

Institutional services (including hospitals, schools, universities, churches and welfare institutions) increased by \$238,000,000 or 31 p.c., the sharpest rate of increase. Of the latter, \$140,000,000 was for schools, \$87,000,000 for university buildings and \$18,000,000 for hospitals; other institutions, including churches, declined by some \$9,000,000. Capital outlays by governments at all levels rose by \$370,000,000, an increase of 25 p.c. (Government departments as defined for capital expenditures purposes include the part of government activity, excluding institutions, generally dependent on tax revenues for financial support as opposed to activities directly producing revenues on a service-rendered basis.) Spendings by the federal, provincial and municipal governments increased by \$105,600,000, \$187,200,000 and \$77,200,000, respectively. The high increase at the provincial level was due mainly to expanded highway construction programs.

All provinces except Newfoundland contributed to the 1965 increase in capital spending. In Newfoundland, higher expenditures on electric power, hospital and provincial government construction were offset by a sizable decline in iron ore investments. An advance of 33.3 p.c. recorded by Prince Edward Island was almost entirely due to increased federal and provincial expenditures. Nearly one third of the 31.9 p.c. increase in New Brunswick came from an expanded program for electric power construction and another third from greater outlays by all levels of government. Increases exceeding the national average of 16.9 p.c. were also recorded by British Columbia (25.4 p.c.), Nova Scotia (22.9 p.c.), Saskatchewan (21.4 p.c.) and Alberta (17.7 p.c.). Approximately one third of the increase in British Columbia was attributed to electric power construction; somewhat less than one quarter to the manufacturing sector, pulp and paper projects being the largest contributors; and about one sixth to institutions and governments at all levels. In Nova Scotia, nearly one half of the increase resulted from expenditures of government, and to expanded programs of school, university and hospital construction; manufacturing as a group contributed more than one third of the increase, the most notable advances being in the paper products, non-metallic mineral and chemical industries. In Saskatchewan, over one third of the gain was attributable to expanded programs by governments and to increased spendings for university and school construction and about two fifths to expanded outlays in the primary industries, with investments in agriculture and fisheries, petroleum and gas wells, and miscellaneous mining making the greatest contributions. In Alberta, more than two fifths of the increase was accounted for by expenditures for petroleum and gas wells, one fifth by institutions and governments, one tenth by agriculture and fisheries and a little less than one tenth by chemical products. The rates of increase in Ontario (16.1 p.c.) and in Quebec (14.3 p.c.) were smaller than the national average but in dollar volume their increases of \$602,000,000 and \$402,000,000, respectively, were the largest, followed by British Columbia with \$329,000,000. In Ontario, two fifths of the impetus came from the manufacturing sector with investments in the chemical, transportation equipment, paper products and textile industries making the greatest contributions; a little less than one third came from the outlays of governments and of institutions, with school and university construction showing the largest gains. In Quebec, spendings by governments and spendings for school, university and hospital construction accounted for more than two fifths of the increase; expanded programs by firms in the trade, financial and commercial sector contributed just under one quarter; utilities accounted for about one fifth and manufacturing for under one tenth. In Manitoba, most of the 5.9-p.c. increase came from government spendings, although there were some increases in outlays for agriculture and fisheries. It might be noted that sharp year-to-year fluctuations in capital outlays in any one province are often associated with changing phases of a few large projects.