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INCOME AND EXPENDITURE
FOURTH QUARTER
AND PRELIMINARY ANNUAL
1963

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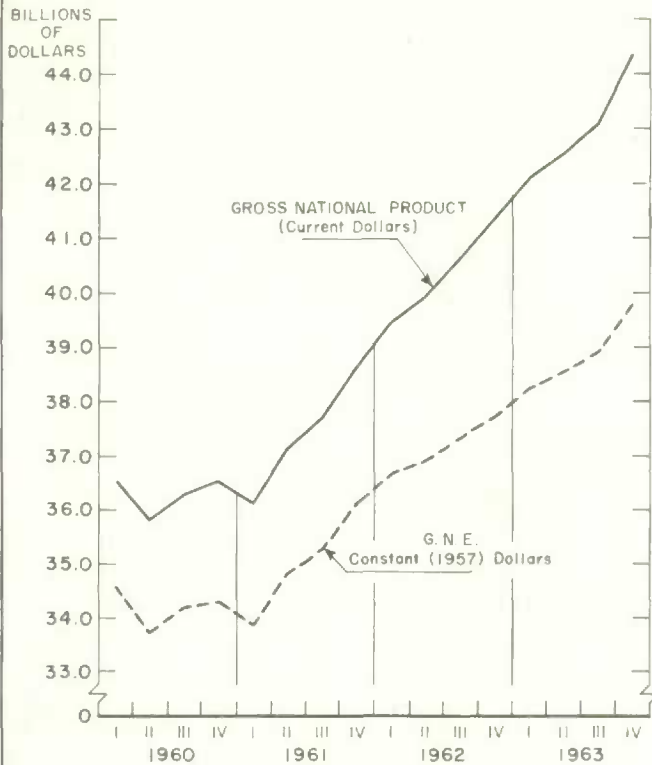
In order to obtain a complete historical record of the quarterly National Accounts, the following publication should be consulted:

"National Accounts, Income and Expenditure, by Quarters, 1947-61", for the years 1947-58.

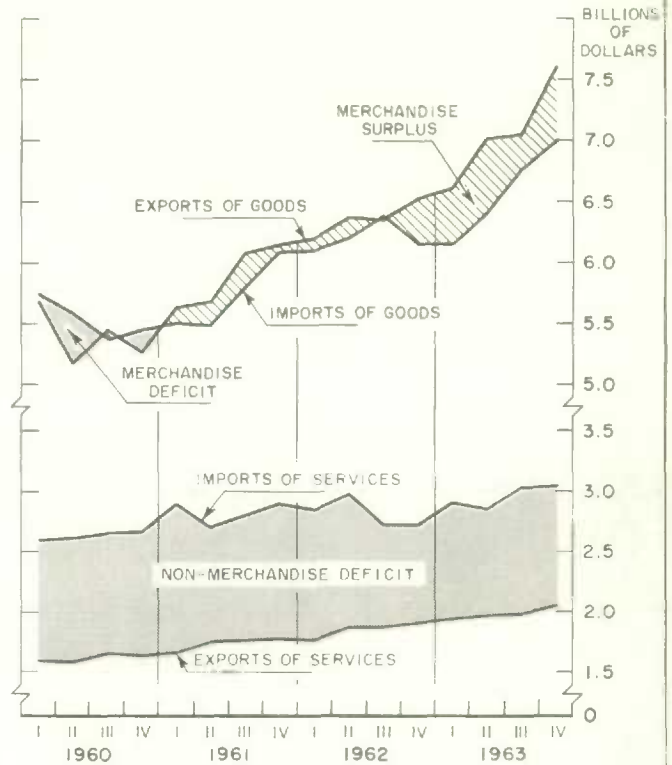
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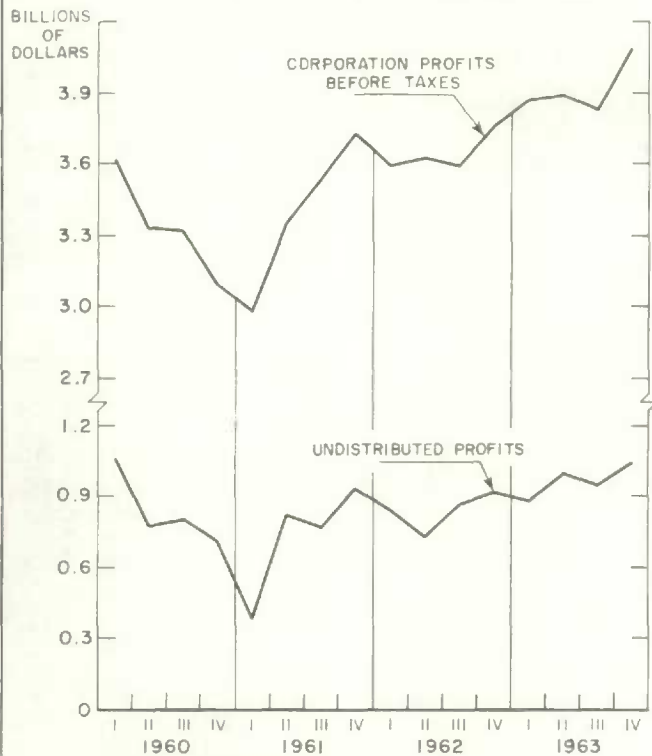
IN THE FOURTH QUARTER, G.N.P. ROSE
BY ALMOST 3 PER CENT-----



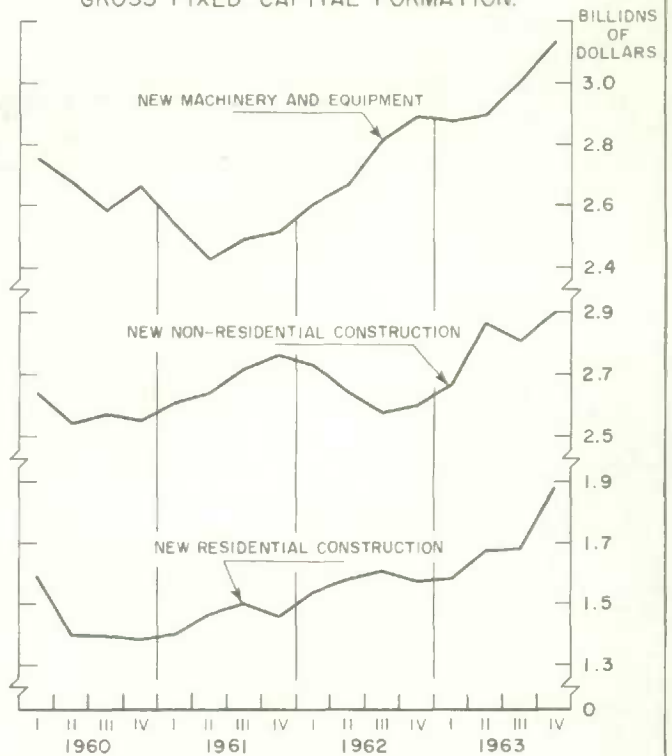
-----REFLECTING A SIGNIFICANT NARROWING
IN THE CURRENT ACCOUNT DEFICIT,-----



-----A RESUMPTION IN THE
CLIMB IN PROFITS-----



-----AND INCREASES
IN ALL COMPONENTS OF BUSINESS
GROSS FIXED CAPITAL FORMATION.



ALL DATA IN THE ABOVE CHARTS ARE SEASONALLY ADJUSTED AT ANNUAL RATES.

ANNUAL REVIEW 1963

(This report incorporates Revisions to Data for the years 1960, 61, 62, and the first 3 Quarters of 1963. In large part, the Revisions represent information which has become available during the past year from final tabulations of annual survey data. New information from "Taxation Statistics, 1963" has also been incorporated in the Estimates, as well as the results of the most recent survey, "Private and Public Investment in Canada - Outlook, 1964".)

Introduction

Gross National Product during 1963 experienced continuous growth, registering an increase of just over 6½ per cent in value from the previous year; at a level of \$43.0 billion the additional value of output over 1962 amounted to \$2.7 billion. With overall prices for the year increasing by less than 2 per cent, more than two-thirds of the value increase in 1963 represented a gain in real output. The year ended on a particularly strong note with a 3 per cent increase in the final quarter representing one of the sharpest gains since the beginning of the present expansion in early 1961. In line with the strength exhibited towards the close of the year the increase between the fourth quarter 1962 and 1963 was over 7 per cent, somewhat greater than that registered by the annual averages.

The keynote of the expansion during the year was its widespread nature, with all components of final demand sharing in the growth; there was little change in 1963 in the moderate rate at which inventories were being built-up.

Although the expansion in final demand was generally balanced, the notable 11 per cent rise in the level of merchandise exports and the contraction in Canada's deficit on current account transactions with other countries were the most prominent developments during the year. The rise in exports was dominated by exceptionally large shipments of wheat to Russia in the final quarter of the year, although increased foreign demand was widespread over many commodities. The growth in exports took place against a background of increasing world trade, expanding economic activity in the main industrial countries and one in which the competitive position of Canadian industry appeared to have improved. Overall imports rose more moderately, by just over 5½ per cent, but the annual average increase does not reveal the relatively greater importance of the supply of foreign goods and services in the latter half of the year. The performance of business fixed capital formation including residential construction was also noteworthy in 1963, with the sharpest relative year-to-year increase since 1956-57. The increase occurred irregularly through the year but was particularly pronounced at the end of the year, especially in housing, where special federal government legislation designed to stimulate winter building of houses came into effect. Consumer demand registered a higher than average year-to-year increase and was particularly strong in the final half of the year, accounting for more than half of the total increase in GNP. This pattern was partly the result of the notably buoyant demand for automobiles in the fourth quarter and of general increases in non-durable goods in the prior quarter.

Expenditure of government on goods and services which rose sharply at the beginning of the year, declined slightly in the final quarter due to lower federal defence and non-defence spending. The year-to-year increase of under 5 per cent was smaller than the general increase in GNP and was less than that experienced in both 1961 and 1962. The net of total revenue and expenditure of all levels of government, on a national accounts basis, resulted in a decline in the annual deficit from that experienced in 1962. During the year the deficit declined progressively from the second quarter, and in the final quarter of the year was the lowest since early 1960.

Quarter to Quarter Changes in Final Purchases
(Seasonally Adjusted at Annual Rates)
(millions of dollars)

| | 2Q'60 to 3Q'60 | 3Q'60 to 4Q'60 | 4Q'60 to 1Q'61 | 1Q'61 to 2Q'61 | 2Q'61 to 3Q'61 | 3Q'61 to 4Q'61 | 4Q'61 to 1Q'62 | 1Q'62 to 2Q'62 | 2Q'62 to 3Q'62 | 3Q'62 to 4Q'62 | 4Q'62 to 1Q'63 | 1Q'63 to 2Q'63 | 2Q'63 to 3Q'63 | 3Q'63 to 4Q'63 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1. Personal expenditure | 124 | 412 | -160 | 488 | 420 | 172 | 548 | 84 | 172 | 520 | 424 | 236 | 500 | 572 |
| 2. Government expenditure | 448 | -80 | 252 | -108 | 280 | 192 | 4 | 404 | -264 | 72 | 264 | 112 | 44 | -104 |
| 3. Residential construction | -4 | -12 | 20 | 64 | 32 | -40 | 80 | 40 | 32 | -36 | 8 | 92 | 4 | 200 |
| 4. Non-residential construction .. | 28 | -20 | 60 | 28 | 76 | 48 | -32 | -88 | -68 | 24 | 68 | 196 | -52 | 88 |
| 5. Machinery and equipment | -96 | 84 | -128 | -112 | 64 | 24 | 88 | 64 | 148 | 76 | -16 | 20 | 112 | 128 |
| 6. Exports of goods and services | 336 | -196 | 396 | 144 | 412 | 84 | 40 | 272 | -8 | 192 | 120 | 428 | 52 | 620 |
| 7. Total final purchases | 836 | 188 | 440 | 504 | 1,284 | 480 | 728 | 776 | 12 | 848 | 868 | 1,084 | 660 | 1,504 |
| 8. (Final domestic demand) | 500 | 384 | 44 | 360 | 872 | 396 | 688 | 504 | 20 | 656 | 748 | 656 | 608 | 884 |

Quarter to Quarter Changes in Other Selected Items

| | | | | | | | | | | | | | | |
|--|------|-----|------|-------|------|-------|------|-----|-----|------|-----|------|-----|-------|
| 9. "Shift" in non-farm business inventories | -420 | 376 | -140 | 340 | -556 | 820 | -644 | 228 | 424 | -552 | -80 | -136 | 324 | 120 |
| 10. Imports of goods and services | -168 | 92 | 276 | -200 | 408 | 384 | -24 | 224 | -84 | -212 | 176 | 192 | 548 | 240 |
| 11. G.N.P. (ex farm) | 400 | 192 | -148 | 1,020 | 444 | 1,068 | 240 | 588 | 616 | 576 | 632 | 484 | 568 | 1,008 |

Constant (1957) Dollars

Quarter to Quarter Percentage Changes in Selected Items

| | | | | | | | | | | | | | | |
|-------------------------------------|-----|-----|------|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|
| 12. Final domestic demand | 1.3 | 0.6 | - | 0.8 | 2.0 | 0.7 | 1.1 | 0.6 | -0.5 | 1.2 | 1.2 | 1.2 | 0.6 | 1.5 |
| 13. Total final purchases | 1.9 | 0.1 | 0.6 | 1.0 | 2.3 | 0.6 | 0.9 | 0.9 | -0.5 | 1.3 | 1.1 | 2.0 | 0.5 | 2.4 |
| 14. Gross national expenditure | 1.3 | 0.3 | -1.2 | 2.8 | 1.3 | 2.4 | 1.6 | 0.7 | 1.2 | 1.0 | 1.4 | 0.8 | 0.9 | 2.3 |

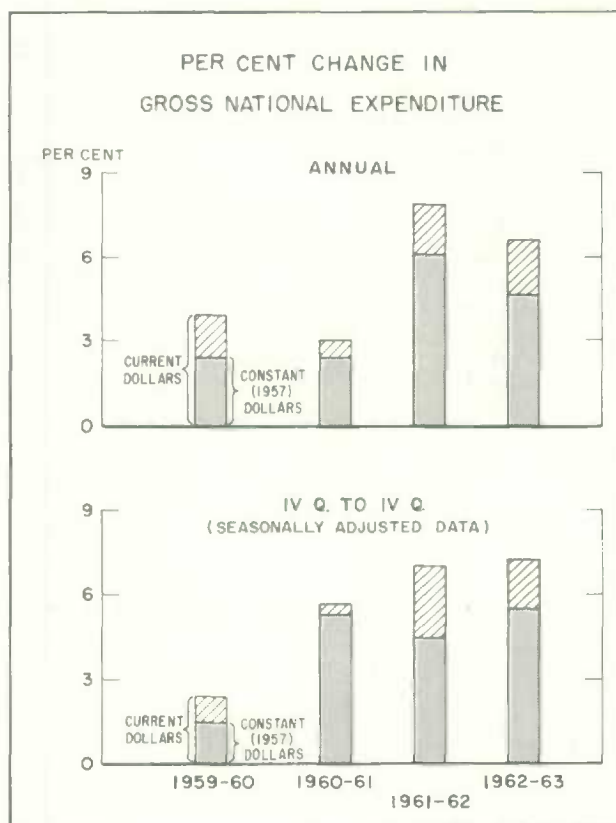
Increases in demand were paralleled by a 7 per cent rise, to \$32.6 billion, in national income, in which both profits and labour income registered similar relative gains. Accrued net farm income rose more sharply due to the record wheat crop which, in volume terms, was over one quarter greater than in the previous year and over one-and-a-half times the size of the 1961 crop. Because of the wide variations in the wheat crop, the year-to-year movement in GNP 1961 to 1962 appears significantly larger than the 1962 to 1963 increase, 7.9 and 6.6 per cent respectively, whereas GNP excluding accrued net income of farm operators reveals little difference in the strength of the expansion between 1961 to 1962 and 1962 to 1963, 6.6 per cent and 6.3 per cent respectively.

The current period of uninterrupted expansion commenced early in 1961, and the end of 1963 witnessed the eleventh quarter of growth. Judged against the three previous expansions the current period compares favourably, standing 17½ per cent above the trough in real terms, as against 7 per cent in the short-lived seven quarter 1958-60 upswing, 21 per cent in the capital spending boom of 1954-57 and 19 per cent in the 1949-52 expansion, both measured after eleven quarters of expansion. As was true for the year, the current expansion also presents a more balanced growth than previous upswings, with no one component of demand predominating.

Despite the performance of the economy in 1963 and almost three years of continuous expansion, evidence of unutilised labour resources still persists. The unemployment rate seasonally adjusted in the fourth quarter of 1963 stood at just over 5 per cent of the labour force, a decline however from almost 6 per cent at the end of 1962. This decline was less than would be suggested by the increase in employment of more than 4 per cent over the same period because of the 3 per cent growth in the total labour force, about 200,000 persons, between the fourth quarters of 1962 and 1963.

Price movements

As noted earlier with overall prices increasing by nearly 2 per cent, more than two thirds of the approximately 6½ per cent increase in value represented a gain in real terms. The following table, which compares value, volume, and price changes over the past two years, indicates that prices rose by about the same amount in 1963 as in 1962, both being moderate compared with price increases experienced in the 1954-57 and 1949-52 business expansions. Within the components of GNE price changes of certain foodstuffs affected the price indexes of both personal expenditure and imports. (Because imports are excluded by definition from GNE, changes in the prices of imported goods may affect the components of GNE, but are not reflected in the over-all measure of price change.) Besides the spectacular increase of about 90 per cent in the price of sugar, prices of citrus fruits also increased significantly as a result of short supplies. Other price changes occurred; in business gross fixed capital formation they were partly as a result of the wider application of the federal sales tax and in government expenditure they reflected increases in wage rates and in highway construction costs.



