

CHAPTER XVII.—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 on p. xvi 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, construction of dwelling units and housing statistics of the Census 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 \$14,897,000,000 in 1966, an increase of 15.8 p.c. over the 1965 total of \$12,865,000,000. The over-all increase resulted from a 15.2-p.c. rise in construction expenditures and a 16.9-p.c. increase in the purchase of machinery and equipment. After 1946, capital outlays in Canada increased each year to a peak in 1957. A four-year decline followed but a significant increase shown in 1962 was strengthened in the next four years. Capital spending in current dollars exceeded the 1957 peak in these years but, in constant dollars, the 1957 level was not exceeded until 1964; in that year the capital program was recorded at 8.4 p.c. above 1957 and in 1965 and 1966 it was 21.7 p.c. and 34.8 p.c. higher, respectively. These expenditures on the expansion, modernization or renewal of the nation's production facilities are a significant indicator of the economic activity in the country; in 1966 they represented over 25 p.c. of the gross national product.

As shown in Table 1, construction accounts for almost two thirds of the total capital expenditures each year, and machinery and equipment for the remainder. Recently, there has been a slightly upward trend in the proportion of the total represented by the

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

† Capital expenditure figures for 1965 and earlier years are final and those for 1966 are preliminary and subject to revision at a later date. Capital expenditures for 1965 and 1966, as well as intentions for 1967, appear in greater detail in the publication *Private and Public Investment in Canada, Outlook 1967*, available from the Queen's Printer (Catalogue No. 61-205).