

CHAPTER XV.—CAPITAL EXPENDITURES, CONSTRUCTION AND HOUSING

CONSPECTUS

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NOTE.—The interpretation of the symbols used in the tables throughout the Year Book will be found facing p. 1 of this volume.

This Chapter provides data on the capital expenditures made by all sectors of the Canadian economy on construction and on machinery and equipment, together with summaries of other available statistics for the construction industry. Section 1 describes the purpose of capital expenditures and shows the amounts spent by each of the various industrial or economic sectors. Section 2 brings together a number of summaries of related series on construction activity: value of work performed by type of structure, value of materials used, salaries and wages paid and numbers employed, contracts awarded and building permits issued. Construction of dwelling units and government aid to house-building is covered in Section 3.

Section 1.—Capital Expenditures on Construction and on Machinery and Equipment*

One of the most noticeable aspects of Canada's recent economic growth has been the very high rate of capital investment. In the postwar years capital outlays have absorbed on average approximately one-fifth of the Gross National Product, the 1957 proportion being 27 p.c. Since 1946, new investment by all sectors of the economy has amounted to approximately \$59,000,000,000; each year except 1954 recorded an increase. In 1946 capital expenditures made on new construction, machinery and equipment amounted to \$1,703,000,000; in 1957 they reached the record total of \$8,721,000,000. Estimates for 1958 show a moderate decline from the 1957 high.

Although the growth of secondary industry and attempts by all levels of government to meet the growing demands for social capital have been important, the principal impetus of the postwar capital boom has been provided by the natural resources sector, especially the mineral, forest and power-generating industries.

The primary mining sector of the economy has undergone tremendous growth in the postwar period. In terms of output it has increased in size more than fourfold; in terms of new investment the growth has been even more impressive. Capital expenditures increased each year from \$27,000,000 in 1946 to \$585,000,000 in 1957. It is during this period that

* Information is given in greater detail in the Department of Trade and Commerce annual report *Private and Public Investment in Canada*.