Per cent Changes - Value, Volume, and Price

| | <u>1962</u> <u>1961</u> | | | <u>1963</u> <u>1962</u> | | |
|--|----------------------------|---------------|-----------------|----------------------------|---------------|-----------------|
| | <u>Value</u> | <u>Volume</u> | <u>Price 1/</u> | <u>Value</u> | <u>Volume</u> | <u>Price 1/</u> |
| Personal Expenditure | 5.3 | 3.9 | 1.3 | 5.8 | 4.3 | 1.5 |
| Non-Durable Goods, ex. food | 7.3 | 6.6 | 0.6 | 4.2 | 3.1 | 1.0 |
| Non-Durable Goods - Total | 5.5 | 4.2 | 1.3 | 4.2 | 2.4 | 1.7 |
| Durable Goods | 7.9 | 8.1 | -0.2 | 9.5 | 9.1 | 0.4 |
| Services | 4.2 | 2.2 | 2.1 | 6.8 | 5.3 | 1.3 |
| Government Expenditure | 6.2 | 2.0 | 4.1 | 4.8 | -0.2 | 5.0 |
| Business Gross Fixed Capital Formation | 4.9 | 2.3 | 2.6 | 7.7 | 4.9 | 2.7 |
| New Residential Construction | 8.2 | 5.1 | 2.9 | 8.1 | 4.5 | 3.5 |
| New Non-Residential Construction ... | -1.7 | -3.7 | 2.1 | 6.6 | 3.5 | 2.9 |
| New Machinery and Equipment | 10.1 | 7.2 | 2.7 | 8.5 | 6.4 | 2.0 |
| Exports of Goods and Services | 7.8 | 4.5 | 3.1 | 10.1 | 8.8 | 1.2 |
| Total Final Demand | 5.8 | 3.5 | 2.3 | 6.6 | 4.5 | 2.0 |
| Imports of Goods and Services | 5.7 | 1.4 | 4.3 | 5.6 | 2.7 | 2.8 |
| Gross National Expenditure | 7.9 | 6.1 | 1.7 | 6.6 | 4.6 | 1.8 |

1/ Implicit Price Indexes

Changes in Components of Gross National Expenditure and Other Data

| | <u>Per Cent Changes</u> <u>in Year-to-Year</u> | | <u>Per Cent Changes</u> <u>over the year</u> <u>(Seasonally Adjusted)</u> | |
|--|---|-------------------------------|---|---|
| | <u>1961 to</u> <u>1962</u> | <u>1962 to</u> <u>1963</u> | <u>IVQ. '61</u> <u>to</u> <u>IVQ. '62</u> | <u>IVQ. '62</u> <u>to</u> <u>IVQ. '63</u> |
| Gross National Expenditure | 7.9 | 6.6 | 7.0 | 7.2 |
| Personal Expenditure | 5.3 | 5.8 | 5.3 | 6.6 |
| Government Expenditure | 6.2 | 4.8 | 2.9 | 4.1 |
| Business Gross Fixed Capital | 4.9 | 7.7 | 4.9 | 12.0 |
| Business Inventories | (\$ 23m) | (\$ -135m) | (\$ -544m) | (\$ 228m) |
| Farm Inventories | (\$631m) | (\$ 72m) | (\$ 848m) | (\$ -316m) |
| Exports of Goods and Services | 7.8 | 10.1 | 6.3 | 14.5 |
| Imports of Goods and Services | 5.7 | 5.6 | -1.1 | 13.0 |
| Net National Income | 7.9 | 7.0 | 7.1 | 7.4 |
| Wages and Salaries | 6.3 | 6.8 | 5.8 | 7.9 |
| Corporation Profits before Taxes(1) .. | 7.1 | 7.7 | 0.8 | 8.8 |
| Rent, Interest, etc. | 6.0 | 7.7 | 6.7 | 4.8 |
| Accrued Farm Income | 53.2 | 15.5 | 73.2 | 15.9 |
| Other Unincorporated Business Income | 3.5 | 4.1 | -2.0 | 6.1 |
| Personal Disposable Income | 8.1 | 6.3 | 6.8 | 6.9 |
| Net Personal Saving | (\$829m) | (\$ 273m) | (\$ 488m) | (\$ 244m) |

(1) Before deducting dividends paid to non-residents.

Consumer Expenditure

Above average increases in the third and fourth quarters of the year raised the level of personal expenditure by almost \$1.5 billion to \$27.2 billion for the year 1963, almost 6 per cent above the previous year. This was the largest increase registered since 1959, and was slightly higher than the rise noted last year. Prices which were higher by $1\frac{1}{2}$ per cent in 1963, in part due to the rise in certain foodstuffs, reduced the increase in real terms to about $4\frac{1}{2}$ per cent, slightly larger than in 1962.

Durable goods, stimulated by high car sales in the fourth quarter, made a notable contribution to the overall increase in personal expenditure. The $9\frac{1}{2}$ per cent increase in durables, up again from an 8 per cent rise in 1962, was the largest since 1955 and contrasted particularly with 1960 and 1961 when purchases of durable goods showed little change. As noted above car sales to persons were an extremely important expansionary element and net purchases of new and used cars, which rose more than 14 per cent from the previous year, accounted for three-quarters of the increase in durables. Among the other durables, home furnishings increased by less than 8 per cent while the remaining items showed increases of around 3 per cent.

Personal Expenditure - Per cent Change

| | Year 1961 to Year 1962 | Year 1962 to Year 1963 |
|----------------------------------|------------------------------|------------------------------|
| Total Non-Durables | 5.5 | 4.2 |
| Food | 3.5 | 4.3 |
| Clothing | 3.7 | 4.1 |
| Total Durables | 7.9 | 9.5 |
| New and Used Automobiles | 13.6 | 14.5 |
| Total Goods | 5.9 | 5.2 |
| Total Services | 4.3 | 6.8 |
| Total Personal Expenditure | 5.3 | 5.8 |

Expenditures on services which rose by more than $6\frac{1}{2}$ per cent made the largest contribution to the increase in personal spending. This increase was somewhat higher than that for the three preceding years and reflected mainly an increase in shelter expenses. Again this year the movement in services was dampened by the movements in net expenditure abroad⁽¹⁾ as the balance on tourist and travel account with the external sector moved to a surplus for the first time in more than a decade.

The increase in non-durables of 4 per cent was more moderate, reflecting in part lower than usual growth in alcoholic beverages and tobacco products, both increasing by about 3 per cent. Expenditures on food and clothing increased by 4 per cent while expenditures on fuel (including gas) increased only 2 per cent, probably reflecting the mild weather during the fall of 1963.

Business Gross Fixed Capital Formation

Spending on fixed capital in 1963 totalled \$7.5 billion, nearly 8 per cent higher than in 1962, with outlays on residential construction and machinery and equipment both higher by over 8 per cent and non-residential building and engineering construction by just over $6\frac{1}{2}$ per cent. The pattern of total spending through the year was one of continuous growth with particularly sharp increases in the spring and final quarters of the year; some hesitancy was evident between the second and third quarters, possibly reflecting uncertainty regarding changes in the building materials sales tax. The surge in spending at the year-end, which was centred in housing, carried the fourth quarter level

(1) Includes the expenditures abroad of Canadian tourists and excludes foreign tourists expenditure in Canada.

to an annual rate $5\frac{1}{2}$ per cent above the annual average. The overall advance in business spending on fixed capital matched the increase in GNP, and the ratio of capital spending to GNP remained over 17 per cent.

Investment in new housing has fluctuated more widely than other components of fixed capital formation in the past three years, and in 1963 the 8 per cent increase, to an average annual level of \$1.7 billion, conceals some sharp movements within the year. Dwelling unit starts rose throughout the four quarters, moderately in the first three quarters as multiple dwelling unit starts offset some decline in single units, but very sharply in the final quarter as the federal government's winter house building incentive programme and direct lending by CMHC under the National Housing Act stimulated house building activity. At the year-end the number of units under construction stood at a record high of 96.6 thousand, twenty thousand above the previous year-end, and starts during the year totalled 148.6 thousand, 14 per cent higher than 1962.

The value of non-residential construction rose by just over $6\frac{1}{2}$ per cent to \$2.8 billion for the year, the sharpest year-to-year gain to emerge so far in the current three year expansion in business activity. During the year the gains were even more notable as the value of work put in place rose by over $11\frac{1}{2}$ per cent between the fourth quarters of 1962 and 1963. The strength was centred mainly in the development of such utilities as electric power undertakings, railway and urban transit systems expansion and renewals, extension of oil and gas pipeline facilities and communications systems. Within manufacturing, which in total had a slightly smaller construction programme than in 1962, the machinery and transportation equipment industries stand out as the two industry groups with much heavier spending programmes than in the previous year.

Investment in machinery and equipment which has registered increases in nine of the past ten quarters rose by $8\frac{1}{2}$ per cent in 1963 to almost \$3.0 billion. Most of the strength occurred in the second half of the year when the seasonally adjusted annual rate was running 12 per cent above the 1962 annual average. The increases stemmed mainly from the sharply higher level of investment in farm implements, machinery and equipment; the larger investment programme in the manufacturing sector of the economy particularly in the paper, chemical and transportation equipment industries; and higher outlays by the telephone utilities. Two of these areas of greatest expansion reflect to some extent the buoyancy of farm incomes following two good crop years and the high level of overseas demand for Canadian wheat over the past three years and the sustained strength in the demand for new autos over the past two years.

During 1963 there were a number of special factors operating on employment and investment. Measures were introduced by the federal government designed to stimulate employment and investment in slow growth areas and in certain industries. New manufacturing or processing enterprises located in designated areas of slower growth were offered exemption from income tax for three years and the concession of writing off new machinery and equipment in two years and new buildings in five. Accelerated depreciation was extended on certain new facilities for manufacturing and processing enterprises owned by Canadian residents and to companies having a specified minimum degree of Canadian ownership and control. Oil and gas transmission companies were also allowed to deduct from income for tax purposes, expenditures on drilling for oil, gas or minerals. Another factor was the introduction in June of a 4 per cent sales tax on certain previously exempt building materials and production machinery and equipment; this will be increased in successive stages to 8 per cent in April 1964 and 11 per cent in January 1965.

It is not possible to establish the net effect of these measures in isolation, but some of these effects are probably in the overall figure of anticipated business fixed capital spending for the year 1964, as published in "Private and Public Investment in Canada - Outlook 1964". These anticipations, if realized, would result in outlays of \$1.9 billion on housing, \$6.3 billion on private non-residential construction plus machinery and equipment, adding to a total spending programme of \$8.2 billion, about 9 per cent above the annual average for 1963 and 3 per cent higher than the \$7.9 billion annual rate achieved in the fourth quarter 1963.

Non-farm Business Inventories

Business inventories showed an accumulation of \$166 million in 1963, a moderately lower rate than in the previous year, with the result that they did not contribute to the 1962-63 expansion in activity. In total the quarterly pattern revealed virtually no net change in inventories in the first half of the year and a growing rate of accumulation in the latter half. The figures at the total level suggest a continuation of the downward drift in the ratio of stocks to output which has been apparent for a number of years. The main build-up in stocks appears to have taken place

in the hands of retail dealers, partly representing increased holdings of new cars in the closing months of the year as producers' shipments have run slightly ahead of sales. Manufacturers' stocks showed little change over the year.

Imports and Exports

Against a background of general expansion in world trade and economic activity, Canada's transactions with non-residents in both merchandise and non-merchandise trade rose between 1962 and 1963. With exports rising by 10 per cent to a level in excess of \$9 billion and imports 5½ per cent higher at \$9½ billion, the deficit on current account transactions with non-residents (on a national accounts basis) fell to just under \$500 million from a little over \$800 million in 1962. The entire improvement was due to transactions on merchandise, the surplus rising from \$155 million to \$484 million; little change occurred in the balance on service and non-merchandise transactions account which stood at \$972 million in 1963.

Exports and Imports of Merchandise and Services (Quarters Seasonally Adjusted at Annual Rates)

| | 1962 | | 1963 | | | | Per cent Change | Per cent Change |
|--|--------|-------|-------|-------|--------|--------|--------------------|-----------------------------|
| | Annual | 1Q | 2Q | 3Q | 4Q | Annual | 3Q to 4Q | <u>Year '63</u> Year '62 |
| <u>Exports:</u> | | | | | | | | |
| Merchandise | 6,364 | 6,604 | 7,008 | 7,048 | 7,596 | 7,064 | 7.8 | 11.0 |
| Services (including interest & dividend receipts) | 1,860 | 1,948 | 1,972 | 1,984 | 2,056 | 1,990 | 3.6 | 7.0 |
| Interest and dividend receipts | (211) | (240) | (228) | (216) | (228) | (228) | 5.6 | 8.1 |
| Total | 8,224 | 8,552 | 8,980 | 9,032 | 9,652 | 9,054 | 6.9 | 10.1 |
| <u>Imports:</u> | | | | | | | | |
| Merchandise | 6,209 | 6,152 | 6,400 | 6,768 | 7,000 | 6,580 | 3.4 | 6.0 |
| Services (including interest & dividend payments) | 2,824 | 2,912 | 2,856 | 3,036 | 3,044 | 2,962 | 0.3 | 4.9 |
| Interest and dividend payments | (781) | (840) | (788) | (852) | (888) | (842) | 4.2 | 7.8 |
| Total | 9,033 | 9,064 | 9,256 | 9,804 | 10,044 | 9,542 | 2.4 | 5.6 |

The gains in exports, after allowance for seasonal influences, did not occur evenly during the year, but were concentrated in the second and final quarters. Certain already well known factors contributed to this pattern. In the second quarter, exports of nickel were particularly strong and higher newsprint exports reflected the settlement of a labour dispute in the United States, whereas in the fourth quarter heavy shipments of wheat and wheatflour began to flow to Russia as a result of the agreement signed with that country in September. The increase of 11 per cent in merchandise exports for the year, which carried the total value to \$7,064 million, was achieved in addition to the sharply higher wheat sales, by sizeable increases in iron ore, softwood lumber, wood pulp, railway rolling stock, navigational systems and electronic control equipment. Gains were widespread over many other commodities and the relative rise in the general grouping of manufactured products was notable. Despite the widespread nature of the gains however, close to half the total increase was accounted for by four of the main commodities noted above (wheat, iron ore, softwood lumber and wood pulp). The rise in prices of exports was around 1 per cent in 1963 indicating that most of the increase was in real terms.

The 6 per cent rise in imports of goods occurred more evenly through the year than export sales, although some irregularity appeared in the third quarter due to unusually large imports of raw sugar. The increase of \$371 million which carried imports to a total of \$6,580 million, was largely due to heavier inflows of raw sugar, farm equipment and tractors, crude petroleum and automobile parts; although the increase in automobile parts was largely offset by the decline in finished automobile imports. Measures were announced by the Government in October which are likely to affect future imports and exports of automobiles and parts; one of the objectives is to reduce the adverse

balance in these items with other countries by reductions in duties on vehicles and parts conditional on increases of exports of similar types of goods. Some of the increase in imports may have been attributable to the elimination at the end of March of the remaining temporary surcharges imposed at the time of the exchange crisis in mid-1962. Prices of imports rose more significantly than exports; sugar prices were notably higher among the commodities, in addition to which the impact of the devaluation of the Canadian dollar influenced comparisons in the early months of 1962 and 1963.

Receipts from non-merchandise transactions increased by 7 per cent to reach \$1,990 million in 1963 as travel expenditures and freight and shipping receipts rose sharply accounting for close to three-quarters of the change. The rise of 5 per cent, to \$2,962 million in payments for non-merchandise services was accounted for by between 6 and 8 per cent increases in freight and shipping, interest and dividends and miscellaneous services. The latter includes official contributions which nearly doubled mainly as a result of aid financed under the Colombo Plan, which was at an unusually low level in 1962.

As noted earlier the balance on these transactions showed little year-to-year change. However, among the individual items the most noteworthy was the turnaround in the balance on travel account from a deficit of \$50 million in 1962 to a surplus of \$13 million, the continuation of an improving trend which has been apparent since 1960. But this improvement was offset mainly by a widened deficit on account of interest and dividends and increased official contributions noted above.

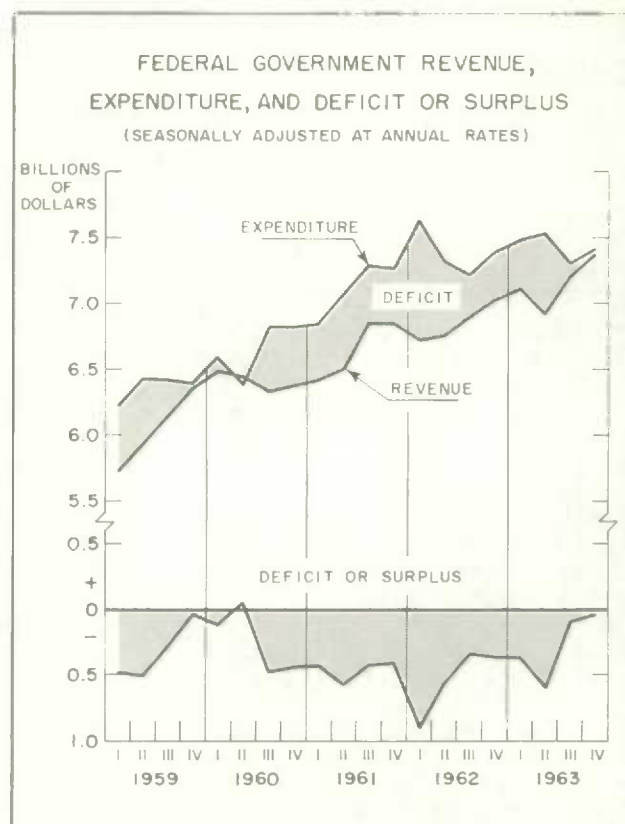
Government Sector

Total expenditure of all governments advanced by almost 5 per cent or \$683 million from 1962 to 1963. All components showed increases with the exception of federal expenditure on goods and services which registered a decline. The latter was caused by a 6 per cent reduction in defence outlays. Non-defence expenditures rose slightly as a result of offsetting changes; increases included a 7 per cent rise in wages and salaries and a doubling of payments from the Colombo Plan Fund while decreases were registered in non-defence investment and in the changes in inventories of the Agricultural Stabilization Board.

Transfer payments to persons increased between the two years by 4 per cent to a total of \$3,829 million. The larger part of the increase occurred at the provincial-municipal level reflecting higher payments under the hospital insurance programmes, larger grants to universities and increased social assistance payments.

The increased buoyancy and expansion of activity in the economy was reflected in advances from 1962 to 1963 in all major components of government revenue.

