

difficulties in obtaining the precise location of projects undertaken or to be undertaken by large companies operating in a number of provinces. However, if used with these qualifications in mind, the Table provides useful estimates.

Price index numbers of construction and capital goods may be found in Chapter 21 which measure price changes in residential and non-residential building materials and changes in construction wage rates; price indexes of highway construction which show annual costs to provincial governments in contracts awarded for highway construction as a percentage of prices paid in 1961; and price indexes of electrical utility construction (distribution systems, transmission lines, transformer stations) which provide an estimate of the impact of price change on the cost of materials, labour and equipment used in constructing and equipping such utilities.

14.3.2 Building permits issued

The estimated value of proposed construction is indicated by the value of building permits issued. Figures of building permits are collected from approximately 1,500 municipalities across the country and are available for individual municipalities, for metropolitan areas, for provinces and for economic areas in Quebec, Ontario and Manitoba.

The total value of permits issued for building construction in 1972 was \$6,409.3 million, a figure 12.2% higher than in 1971. Residential construction value and over-all non-residential construction value increased by 12.7% and 11.6%, respectively, reflecting an increase of 9.8% in the industrial, 30.4% in the commercial, and a decrease of 8.2% in the institutional and government construction sectors.

Permit values rose in all provinces except Prince Edward Island and Saskatchewan, which showed a slight decrease. The value of building permits issued in each province in the years 1971 and 1972 is given in Table 14.14, in each of 50 municipalities in Table 14.15 and in each of the 19 metropolitan areas in Table 14.16. The latter made up 65.2% of the 1972 total for Canada.

14.4 Capital expenditures

A survey carried out early in 1972 of capital spending intentions of all sectors of the Canadian economy indicated that capital outlays amounting to \$20,800 million were planned for 1972. The survey covered business establishments, institutions and all levels of government, and the total also included an estimate of outlays on new housing. The capital program anticipated for 1972 exceeded by about \$1,000 million or nearly 5%, the \$19,800 million spent for capital purposes in 1971. Within the total, outlays for new construction are expected to rise by about 4% and those for new machinery and equipment by about 6% from 1971 levels.

The planned 5% increase in capital expenditures in 1972 follows a year in which such outlays rose by 11%. Viewed within a longer term perspective, the indication is that the rate of growth in capital spending in 1971 was unusually high. Over the past decade, the average year-to-year growth rate in such spending was about 7%. If allowance is made for the usual build-up of investment plans from intentions as stated at the beginning of the year, present plans suggest that the 1972 growth in capital outlays will approximate this longer term norm.

Table 14.17 shows the trend in capital spending over the years 1961-72 in both current and constant (1961) dollars. Table 14.18 gives a summary of capital and repair expenditures by economic sector for 1970-72 and Table 14.19 contains details of the manufacturing, mining and utilities sectors.

A summary of the capital expenditures in each province for the years 1970-72 is given in Table 14.20. Such expenditures represent gross additions to the capital stock of the province and are a reflection of economic activity in the area, although the actual production of these assets may generate major employment and income-giving effects in other regions. For example, the spending of millions of dollars on plants and equipment in western Canada may generate considerable activity in machinery industries in Ontario and Quebec as well as construction activity in the western provinces.

Sources

14.1 Central Mortgage and Housing Corporation.

14.2 Population and Housing Sub-division, Census Branch, Statistics Canada.

14.3 - 14.4 Construction Division, Industry Statistics Branch, Statistics Canada.