6	54.1	225.7	1,192.4	238.7	1,431.1
MUNICIPAL GOVERNMENTS:											
9	Enterprises ²	1958	117.0	28.0	145.0	29.0	19.2	48.2	146.0	47.2	193.2
		1959	113.3	30.0	143.3	29.4	20.4	49.8	142.7	50.4	193.1
		1960	137.9	22.2	160.1	30.9	20.4	51.3	168.8	42.6	211.4
10	Institutions ²	1958	185.9	20.4	206.3	20.7	3.4	24.1	206.6	23.8	230.4
		1959	199.5	21.3	220.8	23.3	4.0	27.3	222.8	25.3	248.1
		1960	230.2	24.7	254.9	25.3	5.1	30.4	255.5	29.8	285.3
11	Government Departments	1958	237.4	31.4	318.8	80.5	16.9	97.4	367.9	48.3	416.2
		1959	314.1	31.4	345.5	90.3	19.9	110.2	404.4	51.3	455.7
		1960	358.7	33.1	391.8	92.1	19.5	111.6	450.8	52.6	503.4
12	Sub-total (Items 9 to 11)	1958	590.3	79.3	670.1	130.2	39.5	169.7	720.5	119.3	839.8
		1959	626.9	82.7	709.6	143.0	44.3	187.3	759.9	127.0	886.9
		1960	726.2	80.0	806.8	148.3	45.0	193.3	875.1	125.0	1,000.1
13	Total (Items 4, 8 and 12)	1958	2,176.4	502.2	2,678.6	433.9	232.2	667.1	2,610.3	735.4	3,345.7
		1959	2,223.3	461.4	2,686.7	465.1	243.7	708.8	2,600.4	705.1	3,395.5
		1960	2,275.2	458.6	2,733.8	490.1	243.7	733.8	2,765.3	702.3	3,467.6

¹ Actual expenditures 1958, preliminary actual 1959, intentions 1960.

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, 1958 to 1960¹
(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).	1958	1,612	1,625	3,237	400	396	1,296	2,012	2,521	4,533
		1959	1,638	1,757	3,395	415	938	1,353	2,053	2,695	4,748
		1960	1,752	1,945	3,697	418	952	1,370	2,170	2,897	5,067
2	Utilities	1958	1,405	748	2,153	250	400	650	1,655	1,148	2,803
		1959	1,158	690	1,848	267	417	684	1,425	1,107	2,532
		1960	1,135	700	1,835	285	420	705	1,420	1,120	2,540
3	Sub-total (Items 1 and 2).....	1958	3,017	2,373	5,390	650	1,296	1,946	3,667	3,669	7,336
		1959	2,796	2,447	5,243	682	1,355	2,037	3,478	3,802	7,280
		1960	2,887	2,645	5,532	703	1,372	2,075	3,590	4,017	7,607
4	Other ³	1958	2,813	161	2,974	612	56	668	3,425	217	3,642
		1959	3,002	166	3,168	647	65	712	3,649	231	3,880
		1960	3,055	183	3,238	671	69	740	3,726	252	3,978
5	Total (Items 3 and 4)	1958	5,830	2,534	8,364	1,262	1,352	2,614	7,092	3,886	10,978
		1959	5,798	2,613	8,411	1,329	1,420	2,749	7,127	4,033	11,160
		1960	5,942	2,828	8,770	1,374	1,441	2,815	7,316	4,269	11,585

¹ Actual expenditures 1958, preliminary 1959, intentions 1960.

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

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 1958, 1959 and 1960.

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

	Housing	Other Construc- tion	Machinery and Equipment	Total
Private and Public Capital Expenditures				
1958	1,782	4,048	2,534	8,364
1959	1,759	4,039	2,613	8,411
1960	1,696	4,246	2,828	8,770
Deduct: direct government outlays ¹				
1958	19	1,237	133	1,389
1959	16	1,447	137	1,600
1960	19	1,476	146	1,641
New construction and new machinery equipment expendi- tures as per National Accounts.				
1958	1,763	2,811	2,401	6,975
1959	1,743	2,592	2,476	6,811
1960	1,677	2,770	2,682	7,129

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 1959-60 Surveys". 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 86.9 per cent of total outlays in those groups covered by direct survey and for 74.4 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 1957 of all the firms in each industry by the corresponding 1957 total for the firms reporting in the 1960 survey. In carrying out this procedure it has been assumed that the proportion of shipments of the reporting establishments in both 1957 and 1960 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 74.4 per cent of the total, it is believed that the estimating procedure for the non-reporting firms and the sectors not covered by direct survey, amounting to 25.6 per cent, does not introduce any great margin of error into the total. Estimates for individual industries or regions are, of course, subject to greater error than the total figures for Canada.