Indirect taxes in total rose by over 5½ per cent with the largest contribution to the increase occurring at the provincial-municipal level. Provincial revenues from retail and gasoline sales taxes rose by over 10 per cent; the increase was associated with higher volume of sales and upward revisions of tax rates during the year. Rates of tax on gasoline and fuel oil were increased in Quebec, Newfoundland and Prince Edward Island; in Manitoba a sales tax on tobacco was introduced and in Prince Edward Island the general sales tax was increased from 4 per cent to 5 per cent. The gain in property taxes accounts for most of the rise at the municipal level, the year to year change being about the same size as has occurred in previous years.



Per cent Change in Government Expenditure and Revenue

| | 1961 to 1962 | 1962 to 1963 |
|---------------------------------------|--------------------|--------------------|
| Government Expenditure: | | |
| Goods and services | 6.2 | 4.8 |
| Transfer payments to persons | 7.3 | 4.2 |
| Interest on public debt | 11.5 | 8.0 |
| Subsidies | 12.6 | 9.4 |
| Totals <u>1/</u> | 7.2 | 5.0 |
| Government Revenue: | | |
| Direct taxes - persons | 8.2 | 7.0 |
| Direct taxes - corporations | 6.3 | 6.5 |
| Withholding taxes | 7.8 | 2.4 |
| Indirect taxes | 12.0 | 5.7 |
| Investment income | 9.3 | 7.5 |
| Employer-Employee contributions | 3.0 | 3.3 |
| Totals <u>1/</u> | 9.4 | 6.1 |
| Deficit | -17.7 | -10.5 |

1/ Excludes inter-governmental transfers.

Federal indirect taxes rose by 2 per cent from 1962 to 1963 but the total masks offsetting changes in the components. Federal excise taxes for example rose sharply, partly associated with the imposition of the 4 per cent sales tax on building materials and production machinery and equipment effective in June, 1963, while revenues from customs imports duties declined as a result of the elimination in the first quarter of 1963 of the last of the temporary emergency surcharges imposed in mid-1962.

Personal and corporate direct tax revenues contributed almost as much as indirect taxes to the rise in total revenue. Both the federal and provincial governments shared in the rise in direct taxes although unevenly; the federal share of personal direct taxes rose by 5 per cent and of the corporate income taxes by 6½ per cent compared to 14 per cent and 6 per cent respectively for the provinces. The sharper increase in the provincial income tax collections is partly attributable to the fact that under the terms of the Federal-Provincial fiscal arrangement which became effective in 1962, the federal share of the taxes on personal incomes dropped slightly with the difference going to the participating provinces. In addition, British Columbia has levied its own succession duties since April, 1963, which contributed to a sharp increase in this component at the provincial level.

Investment income accruing to government rose by 7½ per cent, with the largest increase occurring in trading profits of government enterprises and in interest on government-held public funds. At the federal level, investment income increased by 10 per cent reflecting mainly a higher level of profits of the Bank of Canada and the earnings of the Exchange Fund Account and higher interest on government-held public funds. Increased trading profits of liquor commissions and higher interest income were responsible for most of the increases at the provincial-municipal level.

Because of the greater increase in revenue than in expenditure, the total deficit for 1963 amounted to \$735 million, a decline of \$86 million from 1962. The 1962 federal deficit of \$543 million was almost halved to \$278 million in 1963, while the provincial-municipal deficit increased from \$278 million to \$457 million between these years. It should be noted that in 1962 the federal deficit was irregularly high by about \$75 million, and the provincial-municipal deficit correspondingly lower, as a consequence of the introduction in the first quarter 1962 of the new tax collection arrangements and the continuation of transfer payments under the former tax rental agreements.

National Income

All major shares of national income were up in 1963 as the level reached \$32.6 billion, 7 per cent higher than the previous year. This rise was paralleled by an almost 7 per cent gain in labour income which totalled \$21.6 billion for the year. Reflecting gains in both wage rates and labour inputs, the increase was broadly based, occurring in all industrial groups. The quarterly pattern through the year showed continuous increases, the largest of which occurred in the final quarter. Wages and salaries originating in the goods-producing industries accounted for 41½ per cent of the total, which represents a slight decline in their relative importance between 1962 and 1963 and a continuation of the characteristic post-war trend towards the growing relative importance of the service industries.

Profits increased by a little less than 8 per cent to reach \$3.9 billion, a reflection of a gain in the first quarter of the year, little net change in the second and third and a particularly sharp pick-up in the final quarter. The lack of industrial detail for the fourth quarter prevents discussion of the annual profit position of separate industries. On the basis of nine months data the main increases over the similar period in 1962 have been recorded in the food and metal industries of manufacturing, wholesale and retail trades and the transportation, storage and communication groups. After allowance for corporate taxes and distribution of dividends, undistributed profits rose by 15½ per cent to \$964 million and in the fourth quarter are estimated to have exceeded an annual rate of \$1 billion.

Accrued net income of farm operators from farm production was at a level of \$1.8 billion in 1963, almost 16 per cent higher than in 1962. The figure was the third highest on record, lower only than that attained in 1951 and 1952. Contributing most to the increase was an accumulation of farm-held stocks of grain and livestock and the increased profits of the Canadian Wheat Board. The 1963 estimate of the value of crop production is \$1.4 billion, 17 per cent higher than in 1962 and fractionally higher than in the previous all-time record year, 1952.

Farm cash receipts increased over 2 per cent in 1963 to reach an all-time high level. The most important gains were made in returns from the sales of wheat, oats, barley, tobacco, dairy and poultry products.

Farm operating expenses advanced to a level about 5 per cent higher than in 1962. Higher outlays for fertilizers, feed and seed, and the operation of farm machinery including repairs were factors contributing most to the increase.

Farm Income

| | 1962 | 1963 | Change 1963 1962 | Per Cent Change 1963 1962 |
|--|---------------|-------|------------------------|------------------------------------|
| | (\$ millions) | | | |
| Farm Cash Income | 3,154 | 3,222 | 68 | 2.2 |
| Income-In-Kind | 346 | 353 | 7 | 2.0 |
| Farm Inventory Change | 177 | 313 | 136 | - |
| Gross Income | 3,677 | 3,888 | 211 | 5.7 |
| Deduct: | | | | |
| Farm Operating Expenses | 1,765 | 1,855 | 90 | 5.1 |
| Depreciation | 314 | 325 | 11 | 3.5 |
| Add: | | | | |
| Adjustment on Grain Transactions ^{1/} | 5 | 136 | 131 | - |
| Other Adjustments | -57 | -58 | -1 | - |
| Accrued Net Income of Farm Operators | 1,546 | 1,786 | 240 | 15.5 |

^{1/} This adjustment takes account of the undistributed profits of the Canadian Wheat Board.

Personal Income

Personal income rose by over 6 per cent to \$32.8 billion in 1963 with the main increases occurring in the second and fourth quarters as a result of unusually large payments to farmers by the Canadian Wheat Board in the second quarter and the combined effects of higher labour income, farm income and increased old age security transfer payments from the government in the final quarter. Disposable personal income rose faster than personal spending with a resultant increase in saving. Personal net saving increased to \$2,631 million in 1963 and as a proportion of disposable income, rose from 8.4 per cent in 1962 to 8.8 per cent. It should be noted that personal net saving includes unincorporated business saving.

Production by Industry

Real gross domestic product at factor cost in 1963 increased by more than 5 per cent over its 1962 level with goods and service-producing industries rising by about 5½ per cent and 5 per cent respectively. Real domestic product less agriculture increased slightly less than 5 per cent.

Manufacturing has increased faster during the current expansion than total production, accounting for almost one-third of the aggregate increase during the 1961-63 period. The industry group consisting of agriculture, forestry, fishing and trapping and mining accounted for over 20 per cent of the growth, as did the cyclically sensitive trade and transportation group.

In 1963, the index of industrial production reached a level of 196.2 for the year, up by 5½ per cent from the preceding year. The gain in manufacturing was also 5½ per cent, while mining advanced by just over 3 per cent and electric power and gas utilities by almost 9 per cent. With the exception of utilities, these gains were less than those recorded in 1962. The annual averages, however, do not reveal the increasing strength during the latter half of 1963; the index of industrial production from the fourth quarter 1962 to the corresponding quarter 1963 recorded a gain of 8 per cent as against 6 per cent in the comparable 1961-62 period.

Non-durable manufacturing showed a gain of 4½ per cent over 1962, with all major groups contributing. Leather products gained only marginally, tobacco and printing and publishing by about 2 per cent, while elsewhere increases ranged from 3 per cent in paper products and foods and beverages, to 13 per cent in rubber products. Solid gains of 7 to 9 per cent were recorded in chemicals, textiles, and petroleum products, while clothing gained about 5 per cent.

Durables also continued to expand in 1963, again led by transportation equipment, where output of motor vehicles and parts was up by almost 25 per cent. Iron and steel products contributed heavily, with both iron castings and primary steel higher by about 12 per cent, partly reflecting the strength in the transportation equipment industry. Wood products, with greater strength appearing towards the end of the year, advanced by 5 per cent, as did electrical apparatus and supplies. The latter group was particularly influenced by higher refrigerator and appliance output. Non-metallic mineral products moved up slightly while non-ferrous metal products showed little change.

Mining showed a smaller gain in 1963 than in 1962 due to weaknesses in metals, where, with the exception of iron ore, all other major metals showed declines, up to about 5 per cent in nickel, gold and lead. However, the fuels component of mining continued to expand with good gains in all three industries, coal, crude petroleum and natural gas. The other contributor to the strength in total mining was non-metals, with asbestos production up by more than 2 per cent.

Among the service producing industries the transportation, storage and communication group advanced by 7 per cent. Storage and transportation, which were influenced by record wheat movements, showed the largest increases, 18 and 8 per cent respectively. Shipping and pipelines increased by more than 10 per cent. Railways, with a 7 per cent advance accounted for about two-fifths of the gain in transportation.

Wholesale and retail trade each showed a 4 per cent gain over 1962. Expansion was widespread at the retail level, with a particularly strong gain in farm implement dealer sales. Motor vehicle dealers and garages and filling stations were also among the more rapidly expanding components.

Public administration and defence showed little change in 1963, as a result of expansion in the provincial component being offset by declines in the other two components. The remaining service-producing industry groups increased at rates slightly above their long-term trends.

FOURTH QUARTER 1963 REVIEW

Major Developments

The Gross National Product in the fourth quarter rose sharply to a record seasonally adjusted annual rate of \$44.3 billion, 3 per cent above the previous quarter. This advance was one of the sharpest in the past three years of expansion and resulted in an increase in output of \$1.3 billion. With prices rising by about one half of one per cent the major part of the gain was in real terms. The surge of economic activity recorded by the GNP was supported by an increase of 4½ per cent in the index of industrial production.

The expansionary force experienced in the quarter was particularly notable in the seasonally adjusted value of exports of goods, business fixed capital formation, and consumer spending. Total exports at an annual rate of \$9.7 billion after seasonal adjustment, were unusually high, due primarily to heavy wheat shipments in the wake of the contract signed with the Soviet Union in September; this fact coupled with some slowing down in the rate at which imports were expanding caused the deficit on current account with non-residents to contract to one of the lowest seasonally adjusted annual rates since second quarter 1955. Investment in new housing which was stimulated by new federal government legislation and renewed direct lending by CMHC, increased by 12 per cent; smaller gains also occurred in capital spending on non-residential construction and machinery and equipment. An above average increase was recorded in consumer spending for the second successive quarter, mainly due, in the final quarter, to the heavy purchasing of new cars.

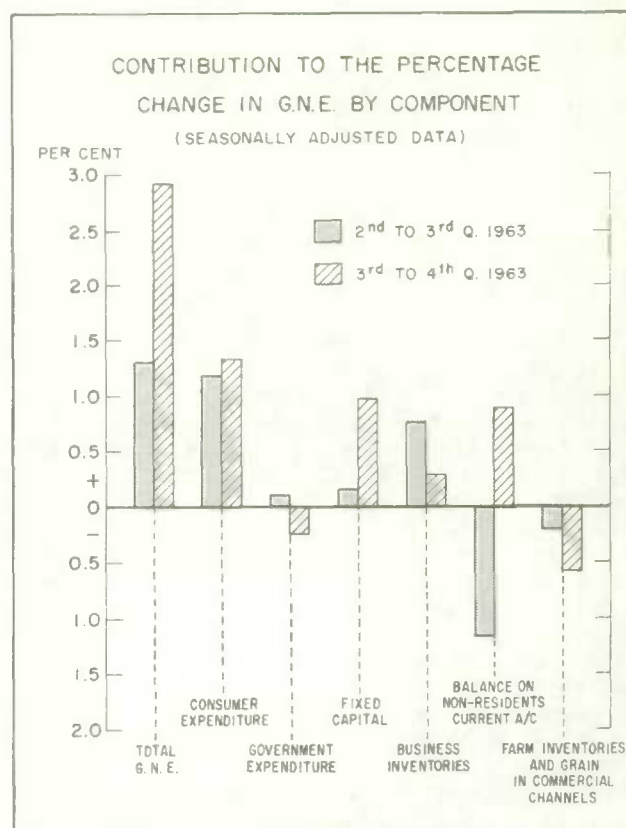
The build-up of inventories provided some stimulus to the expansion as the rate of accumulation increased. The only component offsetting the general pattern was government demand for goods and services, where a drop of 1 per cent occurred, mainly attributable to reductions in federal outlays.

National Income reflected the strength in demand with an increase of just over 3 per cent to an annual rate of \$33.6 billion, seasonally adjusted. This was achieved with increases in all income components; of particular importance was a 2½ per cent rise in labour income and a 7 per cent rise in corporation profits. Personal income equalled the rise in national income with an expansion diffused over all components.

The total of employed workers between the quarters rose by about 1 per cent after allowance for seasonal factors, a rate faster than the growth in the labour force, with a resultant drop in the unemployment rate from 5.3 per cent of the labour force at the end of the third quarter to 4.9 at the year-end.

Consumer Expenditure

The increase of 2 per cent to an annual rate of \$28.0 billion, in seasonally adjusted personal expenditure in the fourth quarter, was the second successive increase of this magnitude and accounted for close to half the rise in GNP. In contrast to the third quarter however, when non-durables goods provided the main impetus, durable goods and services exhibited larger relative growth in the fourth quarter. Much of the expansion came from a 12 per cent rise in purchases of automobiles, which accounted for one third of the increase in total personal expenditure; other durable goods purchased by persons showed moderate increases or were unchanged. Strength in services which rose by 2 per cent, centred on shelter, while the 1 per cent rise in non-durable goods purchased was due to increased expenditures of 1½ per cent on food and alcoholic beverages; clothing expenditures remained at the same level as in the previous quarter.



Business Gross Fixed Capital Formation

As noted in the annual review capital spending ended the year on a strong note, reaching a seasonally adjusted annual level of \$7.9 billion, 5½ per cent above the previous quarter. This gain, which was the sharpest quarterly increase in the current business expansion, was led by a very marked increase in housing construction although both non-residential building and engineering construction and producers' durable equipment outlays were higher. Construction activity was probably assisted by the generally optimistic business outlook, fewer labour stoppages in the industry than in the previous quarter, the favourable weather conditions in certain parts of the country and special legislation affecting the housing market in particular.

| <u>New residential construction</u> | <u>Non-residential construction</u> | <u>Machinery and equipment</u> | <u>Total</u> |
|---|---|------------------------------------|--------------|
|---|---|------------------------------------|--------------|

(Seasonally Adjusted)

1Q 1961 = 100 = trough in general business activity

| | | | | | |
|------|---|-------|-------|-------|-------|
| 1963 | 1 | 112.8 | 102.1 | 113.2 | 108.7 |
| | 2 | 119.4 | 109.6 | 114.0 | 113.4 |
| | 3 | 119.7 | 107.7 | 118.4 | 114.4 |
| | 4 | 133.9 | 111.0 | 123.5 | 120.7 |

Investment in housing reached a seasonally adjusted annual rate of \$1.9 billion in the fourth quarter. Special factors noted earlier raised the level of starts toward the year-end by 22 per cent to an annual rate of 176 thousand. The number of units under construction at the year-end suggests a high level of activity in the first quarter of 1964.

Non-residential construction was valued at an annual rate of \$2.9 billion in the final quarter, 3 per cent above the third quarter, while investment in machinery rose to over \$3.1 billion seasonally adjusted at annual rates, an increase of more than 4 per cent.

Non-farm Business Inventories

The stock accumulation which was resumed in the third quarter after little net change in inventories in the first half of the year continued at an accelerated pace. Investment in inventories at an annual rate of \$384 million took place mainly at the retail level, although some build-up occurred in both the manufacturing and wholesale industries.

In manufacturing, durable goods-producing industries, with the exception of the transportation equipment industry, depleted stocks, while some build-up took place in the non-durable producing industries especially in the food, clothing, tobacco and paper industries. By stage of manufacture, the accumulation occurred at the goods in process and finished goods level; raw material stocks were unchanged. The stock to shipments ratio continued the downward trend evident since the first quarter 1961.

At the retail trade level, the accumulation was due to the substantial build-up of stocks of motor vehicle dealers and food stores. There appears to have been little change in the stock-to-sales ratio at the total level.

Imports and Exports

The final quarter of the year saw the deficit in current account transactions fall to an annual rate of just below \$400 million, after allowance for seasonal influences, as the 7 per cent increase in export sales, attributable in large part to the previously noted exceptional wheat shipments, outpaced purchases from abroad, which rose by 2½ per cent. At annual rates the level of exports and imports in the fourth quarter reached \$9,652 million and \$10,044 million respectively.

The fourth quarter surplus on trade reached an annual rate of almost \$600 million after allowance for seasonal factors, with exports valued at \$7,596 million, 8 per cent higher than the previous quarter, and imports 3½ per cent higher at \$7,000 million. Of the increase in exports approximately three-quarters was due to wheat and wheat flour shipments, with increases also recorded in iron ore and copper. Exports to the United States rose by 4 per cent, while there was a slight decline in exports to the United Kingdom; the greatest increase emerged in trading with the U.S.S.R.

The deficit on services and non-merchandise transactions narrowed to \$988 million from \$1,052 million, mainly as a result of increased earnings on freight and shipping. Higher payments abroad of interest and dividends were largely offset by a reduction in payments on foreign travel account and miscellaneous payments. The level of both payments and receipts reached their high point for the year in the fourth quarter.

