

been higher in volume terms this year than ever before. Among the consumer goods which have experienced unusual buoyancy were automobiles and household appliances. Sales of passenger cars in the first nine months of 1953 exceeded by a considerable margin those of any comparable previous period. Major appliances also experienced a very strong sales position, particularly in the early part of the year. Television has mushroomed into a major industry in Canada during the year, and 1953 sales are now expected to run close to 350,000 sets. This upsurge in the purchase of durable goods in the past 18 months reflects not only the strong consumer income level but also a substantial increase in instalment buying. Since the suspension of consumer credit regulations in May 1952, total credit outstanding has increased more than 50 per cent.

The continuing increase in current incomes has meant that consumers have not had to dip into savings to maintain this high volume of spending. Individuals appear to be increasing their rate of savings which, on the average, presently amounts to eight or nine cents out of each dollar currently earned. This rate on the basis of past experience may be considered as high. A particular example of individual saving is presented by the sales of Canadian savings bonds up to the end of November 1952, which were $2\frac{1}{2}$ times as great as in the corresponding months of the previous year, and set a new record for the eight savings bonds series. One out of every eleven of the population was a subscriber, and the average subscription was well above that of last year.

Capital Expenditure

An important influence contributing to Canada's current prosperity is the still increasing rate of capital expenditure. Total capital outlays in 1953 are now estimated at \$5.6 billion, nine per cent above those of the previous year. With prices but little higher, this represents a further significant increase in actual new physical assets put in place. As regards the type of physical investment, construction has shown a slightly stronger trend than have purchases of machinery and equipment. Resource development outlays and expansion of basic material capacity have continued to make up a large part of the investment programme. Most of the increases in the 1953 programme were, however, the result of larger expenditures on housing, commercial and institutional construction, consumer goods manufacturing capacity and other types of investment which had been curtailed during the period of the defence build-up. Approximately 100,000 housing units were started in 1953 compared with 86,000 in 1952 and 95,000 in 1950, the previous record.

The limited evidence now available points to the continuation of a high level of investment spending. It is true that a number of large-scale projects have recently been completed or are now nearing completion. As a result, capital outlays in basic material processing industries are likely to be lower in 1953. At the same time major new developments are in sight. It now seems quite possible that outlays for development of new sources of hydro-electric power, oil, natural gas, and other minerals, will be higher than ever in 1954. There are also indications that expansion of secondary and service sectors is still on the uptrend. These circumstances would appear to indicate further change in the composition of investment during the