

CHAPTER XV.—CAPITAL EXPENDITURES, CONSTRUCTION AND HOUSING*

CONSPECTUS

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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 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. Government aid to house-building and construction of dwelling units are covered in Section 3.

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

Capital expenditures† in all sectors of the economy amounted to \$8,109,000,000 in 1961, a reduction of 1.9 p.c. from the 1960 total of \$8,262,000,000. The over-all decline resulted from a 9.8-p.c. decrease in the purchases of machinery and equipment—from \$2,809,000,000 in 1960 to \$2,535,000,000 in 1961—partially offset by a 2.2-p.c. increase in construction expenditures from \$5,453,000,000 in 1960 to \$5,574,000,000 in 1961. Total capital outlays increased each year throughout most of the decade after 1946 and reached a record level in 1957. Since that time the level of capital spending has been declining slightly. It is expected that this trend will be reversed in 1962, in which year capital expenditure intentions are 6 p.c. above the 1961 level.

In constant (1957) dollars, the total 1961 capital program was 11 p.c. below the peak of 1957, declines having occurred in volume of each of the four years following 1957. It is evident from Table 1, that there have been variations in the generally downward trend in the construction and machinery and equipment components. A continuing high proportion of Canada's gross national product is still being devoted to the expansion, modernization or renewal of the nation's production facilities, although this proportion has been declining in recent years following the peak of 1957.

* Except where otherwise noted, prepared in the Operations Section, Business Finance Division, Dominion Bureau of Statistics.

† Capital expenditure figures for 1960 and earlier years are final and those for 1961 are preliminary and subject to revision at a later date. Capital expenditures for 1960 and 1961 as well as intentions for 1962 appear in greater detail in the publication *Private and Public Investment in Canada, Outlook 1962*, available from the Queen's Printer (Catalogue No. C-51-162).