Government Sector

Seasonally adjusted, total expenditures of all governments rose by 1 per cent to a level of \$14,896 million in the fourth quarter, but the combined revenue rose by 3 per cent with the result that the total deficit dropped sharply from an annual rate of \$708 million in the third quarter to \$476 million in the fourth. Most of the drop was accounted for at the provincial-municipal level.

Expenditure on goods and services of all governments declined by 1 per cent with the largest decrease occurring at the federal level, reflecting declines in both non-defence and defence outlays. Provincial and municipal expenditure on highways and hospitals increased slightly but this was offset by the easing of construction of vocational schools, leaving the total virtually unchanged.

Reflecting primarily the increase from \$65 to \$75 per month in the Old Age Security pensions at the federal level, total transfer payments to persons rose by 4 per cent to an annual rate of \$3,908 millions.

On the revenue side, there was a substantial increase from taxes in the fourth quarter. Personal direct taxes for all levels of government increased by over 5 per cent in this period, mainly due to the 4.6 per cent rise in revenue from personal income taxes reflecting higher employment and incomes. At annual rates the federal government experienced a gain of \$92 million in personal income tax and the provincial governments a rise of \$24 million.

The combined total for indirect taxes rose by 2½ per cent in the fourth quarter, amounting to an annual rate of \$6,056 million after allowing for seasonal factors. The federal advance resulted principally from larger revenues from customs import duties and excise taxes, both affected by the continuing high level of imports. The increase at the provincial-municipal level included higher revenue from provincial gasoline and retail sales taxes.

National Income

Discounting seasonal factors, labour income advanced by 2½ per cent between the third and fourth quarters to a level of \$22.2 billion at annual rates. This was one of the largest quarter to quarter increases of recent years, and, in contrast to the five preceding quarters, the increases were concentrated in the goods-producing industries where the change was about 3½ per cent. Within the goods-producing industries the largest increases were in manufacturing, which increased by over 3½ per cent, and in construction, where a 4½ per cent gain was associated with the substantial rise in expenditures on new housing. Some upward movement in both average hours worked and average hourly earnings occurred in manufacturing between the third and fourth quarters.

The rise in corporation profits was particularly sharp in the final quarter of the year and at an annual rate of \$4.1 billion was 7 per cent above the previous quarter. At the time of writing no industry detail is available for the fourth quarter, but such a rise is not out of line with increased output and reasonably stable costs.

Accrued net income of farm operators in the fourth quarter of 1963 was at an annual rate of \$1.9 billion, 12 per cent higher than the third quarter rate. Most of the change is accounted for by the sharp increase in the profits of the Canadian Wheat Board, reflecting the very high level of export sales during the quarter and increased livestock production, especially cattle and calves.

Production by Industry

Real gross domestic product at factor cost, adjusted for seasonal variation, increased by 3½ per cent between the third and fourth quarters, while gross national product at market prices expressed in constant dollars advanced by somewhat less.⁽¹⁾

(1) See Appendix D pp. 135-144, of D.B.S. occasional Paper 61-505, for a detailed description of the conceptual and statistical differences between these two measures of aggregate production.

The main strength in real domestic product during the fourth quarter came from a $4\frac{1}{2}$ per cent increase in the output of the goods-producing industries which accounted for about 60 per cent of the gain in aggregate production. The goods-producing industries less agriculture increased by nearly 5 per cent.

Within the goods-producing area all industry divisions advanced during the fourth quarter except fishing and trapping. Construction, with a better than 6 per cent increase, almost attained its 1958 peak levels, while forestry also showed a strong gain.

The remaining goods-producing industries form the major part of the monthly Index of Industrial Production, which recorded one of its largest quarterly gains in recent years during the last three months of 1963, when output advanced by $4\frac{1}{2}$ per cent. The gain was particularly notable occurring as it did almost three years after the current expansion began early in 1961. All three major divisions of the index expanded at about equal rates, with mining up by over $4\frac{1}{2}$ per cent, manufacturing by almost $4\frac{1}{2}$ per cent and utilities by over 5 per cent. The current strength in manufacturing was much more apparent in durables than in non-durables, the former being higher by more than 6 per cent and the latter by under 3 per cent. The motor vehicle industry and iron and steel products industries were largely responsible for the substantial gain in durable manufacturing.

While metal mining was lower in 1963 than in the previous year, it showed considerable strength in the last quarter, particularly in the iron-ore, copper and nickel components. Both non-metals and fuels were up by about 4 per cent.

The three per cent increase in the output of the service producing industries was the largest quarterly gain shown by this industry group since the beginning of the current expansion. With the exception of public administration and defence, which showed no change during the fourth quarter, all major industry groups participated in this growth.

Transportation and trade each accounted for over one-third of the total increase in service industry output, while electric power and gas utilities were responsible for another 13 per cent of the total gain. The output of the storage industry increased by 10 per cent in the fourth quarter due almost entirely to increased handling operations at grain elevators. Several components of the transportation industry, which registered a 7 per cent increase in total, were substantially affected by increased shipments of grain in the fourth quarter. Of the 3 per cent gain in trade, the largest part was attributable to retail trade, with the biggest single influence being exerted by motor vehicle dealers.

TABLES UNADJUSTED FOR SEASONAL VARIATION

TABLE 1. National Income and Gross National Product, by Quarters, 1959-63
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|--|---------|---------|---------|---------|----------|---------|---------|---------|---------|----------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Wages, salaries, and supplementary labour income | 4,118 | 4,362 | 4,495 | 4,484 | 17,459 | 4,342 | 4,565 | 4,719 | 4,619 | 18,245 |
| 2 | Military pay and allowances | 118 | 129 | 127 | 122 | 496 | 119 | 129 | 127 | 134 | 509 |
| 3 | Corporation profits before taxes | 697 | 959 | 929 | 919 | 3,504 | 751 | 910 | 877 | 800 | 3,338 |
| 4 | Deduct: Dividends paid to non-residents(1) | -106 | -105 | -116 | -174 | -501 | -102 | -106 | -115 | -135 | -458 |
| 5 | Rent, interest and miscellaneous investment income | 560 | 548 | 584 | 623 | 2,315 | 610 | 605 | 604 | 651 | 2,470 |
| 6 | Accrued net income of farm operators from farm production(2) | 18 | 122 | 912 | 69 | 1,121 | 27 | 82 | 984 | 93 | 1,186 |
| 7 | Net income of non-farm unincorporated business(3) | 459 | 568 | 556 | 627 | 2,210 | 446 | 555 | 522 | 690 | 2,213 |
| 8 | Inventory valuation adjustment(4) | -28 | -53 | -16 | -25 | -122 | -37 | -46 | 15 | -2 | -70 |
| 9 | NET NATIONAL INCOME AT FACTOR COST ... | 5,836 | 6,530 | 7,471 | 6,645 | 26,482 | 6,156 | 6,694 | 7,733 | 6,850 | 27,433 |
| 10 | Indirect taxes less subsidies | 1,001 | 1,074 | 1,098 | 1,086 | 4,259 | 1,087 | 1,140 | 1,109 | 1,134 | 4,470 |
| 11 | Capital consumption allowances and miscellaneous valuation adjustments | 963 | 1,052 | 1,087 | 1,102 | 4,204 | 1,074 | 1,128 | 1,125 | 1,096 | 4,423 |
| 12 | Residual error of estimate | -91 | -105 | 56 | 110 | -30 | -41 | -192 | 78 | 116 | -39 |
| 13 | GROSS NATIONAL PRODUCT AT MARKET PRICES | 7,709 | 8,551 | 9,712 | 8,943 | 34,915 | 8,276 | 8,770 | 10,045 | 9,196 | 36,287 |
| 14 | (Gross national product at market prices excluding accrued net income of farm operators) | (7,691) | (8,429) | (8,800) | (8,874) | (33,794) | (8,249) | (8,688) | (9,061) | (9,103) | (35,101) |

(1) Includes the withholding tax applicable to this item.

(2) Includes change in farm inventories as shown in line 11, Table 4. An adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board.

TABLE 2. Gross National Expenditure, by Quarters, 1959-63
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Personal expenditure on consumer goods and services | 5,218 | 5,617 | 5,556 | 6,200 | 22,591 | 5,423 | 5,888 | 5,780 | 6,449 | 23,540 |
| 2 | Government expenditure on goods and services(1, 2) | 1,475 | 1,533 | 1,819 | 1,663 | 6,490 | 1,527 | 1,524 | 1,970 | 1,748 | 6,769 |
| 3 | Business gross fixed capital formation(3) | 1,329 | 1,875 | 1,927 | 1,763 | 6,894 | 1,429 | 1,767 | 1,812 | 1,684 | 6,692 |
| 4 | New residential construction | 343 | 449 | 466 | 476 | 1,734 | 309 | 357 | 391 | 386 | 1,443 |
| 5 | New non-residential construction ... | 451 | 651 | 794 | 693 | 2,589 | 479 | 623 | 791 | 684 | 2,577 |
| 6 | New machinery and equipment | 535 | 775 | 667 | 594 | 2,571 | 641 | 787 | 630 | 614 | 2,672 |
| 7 | Value of physical change in inventories(4) | 11 | -134 | 774 | -294 | 357 | 162 | -138 | 668 | -282 | 410 |
| 8 | Non-farm business inventories | 285 | -30 | 101 | 65 | 421 | 410 | -45 | -102 | 62 | 325 |
| 9 | Farm inventories and grain in commercial channels | -274 | -104 | 673 | -359 | -64 | -248 | -93 | 770 | -344 | 85 |
| 10 | Exports of goods and services | 1,346 | 1,731 | 1,783 | 1,823 | 6,683 | 1,597 | 1,708 | 1,925 | 1,778 | 7,008 |
| 11 | Deduct: Imports of goods and services | -1,761 | -2,177 | -2,091 | -2,102 | -8,131 | -1,903 | -2,171 | -2,033 | -2,065 | -8,172 |
| 12 | Residual error of estimate | 91 | 106 | -56 | -110 | 31 | 41 | 192 | -77 | -116 | 40 |
| 13 | GROSS NATIONAL EXPENDITURE AT MARKET PRICES | 7,709 | 8,551 | 9,712 | 8,943 | 34,915 | 8,276 | 8,770 | 10,045 | 9,196 | 36,287 |

(1) Includes outlays on new durable assets such as building and highway construction by governments, other than government business enterprises. Also includes net purchases of government commodity agencies.

(2) For details of defence expenditures see line 3, Table 6.

(3) Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals and business investors.

TABLE 1. National Income and Gross National Product, by Quarters, 1959-63
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|---------|---------|---------|---------|----------|---------|---------|----------|----------|----------|---------|----------|----------|----------|----------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 4,448 | 4,730 | 4,936 | 4,875 | 18,989 | 4,747 | 5,048 | 5,231 | 5,157 | 20,183 | 5,058 | 5,359 | 5,567 | 5,566 | 21,550 | 1 |
| 129 | 140 | 137 | 144 | 550 | 147 | 152 | 145 | 142 | 586 | 136 | 157 | 148 | 157 | 598 | 2 |
| 609 | 909 | 926 | 956 | 3,400 | 733 | 998 | 939 | 970 | 3,640 | 788 | 1,068 | 998 | 1,066 | 3,920 | 3 |
| -164 | -122 | -128 | -172 | -586 | -128 | -148 | -116 | -178 | -570 | -145 | -118 | -121 | -209 | -593 | 4 |
| 613 | 617 | 685 | 736 | 2,651 | 664 | 676 | 683 | 786 | 2,809 | 709 | 736 | 762 | 818 | 3,025 | 5 |
| 87 | 136 | 674 | 112 | 1,009 | 65 | 133 | 1,207 | 141 | 1,546 | 60 | 147 | 1,384 | 195 | 1,786 | 6 |
| 447 | 569 | 558 | 700 | 2,274 | 496 | 605 | 566 | 687 | 2,354 | 514 | 614 | 594 | 729 | 2,451 | 7 |
| -8 | -13 | -42 | -28 | -91 | -42 | -43 | -46 | -2 | -133 | -28 | -75 | -44 | -37 | -184 | 8 |
| 6,161 | 6,966 | 7,746 | 7,323 | 28,196 | 6,682 | 7,421 | 8,609 | 7,703 | 30,415 | 7,092 | 7,888 | 9,288 | 8,285 | 32,553 | 9 |
| 1,121 | 1,179 | 1,156 | 1,255 | 4,711 | 1,252 | 1,319 | 1,372 | 1,334 | 5,277 | 1,359 | 1,338 | 1,412 | 1,456 | 5,565 | 10 |
| 1,082 | 1,144 | 1,160 | 1,188 | 4,574 | 1,134 | 1,226 | 1,227 | 1,278 | 4,865 | 1,196 | 1,281 | 1,277 | 1,370 | 5,124 | 11 |
| -59 | -130 | 56 | 43 | -90 | -149 | -198 | 87 | 42 | -218 | -157 | -155 | 59 | 18 | -235 | 12 |
| 8,305 | 9,159 | 10,118 | 9,809 | 37,391 | 8,919 | 9,768 | 11,295 | 10,357 | 40,339 | 9,490 | 10,352 | 12,036 | 11,129 | 43,007 | 13 |
| (8,218) | (9,023) | (9,444) | (9,697) | (36,382) | (8,854) | (9,635) | (10,088) | (10,216) | (38,793) | (9,430) | (10,205) | (10,652) | (10,934) | (41,221) | 14 |

(3) Includes net income of independent professional practitioners.

(4) See footnote 4, Table 2.

TABLE 2. Gross National Expenditure, by Quarters, 1959-63
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 5,612 | 6,099 | 6,044 | 6,696 | 24,451 | 6,002 | 6,437 | 6,257 | 7,043 | 25,739 | 6,307 | 6,779 | 6,647 | 7,497 | 27,230 | 1 |
| 1,648 | 1,647 | 2,062 | 1,902 | 7,259 | 1,740 | 1,859 | 2,152 | 1,958 | 7,709 | 1,843 | 1,921 | 2,257 | 2,055 | 8,076 | 2 |
| 1,336 | 1,704 | 1,856 | 1,739 | 6,635 | 1,405 | 1,801 | 1,926 | 1,828 | 6,960 | 1,460 | 1,930 | 2,053 | 2,052 | 7,495 | 3 |
| 269 | 365 | 421 | 403 | 1,458 | 293 | 392 | 457 | 435 | 1,577 | 298 | 413 | 477 | 517 | 1,705 | 4 |
| 479 | 634 | 826 | 744 | 2,683 | 512 | 638 | 778 | 710 | 2,638 | 502 | 686 | 836 | 787 | 2,811 | 5 |
| 588 | 705 | 609 | 592 | 2,494 | 600 | 771 | 691 | 683 | 2,745 | 660 | 831 | 740 | 748 | 2,979 | 6 |
| -29 | -125 | 256 | -234 | -132 | -58 | -174 | 1,079 | -325 | 522 | -51 | -247 | 1,122 | -365 | 459 | 7 |
| 199 | -13 | -96 | 188 | 278 | 187 | -46 | 118 | 42 | 301 | 188 | -161 | 9 | 130 | 166 | 8 |
| -228 | -112 | 352 | -422 | -410 | -245 | -128 | 961 | -367 | 221 | -239 | -86 | 1,113 | -495 | 293 | 9 |
| 1,587 | 1,874 | 2,127 | 2,043 | 7,631 | 1,728 | 2,072 | 2,246 | 2,178 | 8,224 | 1,844 | 2,251 | 2,457 | 2,502 | 9,054 | 10 |
| -1,908 | -2,170 | -2,171 | -2,293 | -8,542 | -2,047 | -2,425 | -2,278 | -2,283 | -9,033 | -2,071 | -2,436 | -2,442 | -2,593 | -9,542 | 11 |
| 59 | 130 | -56 | -44 | 89 | 149 | 198 | -87 | -42 | 218 | 158 | 154 | -58 | -19 | 235 | 12 |
| 8,305 | 9,159 | 10,118 | 9,809 | 37,391 | 8,919 | 9,768 | 11,295 | 10,357 | 40,339 | 9,490 | 10,352 | 12,036 | 11,129 | 43,007 | 13 |

(9) The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment. (See line 8, Table 1).

TABLE 3. Sources of Personal Income, by Quarters, 1959-63
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|--|-------|-------|-------|-------|--------|-------|-------|-------|-------|--------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Wages, salaries, and supplementary labour income | 4,118 | 4,362 | 4,495 | 4,484 | 17,459 | 4,342 | 4,565 | 4,719 | 4,619 | 18,245 |
| 2 | Deduct: Employer and employee contributions to social insurance and government pension funds | -158 | -152 | -162 | -180 | -652 | -190 | -169 | -195 | -197 | -751 |
| 3 | Military pay and allowances | 118 | 129 | 127 | 122 | 496 | 119 | 129 | 127 | 134 | 509 |
| 4 | Net income received by farm operators from farm production(1) | 37 | 146 | 898 | 45 | 1,126 | 44 | 86 | 973 | 74 | 1,177 |
| 5 | Net income of non-farm unincorporated business | 459 | 568 | 556 | 627 | 2,210 | 446 | 555 | 522 | 690 | 2,213 |
| 6 | Interest, dividends and net rental income of persons(2) | 589 | 649 | 652 | 709 | 2,599 | 713 | 732 | 708 | 729 | 2,882 |
| | Transfer payments to persons: | | | | | | | | | | |
| 7 | From government (excluding interest) | 793 | 696 | 618 | 648 | 2,755 | 898 | 758 | 714 | 750 | 3,120 |
| 8 | Charitable contributions by corporations | 9 | 12 | 11 | 11 | 43 | 10 | 10 | 10 | 10 | 40 |
| 9 | PERSONAL INCOME | 5,965 | 6,410 | 7,195 | 6,466 | 26,036 | 6,382 | 6,666 | 7,578 | 6,809 | 27,435 |

(1) This item differs from line 6 of Table 1, by excluding the adjustment which has been made to take account of the amount net earnings arising out of the operations of the Canadian Wheat Board.

(2) Includes all government debt interest paid to persons.

