

purchase of machinery and equipment, which rose from 32.5 p.c. in 1961 to 37.3 p.c. in 1966. The proportion for housing construction moved upward from 17.9 p.c. in 1961 to 18.5 p.c. in 1964 but dropped to 14.6 p.c. in 1966. Non-residential construction outlays dropped from 49.6 p.c. of the total in 1961 to 45.5 p.c. in 1964 but increased in 1966 to 48.1 p.c.

**1.—Capital Expenditures on Construction and on Machinery and Equipment, in Current and Constant (1957) Dollars, 1957-66**

NOTE.—Actual expenditures 1957-65; preliminary actual 1966.

Year	Capital Expenditures						Total Expenditure as Percentage of Gross National Product	
	Construction		Machinery and Equipment		Totals		Current Dollars	Constant 1957 Dollars
	Current Dollars	Constant 1957 Dollars	Current Dollars	Constant 1957 Dollars	Current Dollars	Constant 1957 Dollars		
	\$'000,000	\$'000,000	\$'000,000	\$'000,000	\$'000,000	\$'000,000	p. c.	p. c.
1957.....	5,784	5,784	2,933	2,933	8,717	8,717	27.3	27.3
1958.....	5,830	5,865	2,534	2,467	8,364	8,332	25.4	25.9
1959.....	5,709	5,557	2,708	2,590	8,417	8,147	24.1	24.5
1960.....	5,453	5,224	2,809	2,636	8,262	7,866	22.8	23.0
1961.....	5,518	5,346 <sup>r</sup>	2,654	2,456 <sup>r</sup>	8,172	7,802 <sup>r</sup>	21.8	22.3
1962.....	5,787	5,475 <sup>r</sup>	2,928	2,634 <sup>r</sup>	8,715	8,109 <sup>r</sup>	21.5	21.7
1963.....	6,157	5,613 <sup>r</sup>	3,236	2,837 <sup>r</sup>	9,393	8,450 <sup>r</sup>	21.6	21.5 <sup>r</sup>
1964.....	7,004	6,119 <sup>r</sup>	3,940	3,334	10,944	9,453 <sup>r</sup>	23.1	22.6 <sup>r</sup>
1965.....	8,115 <sup>r</sup>	6,694 <sup>r</sup>	4,750 <sup>r</sup>	3,917 <sup>r</sup>	12,865 <sup>r</sup>	10,611 <sup>r</sup>	24.7 <sup>r</sup>	23.7 <sup>r</sup>
1966.....	9,346	7,263	5,551	4,487	14,897	11,750	25.8	24.8

The large increase in capital expenditures in 1966 over 1965 reflected substantially higher outlays in almost all economic sectors. Expenditures in the mining industry increased by \$259,000,000, or 35 p.c., much of it accounted for by sizable developments in iron, copper and potash. Investment in new manufacturing facilities rose by about 20 p.c., mainly attributable to expenditures on large projects in the pulp and paper, primary metals, electrical products and non-metallic mineral industries. Outlays by utilities continued upward, large expenditures being made on electric power installations, telephone facilities and new aircraft. Housing expenditures remained about the same as in 1965. Trade, finance and commercial services increased to \$1,462,000,000 from \$1,269,000,000, reflecting expanded programs for wholesale and retail outlets and for projects related to Expo 67. Capital expenditures by government departments increased at all levels—federal, provincial and municipal; large road-building programs contributed heavily to the increased total.

Each of the five major regions of Canada contributed to the 1966 increase in capital spending. The increases varied from 25 p.c. in the Atlantic Provinces to 18 p.c. in the Prairie Provinces, 17 p.c. in Ontario, 9 p.c. in Quebec and 3 p.c. in British Columbia. It should 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.

In 1966 capital outlays increased in each of the *Atlantic Provinces* but most of the growth was concentrated in Nova Scotia and Newfoundland. Increases in social capital expenditures were especially prominent and were related to large education, hospital and road-building programs. In the manufacturing and utilities sectors, increases in expenditures by the pulp and paper industry in Nova Scotia and electric power developments in New Brunswick and Newfoundland were the most notable. In *Quebec*, the major advances in capital spending occurred in the manufacturing and commercial services sectors. Within the manufacturing group, the major increases were in pulp and paper, primary metals and the chemical and chemical products industries. Preparations for Expo 67 resulted in a substantial increase in commercial construction. In *Ontario*, all major