

materials used are based on ratios of this item to total value of work performed, derived from annual surveys of construction work performed by contractors and others and applied to the total value-of-work figures. Estimates of labour content are similarly based but, in addition, are adjusted to include working owners and partners and their withdrawals.

Chapter 21 includes detailed price index numbers of construction and capital goods, 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 1971; 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.

14.5.2 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 2,000 municipalities across the country and are available for individual municipalities, metropolitan areas, provinces and economic areas in Quebec, Ontario and Manitoba.

The total value of permits issued for building construction in 1976 was \$12.2 billion, a figure 15.1% higher than in 1975. Residential construction value increased by 20% and overall non-residential construction value also increased by 5.7%, reflecting an increase of 15.3% in the industrial, 13.1% in the commercial, and a 13% decrease in the institutional and government construction sectors.

Permit values rose in all provinces except Nova Scotia and Ontario which showed a slight decrease. The value of building permits issued in each province in 1975 and 1976 is given in Table 14.14, in 50 municipalities in Table 14.15 and in 22 metropolitan areas in Table 14.16. These metropolitan areas made up 70% of the 1976 total for Canada.

14.6 Capital expenditures

Capital spending in Canada by all sectors of the economy during 1977 was expected to reach about \$46.5 billion, an increase of 10.5% over the 1976 level of about \$42.1 billion. These estimates were in current dollars without any adjustment for price increase and reflected the intended outlays by respondents between May and July 1977. The survey covered business establishments, educational and other institutions and governments at all levels.

Intended capital expenditures on new construction in 1977 were estimated at \$29.7 billion, an increase of 9.9% over the 1976 total of \$27.1 billion. The two main elements of construction are shown at \$10.3 billion (\$9.8 billion in 1976) for residential and \$19.5 billion (\$17.3 billion) for non-residential. The increase for housing was 5.2% and for non-residential construction, 12.5%.

Acquisition of new machinery and equipment during 1977 was expected to amount to \$16.8 billion, 11.8% above the 1976 total of \$15 billion. Rates of increase were 6.0% for 1976 and 17.0% in 1975.

Table 14.17 shows the trend in capital spending over the years 1968-77 in both current and constant (1971) dollars. Table 14.18 summarizes capital and repair expenditures by economic sector and Table 14.19 contains details of the manufacturing, mining and utilities sectors for 1975-77. A summary of capital expenditures in Table 14.20, representing gross additions to the capital stock of each province and territory, reflects economic activity in the area and employment and income-giving effects in other regions. For example, spending millions of dollars on plant 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.