TABLE 4. Disposition of Personal Income, by Quarters, 1959-63
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|--|---------|---------|---------|---------|----------|---------|---------|---------|---------|----------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Personal direct taxes | 479 | 529 | 527 | 553 | 2,088 | 556 | 640 | 578 | 586 | 2,360 |
| 2 | Income taxes | 375 | 444 | 454 | 471 | 1,744 | 429 | 551 | 500 | 499 | 1,979 |
| 3 | Succession duties and estate taxes .. | 35 | 30 | 31 | 34 | 130 | 49 | 38 | 32 | 39 | 158 |
| 4 | Miscellaneous | 69 | 55 | 42 | 48 | 214 | 78 | 51 | 46 | 48 | 223 |
| 5 | Personal expenditure on consumer goods and services | 5,218 | 5,617 | 5,556 | 6,200 | 22,591 | 5,423 | 5,888 | 5,780 | 6,449 | 23,540 |
| 6 | Non-durable goods | 2,565 | 2,703 | 2,790 | 3,315 | 11,373 | 2,653 | 2,842 | 2,913 | 3,405 | 11,813 |
| 7 | Durable goods | 586 | 772 | 625 | 695 | 2,678 | 582 | 754 | 599 | 729 | 2,664 |
| 8 | Services(1) | 2,067 | 2,142 | 2,141 | 2,190 | 8,540 | 2,188 | 2,292 | 2,268 | 2,315 | 9,063 |
| 9 | Personal net saving | 268 | 264 | 1,112 | -287 | 1,357 | 403 | 138 | 1,220 | -226 | 1,535 |
| 10 | Personal saving excluding change in farm inventories | 519 | 347 | 482 | 85 | 1,433 | 597 | 256 | 528 | 138 | 1,519 |
| 11 | Value of physical change in farm inventories | -251 | -83 | 630 | -372 | -76 | -194 | -118 | 692 | -364 | 16 |
| 12 | PERSONAL INCOME | 5,965 | 6,410 | 7,195 | 6,466 | 26,036 | 6,382 | 6,666 | 7,578 | 6,809 | 27,435 |
| 13 | (Personal disposable income)(2) | (5,486) | (5,881) | (6,668) | (5,913) | (23,948) | (5,826) | (6,026) | (7,000) | (6,223) | (25,075) |

(1) Includes net expenditure abroad.

(2) Personal Income less Total Personal Direct Taxes.

TABLE 3. Sources of Personal Income, by Quarters, 1959-63
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|-------|-------|-------|-------|--------|-------|-------|-------|-------|--------|-------|-------|-------|-------|--------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 4,448 | 4,730 | 4,936 | 4,875 | 18,989 | 4,747 | 5,048 | 5,231 | 5,157 | 20,183 | 5,058 | 5,359 | 5,567 | 5,566 | 21,550 | 1 |
| -197 | -189 | -201 | -200 | -787 | -200 | -195 | -207 | -209 | -811 | -207 | -202 | -213 | -216 | -838 | 2 |
| 129 | 140 | 137 | 144 | 550 | 147 | 152 | 145 | 142 | 586 | 136 | 157 | 148 | 157 | 598 | 3 |
| 107 | 115 | 659 | 97 | 978 | 35 | 231 | 1,163 | 112 | 1,541 | 32 | 200 | 1,327 | 91 | 1,650 | 4 |
| 447 | 569 | 558 | 700 | 2,274 | 496 | 605 | 566 | 687 | 2,354 | 514 | 614 | 594 | 729 | 2,451 | 5 |
| 713 | 750 | 746 | 815 | 3,024 | 768 | 811 | 799 | 866 | 3,244 | 831 | 880 | 853 | 923 | 3,487 | 6 |
| 988 | 846 | 776 | 815 | 3,425 | 1,080 | 898 | 831 | 867 | 3,676 | 1,092 | 936 | 875 | 926 | 3,829 | 7 |
| 10 | 10 | 10 | 10 | 40 | 11 | 11 | 11 | 11 | 44 | 11 | 11 | 11 | 11 | 44 | 8 |
| 6,645 | 6,971 | 7,621 | 7,256 | 28,493 | 7,084 | 7,561 | 8,539 | 7,633 | 30,817 | 7,467 | 7,955 | 9,162 | 8,187 | 32,771 | 9 |

TABLE 4. Disposition of Personal Income, by Quarters, 1959-63
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|---------|---------|---------|---------|----------|---------|---------|---------|---------|----------|---------|---------|---------|---------|----------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 571 | 676 | 632 | 634 | 2,513 | 626 | 718 | 676 | 700 | 2,720 | 682 | 742 | 720 | 766 | 2,910 | 1 |
| 454 | 586 | 545 | 546 | 2,131 | 498 | 627 | 587 | 599 | 2,311 | 556 | 646 | 628 | 657 | 2,487 | 2 |
| 36 | 35 | 37 | 36 | 144 | 42 | 40 | 43 | 41 | 166 | 36 | 41 | 44 | 50 | 171 | 3 |
| 81 | 55 | 50 | 52 | 238 | 86 | 51 | 46 | 60 | 243 | 90 | 55 | 48 | 59 | 252 | 4 |
| 5,612 | 6,099 | 6,044 | 6,696 | 24,451 | 6,002 | 6,437 | 6,257 | 7,043 | 25,739 | 6,307 | 6,779 | 6,647 | 7,497 | 27,230 | 5 |
| 2,732 | 2,936 | 3,013 | 3,490 | 12,171 | 2,924 | 3,072 | 3,177 | 3,666 | 12,839 | 3,051 | 3,184 | 3,337 | 3,807 | 13,379 | 6 |
| 556 | 750 | 648 | 762 | 2,716 | 641 | 830 | 625 | 834 | 2,930 | 673 | 905 | 683 | 946 | 3,207 | 7 |
| 2,324 | 2,413 | 2,383 | 2,444 | 9,564 | 2,437 | 2,535 | 2,455 | 2,543 | 9,970 | 2,583 | 2,690 | 2,627 | 2,744 | 10,644 | 8 |
| 462 | 196 | 945 | -74 | 1,529 | 456 | 406 | 1,606 | -110 | 2,358 | 478 | 434 | 1,795 | -76 | 2,631 | 9 |
| 655 | 266 | 603 | 284 | 1,808 | 630 | 436 | 762 | 353 | 2,181 | 697 | 484 | 764 | 373 | 2,318 | 10 |
| -193 | -70 | 342 | -358 | -279 | -174 | -30 | 844 | -463 | 177 | -219 | -50 | 1,031 | -449 | 313 | 11 |
| 6,645 | 6,971 | 7,621 | 7,256 | 28,493 | 7,084 | 7,561 | 8,539 | 7,633 | 30,817 | 7,467 | 7,955 | 9,162 | 8,187 | 32,771 | 12 |
| (6,074) | (6,295) | (6,989) | (6,622) | (25,980) | (6,458) | (6,843) | (7,863) | (6,933) | (28,097) | (6,785) | (7,213) | (8,442) | (7,421) | (29,861) | 13 |

TABLE 5. Government Revenue, by Quarters, 1959-63
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|--|-------|-------|-------|-------|---------|-------|-------|-------|-------|---------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Direct taxes - Persons | 479 | 529 | 527 | 553 | 2,088 | 556 | 640 | 578 | 586 | 2,360 |
| 2 | Federal | 385 | 452 | 457 | 476 | 1,770 | 447 | 557 | 506 | 507 | 2,017 |
| 3 | Provincial and municipal | 94 | 77 | 70 | 77 | 318 | 109 | 83 | 72 | 79 | 343 |
| 4 | Direct taxes - Corporations | 323 | 437 | 414 | 407 | 1,581 | 349 | 425 | 401 | 369 | 1,544 |
| 5 | Federal | 268 | 362 | 343 | 337 | 1,310 | 286 | 348 | 329 | 303 | 1,266 |
| 6 | (Federal tax collections) | (259) | (314) | (300) | (294) | (1,167) | (302) | (400) | (360) | (302) | (1,364) |
| 7 | Provincial | 55 | 75 | 71 | 70 | 271 | 63 | 77 | 72 | 66 | 278 |
| 8 | (Provincial tax collections) | (68) | (66) | (63) | (61) | (258) | (81) | (79) | (81) | (61) | (302) |
| | Withholding taxes: | | | | | | | | | | |
| 9 | Federal(1) | 19 | 16 | 18 | 21 | 74 | 19 | 19 | 17 | 24 | 79 |
| 10 | Indirect taxes | 1,042 | 1,125 | 1,153 | 1,144 | 4,464 | 1,137 | 1,197 | 1,175 | 1,196 | 4,705 |
| 11 | Federal | 456 | 546 | 556 | 567 | 2,125 | 502 | 570 | 540 | 568 | 2,180 |
| 12 | Provincial and municipal | 586 | 579 | 597 | 577 | 2,339 | 635 | 627 | 635 | 628 | 2,525 |
| 13 | Investment income | 215 | 239 | 238 | 306 | 998 | 236 | 256 | 250 | 321 | 1,063 |
| 14 | Federal | 67 | 83 | 80 | 120 | 350 | 76 | 95 | 81 | 130 | 382 |
| 15 | Provincial and municipal | 148 | 156 | 158 | 186 | 648 | 160 | 161 | 169 | 191 | 681 |
| 16 | Employer and employee contributions to social insurance and government pension funds | 158 | 152 | 162 | 180 | 652 | 190 | 169 | 195 | 197 | 751 |
| 17 | Federal | 102 | 93 | 101 | 118 | 414 | 128 | 104 | 127 | 128 | 487 |
| 18 | Provincial and municipal | 56 | 59 | 61 | 62 | 238 | 62 | 65 | 68 | 69 | 264 |
| | Transfers from Federal: | | | | | | | | | | |
| 19 | Provincial and municipal | 201 | 210 | 233 | 236 | 880 | 251 | 247 | 242 | 254 | 994 |
| 20 | TOTAL REVENUE | 2,437 | 2,708 | 2,745 | 2,847 | 10,737 | 2,738 | 2,953 | 2,858 | 2,947 | 11,496 |
| 21 | FEDERAL | 1,297 | 1,552 | 1,555 | 1,639 | 6,043 | 1,458 | 1,693 | 1,600 | 1,660 | 6,411 |
| 22 | PROVINCIAL and MUNICIPAL | 1,140 | 1,156 | 1,190 | 1,208 | 4,694 | 1,280 | 1,260 | 1,258 | 1,287 | 5,085 |

(1) Beginning in 1962, the withholding tax series has been adjusted to conform more closely with the flow of interest and dividends to non-residents.

TABLE 5. Government Revenue, by Quarters, 1959-63
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|-------|-------|-------|-------|---------|-------|-------|-------|-------|---------|-------|-------|-------|-------|---------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 571 | 676 | 632 | 634 | 2,513 | 626 | 718 | 676 | 700 | 2,720 | 682 | 742 | 720 | 766 | 2,910 | 1 |
| 461 | 582 | 543 | 546 | 2,132 | 468 | 563 | 526 | 531 | 2,088 | 488 | 572 | 555 | 578 | 2,193 | 2 |
| 110 | 94 | 89 | 88 | 381 | 158 | 155 | 150 | 169 | 632 | 194 | 170 | 165 | 188 | 717 | 3 |
| 305 | 411 | 441 | 443 | 1,600 | 368 | 457 | 430 | 445 | 1,700 | 388 | 484 | 454 | 484 | 1,810 | 4 |
| 248 | 334 | 358 | 360 | 1,300 | 275 | 341 | 321 | 333 | 1,270 | 290 | 361 | 339 | 363 | 1,353 | 5 |
| (297) | (360) | (314) | (296) | (1,267) | (317) | (367) | (322) | (288) | (1,294) | (305) | (373) | (338) | (312) | (1,328) | 6 |
| 57 | 77 | 83 | 83 | 300 | 93 | 116 | 109 | 112 | 430 | 98 | 123 | 115 | 121 | 457 | 7 |
| (77) | (74) | (70) | (63) | (284) | (91) | (79) | (100) | (91) | (361) | (110) | (107) | (129) | (101) | (447) | 8 |
| 30 | 27 | 24 | 35 | 116 | 26 | 35 | 23 | 41 | 125 | 31 | 30 | 24 | 43 | 128 | 9 |
| 1,166 | 1,230 | 1,253 | 1,316 | 4,965 | 1,312 | 1,385 | 1,434 | 1,432 | 5,563 | 1,416 | 1,428 | 1,495 | 1,539 | 5,878 | 10 |
| 496 | 553 | 555 | 586 | 2,190 | 528 | 596 | 635 | 642 | 2,401 | 551 | 592 | 621 | 686 | 2,450 | 11 |
| 670 | 677 | 698 | 730 | 2,775 | 784 | 789 | 799 | 790 | 3,162 | 865 | 836 | 874 | 853 | 3,428 | 12 |
| 240 | 258 | 290 | 346 | 1,134 | 274 | 295 | 284 | 387 | 1,240 | 295 | 337 | 330 | 371 | 1,333 | 13 |
| 73 | 87 | 116 | 133 | 409 | 78 | 111 | 92 | 169 | 450 | 92 | 138 | 133 | 134 | 497 | 14 |
| 167 | 171 | 174 | 213 | 725 | 196 | 184 | 192 | 218 | 790 | 203 | 199 | 197 | 237 | 836 | 15 |
| 197 | 189 | 201 | 200 | 787 | 200 | 195 | 207 | 209 | 811 | 207 | 202 | 213 | 216 | 838 | 16 |
| 129 | 120 | 130 | 131 | 510 | 129 | 122 | 133 | 134 | 518 | 134 | 126 | 136 | 137 | 533 | 17 |
| 68 | 69 | 71 | 69 | 277 | 71 | 73 | 74 | 75 | 293 | 73 | 76 | 77 | 79 | 305 | 18 |
| 260 | 298 | 283 | 287 | 1,128 | 299 | 257 | 277 | 301 | 1,134 | 303 | 309 | 264 | 289 | 1,165 | 19 |
| 2,769 | 3,089 | 3,124 | 3,261 | 12,243 | 3,105 | 3,342 | 3,331 | 3,515 | 13,293 | 3,322 | 3,532 | 3,500 | 3,708 | 14,062 | 20 |
| 1,437 | 1,703 | 1,726 | 1,791 | 6,657 | 1,504 | 1,768 | 1,730 | 1,850 | 6,852 | 1,586 | 1,819 | 1,808 | 1,941 | 7,154 | 21 |
| 1,332 | 1,386 | 1,398 | 1,470 | 5,586 | 1,601 | 1,574 | 1,601 | 1,665 | 6,441 | 1,736 | 1,713 | 1,692 | 1,767 | 6,908 | 22 |

TABLE 6. Government Expenditure, by Quarters, 1959-61
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|--|-------|-------|-------|-------|---------|-------|-------|-------|-------|---------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Goods and services | 1,475 | 1,533 | 1,819 | 1,663 | 6,490 | 1,527 | 1,524 | 1,970 | 1,748 | 6,769 |
| 2 | Federal | 712 | 711 | 725 | 684 | 2,832 | 671 | 634 | 733 | 692 | 2,730 |
| 3 | (Defence) | (457) | (356) | (370) | (376) | (1,559) | (433) | (336) | (387) | (390) | (1,546) |
| 4 | Provincial and municipal | 763 | 822 | 1,094 | 979 | 3,658 | 856 | 890 | 1,237 | 1,056 | 4,039 |
| 5 | Transfer payments to persons (excluding interest on the public debt) | 793 | 696 | 618 | 648 | 2,755 | 898 | 758 | 714 | 750 | 3,120 |
| 6 | Federal | 538 | 460 | 384 | 409 | 1,791 | 579 | 491 | 435 | 471 | 1,976 |
| 7 | Provincial and municipal | 255 | 236 | 234 | 239 | 964 | 319 | 267 | 279 | 279 | 1,144 |
| 8 | Interest on the public debt | 171 | 265 | 235 | 292 | 963 | 249 | 291 | 264 | 291 | 1,095 |
| 9 | Federal(2) | 117 | 178 | 180 | 203 | 678 | 179 | 191 | 199 | 184 | 753 |
| 10 | Provincial and municipal | 54 | 87 | 55 | 89 | 285 | 70 | 100 | 65 | 107 | 342 |
| 11 | Subsidies | 41 | 51 | 55 | 58 | 205 | 50 | 57 | 66 | 62 | 215 |
| 12 | Federal | 40 | 49 | 48 | 52 | 189 | 48 | 53 | 54 | 54 | 209 |
| 13 | Provincial | 1 | 2 | 7 | 6 | 16 | 2 | 4 | 12 | 8 | 26 |
| | Transfers to other levels of government: | | | | | | | | | | |
| 14 | Federal | 201 | 210 | 233 | 236 | 880 | 251 | 247 | 242 | 254 | 994 |
| 15 | Total expenditure | 2,681 | 2,755 | 2,960 | 2,897 | 11,293 | 2,975 | 2,877 | 3,256 | 3,105 | 12,213 |
| 16 | Federal | 1,608 | 1,608 | 1,570 | 1,584 | 6,370 | 1,728 | 1,616 | 1,663 | 1,655 | 6,662 |
| 17 | Provincial and municipal | 1,073 | 1,147 | 1,390 | 1,313 | 4,923 | 1,247 | 1,261 | 1,593 | 1,450 | 5,551 |
| 18 | Deficit (-) or surplus (+) | -244 | -47 | -215 | -50 | -556 | -237 | 76 | -398 | -158 | -717 |
| 19 | Federal | -311 | -56 | -15 | 55 | -327 | -270 | 77 | -63 | 5 | -251 |
| 20 | Provincial and municipal | 67 | 9 | -200 | -105 | -229 | 33 | -1 | -335 | -163 | -466 |
| 21 | TOTAL EXPENDITURE MINUS DEFICIT OR PLUS SURPLUS | 2,437 | 2,708 | 2,745 | 2,847 | 10,737 | 2,738 | 2,953 | 2,858 | 2,947 | 11,496 |
| 22 | FEDERAL | 1,297 | 1,552 | 1,555 | 1,639 | 6,043 | 1,458 | 1,693 | 1,600 | 1,660 | 6,411 |
| 23 | PROVINCIAL AND MUNICIPAL | 1,140 | 1,156 | 1,190 | 1,208 | 4,694 | 1,280 | 1,260 | 1,258 | 1,287 | 5,085 |

(1) In this quarter the federal deficit is irregularly high by about \$75 million and the provincial - municipal surplus also correspondingly high as a consequence of the introduction of the new tax collection arrangements and the continuation in this quarter of transfer payments to the provinces under the former tax rental agreements.

