

The expenditures shown for each province represent the estimated value of construction work put in place in the province and the value of machinery and equipment acquired for use within the province. Such expenditures represent gross additions to the capital stock of the province, and are a reflection of economic activity in that area. However, part of the initial impact of these expenditures on employment and income may be felt in other regions. For example, heavy investment in western oil refineries and pipelines may mean increased activity in the steel industry of Ontario as well as construction activity in the Prairies.

The totals for 1954 shown in Table 7 are not the same as those shown in Tables 1 to 6 inclusive. In Tables 1 to 6 the estimates are based on the result of a mid-year survey taken in June 1954, whereas in Table 7, the estimates are based on a survey taken at the end of 1953.

Section 2.—The Construction Industry

Subsection 1.—Value of Construction Work Performed

The statistics given in this Subsection are comparable with those shown in the 1954 Year Book but not with the data of earlier Year Books. Previously, statistics of construction activity were obtained from questionnaires received from organizations putting the work in place, mainly construction contractors. The statistics are now based largely on information received from organizations and individuals paying for the work done by contractors and by the organizations' own labour forces; they are collected at the same time and from the same sources as the capital expenditures data given in the previous Section. This fundamental change in the source of basic data introduced a new construction series.

The change in sources enables more realistic estimates to be made of the total cost of construction and ensures that construction data are based on the same definitions and coverage as the capital expenditures series. The present source provides data on the total cost of a structure including all indirect costs such as legal, architectural and engineering fees in addition to payments made to contractors. When information was collected from construction contractors it was necessary to provide respondents with an arbitrary definition of what was to be considered as new construction. Then, all work exceeding \$2,000 in value was classified as new. The present definition classifies as new only those projects which are charged to the capital or fixed assets account of a firm. Also, in the new series, oil-well drilling and certain below-surface mine workings are treated as part of construction. Further, in previous construction surveys only the larger projects undertaken by the labour forces of organizations whose primary activity was other than construction, were covered. The present method of obtaining construction expenditures from all industries results in more complete coverage in terms of the total value of work performed.*

The data shown in the tables of this Subsection represent the estimated total value of all new and repair construction. The slight differences between these figures and corresponding statistics of the previous Section are owing to rounding and minor revisions.

* Information is given in greater detail in the DBS Annual Report, *Construction in Canada*.