TABLE 10. Coverage of 1959-60 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)	41.0	Housing: ⁴ (Table 1)	76.2
Mining, Quarrying and Oil Wells: ³ (Table 1)	94.8	Trade: (Table 4)	57.3
Manufacturing: ³ (Table 2)	91.0	Wholesale (proper)	67.2
Food and Beverages	85.0	Chain Stores	92.8
Tobacco and Tobacco Products	99.1	Independent Stores ²	—
Rubber Products	97.4	Department Stores	99.1
Leather Products	79.2	Automotive Trade	95.9
Textile and Textile Products	83.7	Finance: (Table 4)	63.7
Clothing	69.2	Banks	100.0
Wood Products	63.8	Insurance, Trust and Loan Companies	95.0
Paper Products	95.0	Other Financial	53.2
Printing, Publishing and Allied Industries ..	80.3	Commercial Services: (Table 5)	9.9
Iron and Steel Products	89.9	Laundries and Dry Cleaners	48.7
Transportation Equipment	98.4	Theatres	68.5
Non-ferrous Metal Products	98.0	Hotels	56.8
Electrical Apparatus and Supplies	94.4	Other Commercial Services ²	—
Non-metallic Mineral Products	86.6	Institutional Services: (Table 5)	81.8
Products of Petroleum and Coal	99.7	Churches	60.1
Chemical Products	94.5	Universities	89.5
Miscellaneous	74.8	Schools	76.7
Utilities: (Table 3)	94.3	Hospitals	90.2
Electric Power	92.7	Other Institutional Services	81.7
Gas Distribution	100.0	Government Departments: (Table 1)	82.0
Railway Transport and Telegraphs	100.0	Total: Groups Covered by Direct Survey ...	86.9
Urban Transit	99.1	Total: All Groups	79.4
Water Transport and Services	96.7		
Motor Transport	61.1		
Grain Elevators	98.6		
Telephones	94.6		
Broadcasting	92.7		
Municipal Waterworks	84.4		
Other Utilities	97.6		

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.

Both the 1959 preliminary actual expenditures and the 1960 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 1959 to 1960 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 1960.

Comparison of 1959 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 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 1960 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 1959 capital expenditure intentions as of January 1959, the revised capital expenditure intentions as of June 1959, and preliminary estimate of realizations as of now. The present estimate

of capital outlays for 1959 is 1.1% above the original intentions and 1.6% below the revised intentions. Construction expenditures decreased 1.2% from the original estimate and 3.0% from the revised; machinery and equipment increased by 6.4% and 1.8%.

In considering this comparison it should be kept in mind that the 1959 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 1958 preliminary actual figures published last year have been revised and changes have been incorporated in the 1958 actual figures.

TABLE 11. Comparison of Intended With Realized Expenditure in 1959
(Millions of Dollars)

Item No.	Type of Enterprise	Capital Expenditures			Repair ^a Expenditures			Capital and Repair Expenditures			
		Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Sub-total	Construction	Machinery and Equipment	Total	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	Primary Industries and Construction Industry. ¹	Intentions ¹	414	587	1,001	114	347	461	528	934	1,462
		Revised ²	402	621	1,023	114	347	461	516	968	1,484
		Realized ³	412	716	1,128	124	367	491	536	1,083	1,619
2	Manufacturing	Intentions ¹	341	702	1,043	111	457	568	452	1,159	1,611
		Revised ²	383	718	1,101	111	457	568	494	1,175	1,669
		Realized ³	358	716	1,074	116	487	603	474	1,203	1,677
3	Utilities	Intentions ¹	1,182	662	1,844	298	404	702	1,480	1,066	2,546
		Revised ²	1,222	710	1,932	298	404	702	1,520	1,114	2,634
		Realized ³	1,158	690	1,848	267	417	684	1,425	1,107	2,532
4	Trade, Finance and Commercial Services.	Intentions ¹	465	334	799	59	80	139	524	414	938
		Revised ²	497	340	837	59	80	139	556	420	976
		Realized ³	434	325	759	59	84	143	493	409	902
5	Institutions	Intentions ¹	486	64	550	48	8	56	534	72	606
		Revised ²	504	66	570	48	8	56	552	74	626
		Realized ³	473	58	531	54	9	63	527	67	594
6	Housing	Intentions ¹	1,728	-	1,728	426	-	426	2,154	-	2,154
		Revised ²	1,728	-	1,728	426	-	426	2,154	-	2,154
		Realized ²	1,759	-	1,759	431	-	431	2,190	-	2,190
7	Government Departments	Intentions ¹	1,250	106	1,356	279	48	327	1,529	154	1,683
		Revised ²	1,243	111	1,354	279	48	327	1,522	159	1,681
		Realized ³	1,204	108	1,312	278	56	334	1,482	164	1,646
8	Total (Items 1 to 7)	Intentions¹	5,866	2,455	8,321	1,335	1,344	2,679	7,201	3,799	11,000
		Revised²	5,979	2,566	8,545	1,335	1,344	2,679	7,314	3,910	11,224
		Realized³	5,798	2,613	8,411	1,329	1,420	2,749	7,127	4,033	11,160

¹ As of January, 1959.

² Revision is based on results of mid-1959 partial survey of those firms reporting expenditures at commencement of year.

³ Preliminary figure.

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.

STATISTICS CANADA LIBRARY
BIBLIOTHÈQUE STATISTIQUE CANADA



1010468812

C. 3

~~STAT~~

Price 25 cents

Cat No.—C 51-160

Available from the Queen's Printer
Ottawa, Canada