TABLE 6. Government Expenditure, by Quarters, 1959-63
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|-------|-------|-------|-------|---------|---------|-------|-------|-------|---------|-------|-------|-------|-------|---------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 1,648 | 1,647 | 2,062 | 1,902 | 7,259 | 1,740 | 1,859 | 2,152 | 1,958 | 7,709 | 1,843 | 1,921 | 2,257 | 2,055 | 8,076 | 1 |
| 705 | 714 | 795 | 768 | 2,982 | 760 | 771 | 774 | 719 | 3,024 | 735 | 713 | 771 | 708 | 2,927 | 2 |
| (436) | (366) | (391) | (420) | (1,613) | (471) | (401) | (397) | (409) | (1,678) | (409) | (375) | (392) | (400) | (1,576) | 3 |
| 943 | 933 | 1,267 | 1,134 | 4,277 | 980 | 1,088 | 1,378 | 1,239 | 4,685 | 1,108 | 1,208 | 1,486 | 1,347 | 5,149 | 4 |
| 988 | 846 | 776 | 815 | 3,425 | 1,080 | 898 | 831 | 867 | 3,676 | 1,092 | 936 | 875 | 926 | 3,829 | 5 |
| 600 | 516 | 423 | 467 | 2,006 | 663 | 521 | 451 | 477 | 2,112 | 627 | 533 | 459 | 511 | 2,130 | 6 |
| 388 | 330 | 353 | 348 | 1,419 | 417 | 377 | 380 | 390 | 1,564 | 465 | 403 | 416 | 415 | 1,699 | 7 |
| 262 | 319 | 273 | 320 | 1,174 | 294 | 349 | 313 | 353 | 1,309 | 322 | 386 | 328 | 378 | 1,414 | 8 |
| 183 | 203 | 200 | 200 | 786 | 200 | 219 | 229 | 217 | 865 | 216 | 244 | 243 | 232 | 935 | 9 |
| 79 | 116 | 73 | 120 | 388 | 94 | 130 | 84 | 136 | 444 | 106 | 142 | 85 | 146 | 479 | 10 |
| 45 | 51 | 97 | 61 | 254 | 60 | 66 | 62 | 98 | 286 | 57 | 90 | 83 | 83 | 313 | 11 |
| 42 | 48 | 83 | 48 | 221 | 57 | 63 | 50 | 90 | 260 | 51 | 86 | 64 | 74 | 275 | 12 |
| 3 | 3 | 14 | 13 | 33 | 3 | 3 | 12 | 8 | 26 | 6 | 4 | 19 | 9 | 38 | 13 |
| 260 | 298 | 283 | 287 | 1,128 | 299 | 257 | 277 | 301 | 1,134 | 303 | 309 | 264 | 289 | 1,165 | 14 |
| 3,203 | 3,161 | 3,491 | 3,385 | 13,240 | 3,473 | 3,429 | 3,635 | 3,577 | 14,114 | 3,617 | 3,642 | 3,807 | 3,731 | 14,797 | 15 |
| 1,790 | 1,779 | 1,784 | 1,770 | 7,123 | 1,979 | 1,831 | 1,781 | 1,804 | 7,395 | 1,932 | 1,885 | 1,801 | 1,814 | 7,432 | 16 |
| 1,413 | 1,382 | 1,707 | 1,615 | 6,117 | 1,494 | 1,598 | 1,854 | 1,773 | 6,719 | 1,685 | 1,757 | 2,006 | 1,917 | 7,365 | 17 |
| -434 | -72 | -367 | -124 | -997 | -368 | -87 | -304 | -62 | -821 | -295 | -110 | -307 | -23 | -735 | 18 |
| -353 | -76 | -58 | 21 | -466 | -475(1) | -63 | -51 | 46 | -543 | -346 | -66 | 7 | 127 | -278 | 19 |
| -81 | 4 | -309 | -145 | -531 | 107(1) | -24 | -253 | -108 | -278 | 51 | -44 | -314 | -150 | -457 | 20 |
| 2,769 | 3,089 | 3,124 | 3,261 | 12,243 | 3,105 | 3,342 | 3,331 | 3,515 | 13,293 | 3,322 | 3,532 | 3,500 | 3,708 | 14,062 | 21 |
| 1,437 | 1,703 | 1,726 | 1,791 | 6,657 | 1,504 | 1,768 | 1,730 | 1,850 | 6,852 | 1,586 | 1,819 | 1,808 | 1,941 | 7,154 | 22 |
| 1,332 | 1,386 | 1,398 | 1,470 | 5,586 | 1,601 | 1,574 | 1,601 | 1,665 | 6,441 | 1,736 | 1,713 | 1,692 | 1,767 | 6,908 | 23 |

(2) From the first quarter of 1960, the annual and the quarterly series of the federal public debt are on an accrual basis; prior to this period they are on a "due-date" basis.

TABLE 7. Source of National Saving, by Quarters, 1959-63
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Personal net saving | 268 | 264 | 1,112 | -287 | 1,357 | 403 | 138 | 1,220 | -226 | 1,535 |
| 2 | Business gross saving | 1,111 | 1,342 | 1,400 | 1,332 | 5,185 | 1,238 | 1,382 | 1,380 | 1,269 | 5,269 |
| 3 | Undistributed corporation profits ... | 167 | 314 | 299 | 206 | 986 | 181 | 258 | 244 | 154 | 837 |
| 4 | Capital consumption allowances and miscellaneous valuation adjustments | 963 | 1,052 | 1,087 | 1,102 | 4,204 | 1,074 | 1,128 | 1,125 | 1,096 | 4,423 |
| 5 | Adjustment on grain transac- tions(1) | -19 | -24 | 14 | 24 | -5 | -17 | -4 | 11 | 19 | 9 |
| 6 | Inventory valuation adjustment | -28 | -53 | -16 | -25 | -122 | -37 | -46 | 15 | -2 | -70 |
| 7 | Government surplus (+) or deficit (-) | -244 | -47 | -215 | -50 | -556 | -237 | 76 | -398 | -158 | -717 |
| 8 | Residual error of estimate | -91 | -105 | 56 | 110 | -30 | -41 | -192 | 78 | 116 | -39 |
| 9 | Totals | 1,016 | 1,401 | 2,337 | 1,080 | 5,834 | 1,326 | 1,358 | 2,295 | 999 | 5,978 |

(1) This item is an adjustment to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. See also footnote 1, Table 3.

TABLE 8. Disposition of National Saving, by Quarters, 1959-63
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|---|-------|-------|-------|-------|--------|-------|-------|-------|-------|--------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Business gross fixed capital formation | 1,329 | 1,875 | 1,927 | 1,763 | 6,894 | 1,429 | 1,767 | 1,812 | 1,684 | 6,692 |
| 2 | New residential construction | 343 | 449 | 466 | 476 | 1,734 | 309 | 357 | 391 | 386 | 1,443 |
| 3 | New non-residential construction | 451 | 651 | 794 | 693 | 2,589 | 479 | 623 | 791 | 684 | 2,577 |
| 4 | New machinery and equipment | 535 | 775 | 667 | 594 | 2,571 | 641 | 787 | 630 | 614 | 2,672 |
| 5 | Value of physical change in inventories | 11 | -134 | 774 | -294 | 357 | 162 | -138 | 668 | -282 | 410 |
| 6 | Surplus (+) or deficit (-) on current account with non-residents | -415 | -446 | -308 | -279 | -1,448 | -306 | -463 | -108 | -287 | -1,164 |
| 7 | Residual error of estimate | 91 | 106 | -56 | -110 | 31 | 41 | 192 | -77 | -116 | 40 |
| 8 | Totals | 1,016 | 1,401 | 2,337 | 1,080 | 5,834 | 1,326 | 1,358 | 2,295 | 999 | 5,978 |

TABLE 7. Source of National Saving, by Quarters, 1959-63
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 462 | 196 | 945 | -74 | 1,529 | 456 | 406 | 1,606 | -110 | 2,358 | 478 | 434 | 1,795 | -76 | 2,631 | 1 |
| 1,084 | 1,432 | 1,420 | 1,394 | 5,330 | 1,280 | 1,394 | 1,543 | 1,488 | 5,705 | 1,342 | 1,558 | 1,629 | 1,695 | 6,224 | 2 |
| 22 | 267 | 245 | 191 | 725 | 116 | 266 | 272 | 181 | 835 | 118 | 330 | 295 | 221 | 964 | 3 |
| 1,082 | 1,144 | 1,160 | 1,188 | 4,574 | 1,134 | 1,226 | 1,227 | 1,278 | 4,865 | 1,196 | 1,281 | 1,277 | 1,370 | 5,124 | 4 |
| -20 | 21 | 15 | 15 | 31 | 30 | -98 | 44 | 29 | 5 | 28 | -53 | 57 | 104 | 136 | 5 |
| -8 | -13 | -42 | -28 | -91 | -42 | -43 | -46 | -2 | -133 | -28 | -75 | -44 | -37 | -184 | 6 |
| -434 | -72 | -367 | -124 | -997 | -368 | -87 | -304 | -62 | -821 | -295 | -110 | -307 | -23 | -735 | 7 |
| -59 | -130 | 56 | 43 | -90 | -149 | -198 | 87 | 42 | -218 | -157 | -155 | 59 | 18 | -235 | 8 |
| 1,045 | 1,413 | 2,012 | 1,211 | 5,681 | 1,177 | 1,472 | 2,886 | 1,356 | 6,891 | 1,340 | 1,652 | 3,132 | 1,577 | 7,701 | 9 |

TABLE 8. Disposition of National Saving, by Quarters, 1959-63
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 1,336 | 1,704 | 1,856 | 1,739 | 6,635 | 1,405 | 1,801 | 1,926 | 1,828 | 6,960 | 1,460 | 1,930 | 2,053 | 2,052 | 7,495 | 1 |
| 269 | 365 | 421 | 403 | 1,458 | 293 | 392 | 457 | 435 | 1,577 | 298 | 413 | 477 | 517 | 1,705 | 2 |
| 479 | 634 | 826 | 744 | 2,683 | 512 | 638 | 778 | 710 | 2,638 | 502 | 686 | 836 | 787 | 2,811 | 3 |
| 588 | 705 | 609 | 592 | 2,494 | 600 | 771 | 691 | 683 | 2,745 | 660 | 831 | 740 | 748 | 2,979 | 4 |
| -29 | -125 | 256 | -234 | -132 | -58 | -174 | 1,079 | -325 | 522 | -51 | -247 | 1,122 | -365 | 459 | 5 |
| -321 | -296 | -44 | -250 | -911 | -319 | -353 | -32 | -105 | -809 | -227 | -185 | 15 | -91 | -488 | 6 |
| 59 | 130 | -56 | -44 | 89 | 149 | 198 | -87 | -42 | 218 | 158 | 154 | -58 | -19 | 235 | 7 |
| 1,045 | 1,413 | 2,012 | 1,211 | 5,681 | 1,177 | 1,472 | 2,886 | 1,356 | 6,891 | 1,340 | 1,652 | 3,132 | 1,577 | 7,701 | 8 |

TABLE 9. Gross National Expenditure in Constant (1957) Dollars, by Quarters, 1959-63(1)
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Personal expenditure on consumer goods and services | 5,029 | 5,407 | 5,344 | 5,931 | 21,711 | 5,182 | 5,605 | 5,497 | 6,118 | 22,402 |
| 2 | Non-durable goods | 2,508 | 2,643 | 2,722 | 3,218 | 11,091 | 2,593 | 2,763 | 2,821 | 3,283 | 11,460 |
| 3 | Durable goods | 563 | 746 | 615 | 668 | 2,592 | 553 | 725 | 590 | 714 | 2,582 |
| 4 | Services | 1,958 | 2,018 | 2,007 | 2,045 | 8,028 | 2,036 | 2,117 | 2,086 | 2,121 | 8,360 |
| 5 | Government expenditure on goods and services | 1,399 | 1,477 | 1,763 | 1,566 | 6,205 | 1,392 | 1,415 | 1,865 | 1,596 | 6,268 |
| 6 | Business gross fixed capital formation | 1,276 | 1,789 | 1,830 | 1,667 | 6,562 | 1,339 | 1,645 | 1,683 | 1,564 | 6,231 |
| 7 | New residential construction | 329 | 424 | 436 | 444 | 1,633 | 287 | 327 | 357 | 352 | 1,323 |
| 8 | New non-residential construction | 434 | 624 | 758 | 657 | 2,473 | 446 | 582 | 737 | 639 | 2,404 |
| 9 | New machinery and equipment | 513 | 741 | 636 | 566 | 2,456 | 606 | 736 | 589 | 573 | 2,504 |
| 10 | Change in inventories | 30 | -163 | 741 | -270 | 338 | 156 | -159 | 642 | -242 | 397 |
| 11 | Non-farm business inventories | 278 | -23 | 93 | 66 | 414 | 396 | -35 | -107 | 71 | 325 |
| 12 | Farm inventories and grain in commercial channels | -248 | -140 | 648 | -336 | -76 | -240 | -124 | 749 | -313 | 72 |
| 13 | Exports of goods and services | 1,337 | 1,710 | 1,761 | 1,802 | 6,610 | 1,585 | 1,667 | 1,883 | 1,749 | 6,884 |
| 14 | Deduct: Imports of goods and services | -1,733 | -2,151 | -2,075 | -2,099 | -8,058 | -1,885 | -2,122 | -1,984 | -2,029 | -8,020 |
| 15 | Residual error of estimate | 87 | 102 | -54 | -105 | 30 | 39 | 181 | -73 | -109 | 38 |
| 16 | GROSS NATIONAL EXPENDITURE IN CONSTANT (1957) DOLLARS | 7,425 | 8,171 | 9,310 | 8,492 | 33,398 | 7,807 | 8,233 | 9,513 | 8,647 | 34,200 |

(1) The implicit price deflators of the seasonally unadjusted components of Gross National Expenditure, derived by dividing the value figures in Table 2 by the constant dollar figures in Table 9, are not suitable as indicators of quarter-to-quarter price change. This is because they are currently weighted and therefore are affected by compositional shifts which occur within the unadjusted components of Gross National Expenditure, on a quarter-to-quarter basis. Quarter-to-quarter comparisons based on seasonally adjusted data are less subject to the problem of shifting weights and may be used as a measure of price change.

TABLE 9. Gross National Expenditure in Constant (1957) Dollars, by Quarters, 1959-63
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 5,305 | 5,768 | 5,699 | 6,323 | 23,095 | 5,638 | 6,014 | 5,801 | 6,540 | 23,993 | 5,834 | 6,254 | 6,064 | 6,864 | 25,016 | 1 |
| 2,636 | 2,834 | 2,889 | 3,359 | 11,718 | 2,810 | 2,933 | 3,005 | 3,459 | 12,207 | 2,883 | 2,994 | 3,090 | 3,532 | 12,499 | 2 |
| 543 | 735 | 651 | 757 | 2,686 | 636 | 822 | 622 | 824 | 2,904 | 665 | 893 | 676 | 933 | 3,167 | 3 |
| 2,126 | 2,199 | 2,159 | 2,207 | 8,691 | 2,192 | 2,259 | 2,174 | 2,257 | 8,882 | 2,286 | 2,367 | 2,298 | 2,399 | 9,350 | 4 |
| 1,449 | 1,504 | 1,944 | 1,684 | 6,581 | 1,468 | 1,629 | 1,947 | 1,671 | 6,715 | 1,504 | 1,600 | 1,940 | 1,658 | 6,702 | 5 |
| 1,234 | 1,575 | 1,715 | 1,600 | 6,124 | 1,277 | 1,625 | 1,731 | 1,632 | 6,265 | 1,293 | 1,705 | 1,797 | 1,776 | 6,571 | 6 |
| 246 | 333 | 383 | 366 | 1,328 | 263 | 348 | 403 | 382 | 1,396 | 260 | 357 | 410 | 432 | 1,459 | 7 |
| 443 | 587 | 771 | 692 | 2,493 | 468 | 581 | 710 | 641 | 2,400 | 446 | 608 | 739 | 692 | 2,485 | 8 |
| 543 | 655 | 561 | 542 | 2,303 | 546 | 696 | 618 | 609 | 2,469 | 587 | 740 | 648 | 652 | 2,627 | 9 |
| -21 | -160 | 219 | -171 | -133 | -16 | -182 | 967 | -274 | 495 | -9 | -270 | 1,030 | -320 | 431 | 10 |
| 191 | -7 | -104 | 193 | 273 | 185 | -48 | 101 | 42 | 280 | 192 | -146 | -1 | 113 | 158 | 11 |
| -212 | -153 | 323 | -364 | -406 | -201 | -134 | 866 | -316 | 215 | -201 | -124 | 1,031 | -433 | 273 | 12 |
| 1,562 | 1,832 | 2,048 | 1,960 | 7,402 | 1,648 | 1,945 | 2,106 | 2,038 | 7,737 | 1,718 | 2,091 | 2,285 | 2,320 | 8,414 | 13 |
| -1,842 | -2,091 | -2,040 | -2,162 | -8,135 | -1,892 | -2,202 | -2,065 | -2,090 | -8,249 | -1,862 | -2,165 | -2,146 | -2,301 | -8,474 | 14 |
| 55 | 122 | -53 | -41 | 83 | 137 | 183 | -80 | -38 | 202 | 143 | 140 | -53 | -17 | 213 | 15 |
| 7,742 | 8,550 | 9,532 | 9,193 | 35,017 | 8,260 | 9,012 | 10,407 | 9,479 | 37,158 | 8,621 | 9,355 | 10,917 | 9,980 | 38,873 | 16 |

TABLES ADJUSTED FOR SEASONAL VARIATION AND AT ANNUAL RATES

TABLE 10. National Income and Gross National Product, by Quarters, 1959-63 Seasonally Adjusted at Annual Rates
(millions of dollars)

| No. | | 1959 | | | | |
|-----|--|----------|----------|----------|----------|----------|
| | | I | II | III | IV | Year |
| 1 | Wages, salaries, and supplementary labour income | 17,164 | 17,376 | 17,432 | 17,864 | 17,459 |
| 2 | Military pay and allowances | 496 | 504 | 500 | 484 | 496 |
| 3 | Corporation profits before taxes | 3,396 | 3,484 | 3,516 | 3,620 | 3,504 |
| 4 | Deduct: Dividends paid to non-residents(1) | -492 | -492 | -484 | -536 | -501 |
| 5 | Rent, interest and miscellaneous investment income | 2,312 | 2,252 | 2,296 | 2,400 | 2,315 |
| 6 | Accrued net income of farm operators from farm production(2) | 1,076 | 1,196 | 1,148 | 1,064 | 1,121 |
| 7 | Net income of non-farm unincorporated business(3) | 2,136 | 2,240 | 2,224 | 2,240 | 2,210 |
| 8 | Inventory valuation adjustment | -112 | -212 | -64 | -100 | -122 |
| 9 | NET NATIONAL INCOME AT FACTOR COST | 25,976 | 26,348 | 26,568 | 27,036 | 26,482 |
| 10 | Indirect taxes less subsidies | 4,100 | 4,248 | 4,356 | 4,332 | 4,259 |
| 11 | Capital consumption allowances and miscellaneous valuation adjustments | 4,004 | 4,152 | 4,316 | 4,344 | 4,204 |
| 12 | Residual error of estimate | -16 | 32 | -56 | -80 | -30 |
| 13 | GROSS NATIONAL PRODUCT AT MARKET PRICES | 34,064 | 34,780 | 35,184 | 35,632 | 34,915 |
| 14 | (Gross national product at market prices excluding accrued net income of farm operators) | (32,988) | (33,584) | (34,036) | (34,568) | (33,794) |
| No. | | 1962 | | | | |
| | | I | II | III | IV | Year |
| 1 | Wages, salaries, and supplementary labour income | 19,756 | 20,060 | 20,336 | 20,580 | 20,183 |
| 2 | Military pay and allowances | 604 | 588 | 584 | 568 | 586 |
| 3 | Corporation profits before taxes | 3,588 | 3,620 | 3,592 | 3,760 | 3,640 |
| 4 | Deduct: Dividends paid to non-residents(1) | -532 | -656 | -536 | -556 | -570 |
| 5 | Rent, interest and miscellaneous investment income | 2,756 | 2,804 | 2,732 | 2,944 | 2,809 |
| 6 | Accrued net income of farm operators from farm production(2) | 1,552 | 1,440 | 1,536 | 1,656 | 1,546 |
| 7 | Net income of non-farm unincorporated business(3) | 2,364 | 2,372 | 2,332 | 2,348 | 2,354 |
| 8 | Inventory valuation adjustment | -168 | -172 | -184 | -8 | -133 |
| 9 | NET NATIONAL INCOME AT FACTOR COST | 29,920 | 30,056 | 30,392 | 31,292 | 30,415 |
| 10 | Indirect taxes less subsidies | 5,140 | 5,256 | 5,468 | 5,244 | 5,277 |
| 11 | Capital consumption allowances and miscellaneous valuation adjustments | 4,712 | 4,848 | 4,888 | 5,012 | 4,865 |
| 12 | Residual error of estimate | -320 | -232 | -108 | -212 | -218 |
| 13 | GROSS NATIONAL PRODUCT AT MARKET PRICES | 39,452 | 39,928 | 40,640 | 41,336 | 40,339 |
| 14 | (Gross national product at market prices excluding accrued net income of farm operators) | (37,900) | (38,488) | (39,104) | (39,680) | (38,793) |

(1) See Footnote 1, Table 1.

(2) Includes an arbitrary smoothing of crop production and standard seasonal adjustments for withdrawals of grain from farm stocks and the change in livestock items. Because of the arbitrary elements, too precise an interpretation should not be given the seasonally adjusted figures of accrued net income of farm operators.

(3) Includes net income of independent professional practitioners.

TABLE 10. National Income and Gross National Product, by Quarters, 1959-63 Seasonally Adjusted at Annual Rates
(millions of dollars)

| 1960 | | | | | 1961 | | | | | No. |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | |
| 18,084 | 18,172 | 18,312 | 18,412 | 18,245 | 18,512 | 18,816 | 19,176 | 19,452 | 18,989 | 1 |
| 496 | 500 | 504 | 536 | 509 | 532 | 544 | 548 | 576 | 550 | 2 |
| 3,612 | 3,332 | 3,320 | 3,088 | 3,338 | 2,984 | 3,348 | 3,536 | 3,732 | 3,400 | 3 |
| -448 | -468 | -492 | -424 | -458 | -680 | -540 | -580 | -544 | -586 | 4 |
| 2,536 | 2,476 | 2,440 | 2,428 | 2,470 | 2,544 | 2,548 | 2,752 | 2,760 | 2,651 | 5 |
| 1,184 | 1,136 | 1,196 | 1,228 | 1,186 | 988 | 992 | 1,100 | 956 | 1,009 | 6 |
| 2,104 | 2,196 | 2,220 | 2,332 | 2,213 | 2,080 | 2,264 | 2,356 | 2,396 | 2,274 | 7 |
| -148 | -184 | 60 | -8 | -70 | -32 | -52 | -168 | -112 | -91 | 8 |
| 27,420 | 27,160 | 27,560 | 27,592 | 27,433 | 26,928 | 27,920 | 28,720 | 29,216 | 28,196 | 9 |
| 4,456 | 4,512 | 4,436 | 4,476 | 4,470 | 4,604 | 4,664 | 4,616 | 4,960 | 4,711 | 10 |
| 4,492 | 4,440 | 4,436 | 4,324 | 4,423 | 4,508 | 4,512 | 4,580 | 4,696 | 4,574 | 11 |
| 156 | -292 | -152 | 132 | -39 | 76 | 44 | -224 | -256 | -90 | 12 |
| 36,524 | 35,820 | 36,280 | 36,524 | 36,287 | 36,116 | 37,140 | 37,692 | 38,616 | 37,391 | 13 |
| (35,340) | (34,684) | (35,084) | (35,296) | (35,101) | (35,128) | (36,148) | (36,592) | (37,660) | (36,382) | 14 |

| 1963 | | | | |
|----------|----------|----------|----------|----------|
| I | II | III | IV | Year |
| 21,032 | 21,280 | 21,680 | 22,208 | 21,550 |
| 556 | 608 | 600 | 628 | 598 |
| 3,868 | 3,892 | 3,828 | 4,092 | 3,920 |
| -612 | -532 | -568 | -660 | -593 |
| 2,932 | 3,040 | 3,044 | 3,084 | 3,025 |
| 1,788 | 1,724 | 1,712 | 1,920 | 1,786 |
| 2,448 | 2,416 | 2,448 | 2,492 | 2,451 |
| -112 | -300 | -176 | -148 | -184 |
| 31,900 | 32,128 | 32,568 | 33,616 | 32,553 |
| 5,588 | 5,344 | 5,612 | 5,716 | 5,565 |
| 4,972 | 5,068 | 5,116 | 5,340 | 5,124 |
| -360 | -20 | -220 | -340 | -235 |
| 42,100 | 42,520 | 43,076 | 44,332 | 43,007 |
| (40,312) | (40,796) | (41,364) | (42,412) | (41,221) |

TABLE 11. Gross National Expenditure, by Quarters, 1959-63 Seasonally Adjusted at Annual Rates
(millions of dollars)

| No. | | 1959 | | | | |
|--------------------------------------|--|--------|--------|--------|--------|--------|
| | | I | II | III | IV | Year |
| 1 | Personal expenditure on consumer goods and services | 22,244 | 22,436 | 22,696 | 22,988 | 22,591 |
| 2 | Government expenditure on goods and services (1, 2) | 6,412 | 6,576 | 6,440 | 6,532 | 6,490 |
| 3 | Business gross fixed capital formation(3) | 6,604 | 6,964 | 7,044 | 6,964 | 6,894 |
| 4 | New residential construction | 1,788 | 1,740 | 1,688 | 1,720 | 1,734 |
| 5 | New non-residential construction | 2,500 | 2,624 | 2,600 | 2,632 | 2,589 |
| 6 | New machinery and equipment | 2,316 | 2,600 | 2,756 | 2,612 | 2,571 |
| 7 | Value of physical change in inventories | 284 | 236 | 624 | 284 | 357 |
| 8 | Non-farm business inventories | 496 | 252 | 616 | 320 | 421 |
| 9 | Farm inventories and grain in commercial channels(4) | -212 | -16 | 8 | -36 | -64 |
| 10 | Exports of goods and services | 6,344 | 6,688 | 6,636 | 7,064 | 6,683 |
| 11 | Deduct: Imports of goods and services | -7,844 | -8,084 | -8,316 | -8,280 | -8,131 |
| 12 | Residual error of estimate | 20 | -36 | 60 | 80 | 31 |
| 13 | GROSS NATIONAL EXPENDITURE AT MARKET PRICES | 34,064 | 34,780 | 35,184 | 35,632 | 34,915 |
| Detail of Farm Inventories and GICC: | | | | | | |
| | Value of grain crop production | 912 | 912 | 912 | 912 | 912 |
| | Depletions of farm stocks of grain | -1,164 | -948 | -920 | -1,000 | -1,005 |
| | Change in livestock inventories | 8 | 20 | 28 | 24 | 20 |
| | Grain in Commercial Channels | 32 | - | -12 | 28 | 12 |
| No. | | 1962 | | | | |
| | | I | II | III | IV | Year |
| 1 | Personal expenditure on consumer goods and services | 25,460 | 25,544 | 25,716 | 26,236 | 25,739 |
| 2 | Government expenditure on goods and services(1, 2) | 7,520 | 7,924 | 7,660 | 7,732 | 7,709 |
| 3 | Business gross fixed capital formation(3) | 6,876 | 6,892 | 7,004 | 7,068 | 6,960 |
| 4 | New residential construction | 1,540 | 1,580 | 1,612 | 1,576 | 1,577 |
| 5 | New non-residential construction | 2,732 | 2,644 | 2,576 | 2,600 | 2,638 |
| 6 | New machinery and equipment | 2,604 | 2,668 | 2,816 | 2,892 | 2,745 |
| 7 | Value of physical change in inventories | 264 | 272 | 1,012 | 540 | 522 |
| 8 | Non-farm business inventories | 56 | 284 | 708 | 156 | 301 |
| 9 | Farm inventories and grain in commercial channels(4) | 208 | -12 | 304 | 384 | 221 |
| 10 | Exports of goods and services | 7,976 | 8,248 | 8,240 | 8,432 | 8,224 |
| 11 | Deduct: Imports of goods and services | -8,960 | -9,184 | -9,100 | -8,888 | -9,033 |
| 12 | Residual error of estimate | 316 | 232 | 108 | 216 | 218 |
| 13 | GROSS NATIONAL EXPENDITURE AT MARKET PRICES | 39,452 | 39,928 | 40,640 | 41,336 | 40,339 |
| Detail of Farm Inventories and GICC: | | | | | | |
| | Value of grain crop production | 1,184 | 1,184 | 1,184 | 1,188 | 1,185 |
| | Depletions of farm stocks of grain | -864 | -912 | -1,156 | -1,196 | -1,032 |
| | Change in livestock inventories | 28 | 12 | 52 | 4 | 24 |
| | Grain in Commercial Channels | -140 | -296 | 224 | 388 | 44 |

(1) See footnote 1, Table 2.

(2) For details of defence expenditures, see line 3, Table 15.

(3) See footnote 3, Table 2.

(4) In the seasonally adjusted series, the value of grain production in each quarter is taken as one-fourth of the estimated value of crop production for the year as a whole (see footnote 2, Table 10). All other items in the farm inventories series are seasonally adjusted by standard techniques.

TABLE 11. Gross National Expenditure, by Quarters, 1959-63 Seasonally Adjusted at Annual Rates
(millions of dollars)

| 1960 | | | | | 1961 | | | | | No. |
|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | |
| 23,132 | 23,456 | 23,580 | 23,992 | 23,540 | 23,832 | 24,320 | 24,740 | 24,912 | 24,451 | 1 |
| 6,664 | 6,532 | 6,980 | 6,900 | 6,769 | 7,152 | 7,044 | 7,324 | 7,516 | 7,259 | 2 |
| 6,988 | 6,624 | 6,552 | 6,604 | 6,692 | 6,556 | 6,536 | 6,708 | 6,740 | 6,635 | 3 |
| 1,592 | 1,400 | 1,396 | 1,384 | 1,443 | 1,404 | 1,468 | 1,500 | 1,460 | 1,458 | 4 |
| 2,640 | 2,544 | 2,572 | 2,552 | 2,577 | 2,612 | 2,640 | 2,716 | 2,764 | 2,683 | 5 |
| 2,756 | 2,680 | 2,584 | 2,668 | 2,672 | 2,540 | 2,428 | 2,492 | 2,516 | 2,494 | 6 |
| 976 | 348 | -56 | 372 | 410 | -252 | 40 | -552 | 236 | -132 | 7 |
| 924 | 280 | -140 | 236 | 325 | 96 | 436 | -120 | 700 | 278 | 8 |
| 52 | 68 | 84 | 136 | 85 | -348 | -396 | -432 | -464 | -410 | 9 |
| 7,276 | 6,760 | 7,096 | 6,900 | 7,008 | 7,296 | 7,440 | 7,852 | 7,936 | 7,631 | 10 |
| -8,356 | -8,192 | -8,024 | -8,116 | -8,172 | -8,392 | -8,192 | -8,600 | -8,984 | -8,542 | 11 |
| -156 | 292 | 152 | -128 | 40 | -76 | -48 | 220 | 260 | 89 | 12 |
| 36,524 | 35,820 | 36,280 | 36,524 | 36,287 | 36,116 | 37,140 | 37,692 | 38,616 | 37,391 | 13 |
| 1,008 | 1,008 | 1,012 | 1,012 | 1,010 | 624 | 624 | 624 | 624 | 624 | |
| -920 | -1,028 | -1,060 | -1,024 | -1,008 | -1,072 | -1,048 | -896 | -744 | -940 | |
| 40 | -84 | 20 | 80 | 14 | 96 | 112 | 20 | -80 | 37 | |
| -76 | 172 | 112 | 68 | 69 | 4 | -84 | -180 | -264 | -131 | |
| 1963 | | | | | | | | | | |
| I | II | III | IV | Year | | | | | | |
| 26,660 | 26,896 | 27,396 | 27,968 | 27,230 | | | | | | |
| 7,996 | 8,108 | 8,152 | 8,048 | 8,076 | | | | | | |
| 7,128 | 7,436 | 7,500 | 7,916 | 7,495 | | | | | | |
| 1,584 | 1,676 | 1,680 | 1,880 | 1,705 | | | | | | |
| 2,668 | 2,864 | 2,812 | 2,900 | 2,811 | | | | | | |
| 2,876 | 2,896 | 3,008 | 3,136 | 2,979 | | | | | | |
| 464 | 340 | 580 | 452 | 459 | | | | | | |
| 76 | -60 | 264 | 384 | 166 | | | | | | |
| 388 | 400 | 316 | 68 | 293 | | | | | | |
| 8,552 | 8,980 | 9,032 | 9,652 | 9,054 | | | | | | |
| -9,064 | -9,256 | -9,804 | -10,044 | -9,542 | | | | | | |
| 364 | 16 | 220 | 340 | 235 | | | | | | |
| 42,100 | 42,520 | 43,076 | 44,332 | 43,007 | | | | | | |
| 1,380 | 1,380 | 1,380 | 1,384 | 1,381 | | | | | | |
| -1,064 | -1,020 | -1,160 | -1,224 | -1,117 | | | | | | |
| 8 | 72 | 20 | 96 | 49 | | | | | | |
| 64 | -32 | 76 | -188 | -20 | | | | | | |

TABLE 12. Source of Personal Income, by Quarters, 1959-63 Seasonally Adjusted at Annual Rates
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Wages, salaries, and supplementary labour income | 17,164 | 17,376 | 17,432 | 17,864 | 17,459 | 18,084 | 18,172 | 18,312 | 18,412 | 18,245 |
| 2 | Deduct: Employer and employee contributions to social insurance and government pension funds | -620 | -628 | -644 | -716 | -652 | -756 | -700 | -772 | -776 | -751 |
| 3 | Military pay and allowances .. | 496 | 504 | 500 | 484 | 496 | 496 | 500 | 504 | 536 | 509 |
| 4 | Net income received by farm operators from farm production(1) | 1,064 | 1,264 | 1,132 | 1,044 | 1,126 | 1,160 | 1,124 | 1,188 | 1,236 | 1,177 |
| 5 | Net income of non-farm unincorporated business | 2,136 | 2,240 | 2,224 | 2,240 | 2,210 | 2,104 | 2,196 | 2,220 | 2,332 | 2,213 |
| 6 | Interest, dividends and net rental income of persons(2) | 2,452 | 2,544 | 2,668 | 2,732 | 2,599 | 2,908 | 2,892 | 2,896 | 2,832 | 2,882 |
| | Transfer payments to persons: | | | | | | | | | | |
| 7 | From government (excluding interest) | 2,656 | 2,836 | 2,708 | 2,820 | 2,755 | 3,032 | 2,984 | 3,200 | 3,264 | 3,120 |
| 8 | Charitable contributions by corporations | 40 | 44 | 44 | 44 | 43 | 40 | 40 | 40 | 40 | 40 |
| 9 | PERSONAL INCOME | 25,388 | 26,180 | 26,064 | 26,512 | 26,036 | 27,068 | 27,208 | 27,588 | 27,876 | 27,435 |

(1) This item differs from line 6, Table 10 by excluding the adjustment which has been made to take account of the accrued and earnings arising out of the operations of the Canadian Wheat Board.

(2) Includes all government debt interest paid to persons.

TABLE 13. Disposition of Personal Income, by Quarters, 1959-63 Seasonally Adjusted at Annual Rates
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Personal direct taxes | 1,988 | 1,972 | 2,152 | 2,240 | 2,088 | 2,340 | 2,380 | 2,348 | 2,372 | 2,360 |
| 2 | Income taxes | 1,636 | 1,636 | 1,816 | 1,888 | 1,744 | 1,928 | 2,004 | 1,996 | 1,988 | 1,979 |
| 3 | Succession duties and estate taxes | 140 | 120 | 124 | 136 | 130 | 196 | 152 | 128 | 156 | 158 |
| 4 | Miscellaneous | 212 | 216 | 212 | 216 | 214 | 216 | 224 | 224 | 228 | 223 |
| 5 | Personal expenditure on consumer goods and services ... | 22,244 | 22,436 | 22,696 | 22,988 | 22,591 | 23,132 | 23,456 | 23,580 | 23,992 | 23,540 |
| 6 | Non-durable goods | 11,200 | 11,276 | 11,400 | 11,616 | 11,373 | 11,616 | 11,772 | 11,852 | 12,012 | 11,813 |
| 7 | Durable goods | 2,668 | 2,732 | 2,684 | 2,628 | 2,678 | 2,664 | 2,660 | 2,608 | 2,724 | 2,664 |
| 8 | Services(1) | 8,376 | 8,428 | 8,612 | 8,744 | 8,540 | 8,852 | 9,024 | 9,120 | 9,256 | 9,063 |
| 9 | Personal net saving | 1,156 | 1,772 | 1,216 | 1,284 | 1,357 | 1,596 | 1,372 | 1,660 | 1,512 | 1,535 |
| 10 | PERSONAL INCOME | 25,388 | 26,180 | 26,064 | 26,512 | 26,036 | 27,068 | 27,208 | 27,588 | 27,876 | 27,435 |
| 11 | (Personal disposable income)(2) | (23,400) | (24,208) | (23,912) | (24,272) | (23,948) | (24,728) | (24,828) | (25,240) | (25,504) | (25,075) |

(1) Includes net expenditure abroad.

(2) Personal Income less Total Personal Direct Taxes.

TABLE 12. Source of Personal Income, by Quarters, 1959-63 Seasonally Adjusted at Annual Rates
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 18,512 | 18,816 | 19,176 | 19,452 | 18,989 | 19,756 | 20,060 | 20,336 | 20,580 | 20,183 | 21,032 | 21,280 | 21,680 | 22,208 | 21,550 | 1 |
| -784 | -784 | -796 | -784 | -787 | -796 | -808 | -820 | -820 | -811 | -820 | -840 | -844 | -848 | -838 | 2 |
| 532 | 544 | 548 | 576 | 550 | 604 | 588 | 584 | 568 | 586 | 556 | 608 | 600 | 628 | 598 | 3 |
| 972 | 868 | 1,068 | 1,004 | 978 | 1,316 | 1,796 | 1,396 | 1,656 | 1,541 | 1,544 | 1,892 | 1,508 | 1,656 | 1,650 | 4 |
| 2,080 | 2,264 | 2,356 | 2,396 | 2,274 | 2,364 | 2,372 | 2,332 | 2,348 | 2,354 | 2,448 | 2,416 | 2,448 | 2,492 | 2,451 | 5 |
| 2,920 | 2,964 | 3,052 | 3,160 | 3,024 | 3,140 | 3,208 | 3,272 | 3,356 | 3,244 | 3,396 | 3,476 | 3,488 | 3,588 | 3,487 | 6 |
| 3,364 | 3,372 | 3,432 | 3,532 | 3,425 | 3,796 | 3,604 | 3,608 | 3,696 | 3,676 | 3,860 | 3,784 | 3,764 | 3,908 | 3,829 | 7 |
| 40 | 40 | 40 | 40 | 40 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 8 |
| 27,636 | 28,084 | 28,876 | 29,376 | 28,493 | 30,224 | 30,864 | 30,752 | 31,428 | 30,817 | 32,060 | 32,660 | 32,688 | 33,676 | 32,771 | 9 |

TABLE 13. Disposition of Personal Income, by Quarters, 1959-63 Seasonally Adjusted at Annual Rates
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 2,412 | 2,508 | 2,568 | 2,564 | 2,513 | 2,640 | 2,676 | 2,760 | 2,804 | 2,720 | 2,892 | 2,748 | 2,924 | 3,076 | 2,910 | 1 |
| 2,044 | 2,128 | 2,172 | 2,180 | 2,131 | 2,236 | 2,276 | 2,344 | 2,388 | 2,311 | 2,496 | 2,336 | 2,500 | 2,616 | 2,487 | 2 |
| 144 | 140 | 148 | 144 | 144 | 168 | 160 | 172 | 164 | 166 | 144 | 164 | 176 | 200 | 171 | 3 |
| 224 | 240 | 248 | 240 | 238 | 236 | 240 | 244 | 252 | 243 | 252 | 248 | 248 | 260 | 252 | 4 |
| 23,832 | 24,320 | 24,740 | 24,912 | 24,451 | 25,460 | 25,544 | 25,716 | 26,236 | 25,739 | 26,660 | 26,896 | 27,396 | 27,968 | 27,230 | 5 |
| 11,872 | 12,196 | 12,232 | 12,384 | 12,171 | 12,712 | 12,704 | 12,868 | 13,072 | 12,839 | 13,216 | 13,192 | 13,496 | 13,612 | 13,379 | 6 |
| 2,568 | 2,648 | 2,880 | 2,768 | 2,716 | 2,936 | 2,908 | 2,848 | 3,028 | 2,930 | 3,072 | 3,164 | 3,184 | 3,408 | 3,207 | 7 |
| 9,392 | 9,476 | 9,628 | 9,760 | 9,564 | 9,812 | 9,932 | 10,000 | 10,136 | 9,970 | 10,372 | 10,540 | 10,716 | 10,948 | 10,644 | 8 |
| 1,392 | 1,256 | 1,568 | 1,900 | 1,529 | 2,124 | 2,644 | 2,276 | 2,388 | 2,358 | 2,508 | 3,016 | 2,368 | 2,632 | 2,631 | 9 |
| 27,636 | 28,084 | 28,876 | 29,376 | 28,493 | 30,224 | 30,864 | 30,752 | 31,428 | 30,817 | 32,060 | 32,660 | 32,688 | 33,676 | 32,771 | 10 |
| (25,224) | (25,576) | (26,308) | (26,812) | (25,980) | (27,584) | (28,188) | (27,992) | (28,624) | (28,097) | (29,168) | (29,912) | (29,764) | (30,600) | (29,861) | 11 |

TABLE 14. Government Revenue, by Quarters, 1959-63 Seasonally Adjusted or Annual Totals
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Direct taxes - Persons | 1,988 | 1,972 | 2,152 | 2,240 | 2,088 | 2,340 | 2,380 | 2,348 | 2,372 | 2,360 |
| 2 | Federal | 1,672 | 1,668 | 1,828 | 1,912 | 1,770 | 1,996 | 2,036 | 2,016 | 2,020 | 2,017 |
| 3 | Provincial and municipal | 316 | 304 | 324 | 328 | 318 | 344 | 344 | 332 | 352 | 343 |
| 4 | Direct taxes - Corporations | 1,488 | 1,632 | 1,576 | 1,628 | 1,581 | 1,620 | 1,576 | 1,516 | 1,464 | 1,544 |
| 5 | Federal | 1,236 | 1,356 | 1,308 | 1,340 | 1,310 | 1,328 | 1,296 | 1,240 | 1,200 | 1,266 |
| 6 | (Federal tax collections) | (1,064) | (1,176) | (1,176) | (1,252) | (1,167) | (1,304) | (1,412) | (1,416) | (1,324) | (1,364) |
| 7 | Provincial | 252 | 276 | 268 | 288 | 271 | 292 | 280 | 276 | 264 | 278 |
| 8 | (Provincial tax collections) | (240) | (256) | (260) | (276) | (258) | (292) | (304) | (328) | (284) | (302) |
| | Withholding taxes: | | | | | | | | | | |
| | Federal(1) | 76 | 64 | 80 | 76 | 74 | 76 | 76 | 80 | 84 | 79 |
| 10 | Indirect taxes | 4,288 | 4,448 | 4,560 | 4,560 | 4,464 | 4,680 | 4,740 | 4,676 | 4,724 | 4,705 |
| 11 | Federal | 1,980 | 2,128 | 2,180 | 2,212 | 2,125 | 2,184 | 2,220 | 2,144 | 2,172 | 2,180 |
| 12 | Provincial and municipal(2) | 2,308 | 2,320 | 2,380 | 2,348 | 2,339 | 2,496 | 2,520 | 2,532 | 2,552 | 2,525 |
| 13 | Investment income | 992 | 976 | 1,008 | 1,016 | 998 | 1,060 | 1,044 | 1,064 | 1,084 | 1,063 |
| 14 | Federal | 372 | 324 | 352 | 352 | 350 | 396 | 376 | 356 | 400 | 382 |
| 15 | Provincial and municipal | 620 | 652 | 656 | 664 | 648 | 664 | 668 | 708 | 684 | 681 |
| 16 | Employer and employee contributions to social insurance and government pension funds | 620 | 628 | 644 | 716 | 652 | 756 | 700 | 772 | 776 | 751 |
| 17 | Federal | 396 | 392 | 400 | 468 | 414 | 508 | 440 | 500 | 500 | 487 |
| 18 | Provincial and municipal | 224 | 236 | 244 | 248 | 238 | 248 | 260 | 272 | 276 | 264 |
| | Transfers from Federal: | | | | | | | | | | |
| 19 | Provincial and municipal | 760 | 836 | 968 | 956 | 880 | 984 | 976 | 1,004 | 1,012 | 994 |
| 20 | TOTAL REVENUE | 10,212 | 10,556 | 10,988 | 11,192 | 10,737 | 11,516 | 11,492 | 11,460 | 11,516 | 11,496 |
| 21 | FEDERAL | 5,732 | 5,932 | 6,148 | 6,360 | 6,043 | 6,488 | 6,444 | 6,336 | 6,376 | 6,411 |
| 22 | PROVINCIAL and MUNICIPAL | 4,480 | 4,624 | 4,840 | 4,832 | 4,694 | 5,028 | 5,048 | 5,124 | 5,140 | 5,085 |

(1) See footnote 1, Table 5.

(2) The quarterly figures of real property taxes unadjusted and seasonally adjusted are obtained by dividing annual totals by four since real property taxes accrue uniformly throughout the taxation year. Because in recent years, changes in real property tax rates have been generally upward this treatment gives rise to fictitious seasonal between the fourth and first quarters in the seasonally adjusted indirect taxes series.

TABLE 14. Government Revenue, by Quarters, 1959-63 Seasonally Adjusted at Annual Rates
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 2,412 | 2,508 | 2,568 | 2,564 | 2,513 | 2,640 | 2,676 | 2,760 | 2,804 | 2,720 | 2,892 | 2,748 | 2,924 | 3,076 | 2,910 | 1 |
| 2,064 | 2,124 | 2,160 | 2,180 | 2,132 | 2,092 | 2,052 | 2,092 | 2,116 | 2,088 | 2,192 | 2,056 | 2,212 | 2,312 | 2,193 | 2 |
| 348 | 384 | 408 | 384 | 381 | 548 | 624 | 668 | 688 | 632 | 700 | 692 | 712 | 764 | 717 | 3 |
| 1,440 | 1,532 | 1,688 | 1,740 | 1,600 | 1,724 | 1,696 | 1,656 | 1,724 | 1,700 | 1,820 | 1,796 | 1,756 | 1,868 | 1,810 | 4 |
| 1,172 | 1,252 | 1,368 | 1,408 | 1,300 | 1,292 | 1,276 | 1,236 | 1,276 | 1,270 | 1,364 | 1,348 | 1,316 | 1,384 | 1,353 | 5 |
| (1,276) | (1,268) | (1,232) | (1,292) | (1,267) | (1,364) | (1,292) | (1,264) | (1,256) | (1,294) | (1,312) | (1,316) | (1,324) | (1,360) | (1,328) | 6 |
| 268 | 280 | 320 | 332 | 300 | 432 | 420 | 420 | 448 | 430 | 456 | 448 | 440 | 484 | 457 | 7 |
| (272) | (284) | (288) | (292) | (284) | (332) | (304) | (404) | (404) | (361) | (408) | (416) | (516) | (448) | (447) | 8 |
| 120 | 108 | 120 | 116 | 116 | 104 | 144 | 120 | 132 | 125 | 124 | 120 | 132 | 136 | 128 | 9 |
| 4,808 | 4,880 | 4,980 | 5,192 | 4,965 | 5,404 | 5,524 | 5,688 | 5,636 | 5,563 | 5,832 | 5,716 | 5,908 | 6,056 | 5,878 | 10 |
| 2,164 | 2,164 | 2,204 | 2,228 | 2,190 | 2,312 | 2,336 | 2,524 | 2,432 | 2,401 | 2,420 | 2,328 | 2,464 | 2,588 | 2,450 | 11 |
| 2,644 | 2,716 | 2,776 | 2,964 | 2,775 | 3,092 | 3,188 | 3,164 | 3,204 | 3,162 | 3,412 | 3,388 | 3,444 | 3,468 | 3,428 | 12 |
| 1,072 | 1,064 | 1,216 | 1,184 | 1,134 | 1,224 | 1,216 | 1,184 | 1,336 | 1,240 | 1,308 | 1,384 | 1,356 | 1,284 | 1,333 | 13 |
| 384 | 344 | 492 | 416 | 409 | 420 | 440 | 392 | 548 | 450 | 484 | 536 | 548 | 420 | 497 | 14 |
| 688 | 720 | 724 | 768 | 725 | 804 | 776 | 792 | 788 | 790 | 824 | 848 | 808 | 864 | 836 | 15 |
| 784 | 784 | 796 | 784 | 787 | 796 | 808 | 820 | 820 | 811 | 820 | 840 | 844 | 848 | 838 | 16 |
| 512 | 508 | 512 | 508 | 510 | 512 | 516 | 524 | 520 | 518 | 528 | 536 | 536 | 532 | 533 | 17 |
| 272 | 276 | 284 | 276 | 277 | 284 | 292 | 296 | 300 | 293 | 292 | 304 | 308 | 316 | 305 | 18 |
| 1,016 | 1,176 | 1,172 | 1,148 | 1,128 | 1,172 | 1,016 | 1,144 | 1,204 | 1,134 | 1,192 | 1,224 | 1,092 | 1,152 | 1,165 | 19 |
| 11,652 | 12,052 | 12,540 | 12,728 | 12,243 | 13,064 | 13,080 | 13,372 | 13,656 | 13,293 | 13,988 | 13,828 | 14,012 | 14,420 | 14,062 | 20 |
| 6,416 | 6,500 | 6,856 | 6,856 | 6,657 | 6,732 | 6,764 | 6,888 | 7,024 | 6,852 | 7,112 | 6,924 | 7,208 | 7,372 | 7,154 | 21 |
| 5,236 | 5,552 | 5,684 | 5,872 | 5,586 | 6,332 | 6,316 | 6,484 | 6,632 | 6,441 | 6,876 | 6,904 | 6,804 | 7,048 | 6,908 | 22 |

TABLE 15. Government Expenditure, by Quarters, 1959-63 Seasonally Adjusted or Annual Rates
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Goods and services | 6,412 | 6,576 | 6,440 | 6,532 | 6,490 | 6,664 | 6,532 | 6,980 | 6,900 | 6,769 |
| 2 | Federal | 2,896 | 2,936 | 2,740 | 2,756 | 2,832 | 2,732 | 2,604 | 2,796 | 2,788 | 2,730 |
| 3 | (Defence) | (1,636) | (1,584) | (1,504) | (1,512) | (1,559) | (1,556) | (1,484) | (1,584) | (1,560) | (1,546) |
| 4 | Provincial and municipal | 3,516 | 3,640 | 3,700 | 3,776 | 3,658 | 3,932 | 3,928 | 4,184 | 4,112 | 4,039 |
| 5 | Transfer payments to persons (excluding interest on the public debt) | 2,656 | 2,836 | 2,708 | 2,820 | 2,755 | 3,032 | 2,984 | 3,200 | 3,264 | 3,120 |
| 6 | Federal | 1,816 | 1,812 | 1,756 | 1,780 | 1,791 | 1,940 | 1,876 | 2,036 | 2,052 | 1,976 |
| 7 | Provincial and municipal | 840 | 1,024 | 952 | 1,040 | 964 | 1,092 | 1,108 | 1,164 | 1,212 | 1,144 |
| 8 | Interest on the public debt | 844 | 952 | 1,072 | 984 | 963 | 1,068 | 1,064 | 1,128 | 1,120 | 1,095 |
| 9 | Federal(2) | 580 | 668 | 772 | 692 | 678 | 744 | 736 | 780 | 752 | 753 |
| 10 | Provincial and municipal | 264 | 284 | 300 | 292 | 285 | 324 | 328 | 348 | 368 | 342 |
| 11 | Subsidies | 188 | 200 | 204 | 228 | 205 | 224 | 228 | 240 | 248 | 235 |
| 12 | Federal | 172 | 184 | 188 | 212 | 189 | 200 | 204 | 212 | 220 | 209 |
| 13 | Provincial | 16 | 16 | 16 | 16 | 16 | 24 | 24 | 28 | 28 | 26 |
| 14 | Transfers to other levels of government Federal | 760 | 836 | 968 | 956 | 880 | 984 | 976 | 1,004 | 1,012 | 994 |
| 15 | Total expenditure | 10,860 | 11,400 | 11,392 | 11,520 | 11,293 | 11,972 | 11,784 | 12,552 | 12,544 | 12,213 |
| 16 | Federal | 6,224 | 6,436 | 6,424 | 6,396 | 6,370 | 6,600 | 6,396 | 6,828 | 6,824 | 6,662 |
| 17 | Provincial and municipal | 4,636 | 4,964 | 4,968 | 5,124 | 4,923 | 5,372 | 5,388 | 5,724 | 5,720 | 5,551 |
| 18 | Deficit (-) or surplus (+) | -648 | -844 | -404 | -328 | -556 | -456 | -292 | -1,092 | -1,028 | -717 |
| 19 | Federal | -492 | -504 | -276 | -36 | -327 | -112 | 48 | -492 | -448 | -251 |
| 20 | Provincial and municipal | -156 | -340 | -128 | -292 | -229 | -344 | -340 | -600 | -580 | -466 |
| 21 | TOTAL EXPENDITURE MINUS DEFICIT OR PLUS SURPLUS | 10,212 | 10,556 | 10,988 | 11,192 | 10,737 | 11,516 | 11,492 | 11,460 | 11,516 | 11,496 |
| 22 | FEDERAL | 5,732 | 5,932 | 6,148 | 6,360 | 6,043 | 6,488 | 6,444 | 6,336 | 6,376 | 6,411 |
| 23 | PROVINCIAL AND MUNICIPAL | 4,480 | 4,624 | 4,840 | 4,832 | 4,694 | 5,028 | 5,048 | 5,124 | 5,140 | 5,085 |

(1) In this quarter the federal deficit is irregularly high by about \$300 million and the provincial-municipal deficit correspondingly low as a consequence of the introduction of the new tax collection arrangements and the continuation in this quarter of transfer payments to the provinces under the former tax rental agreements.

TABLE 15. Government Expenditure, by Quarters, 1959-63 Seasonally Adjusted at Annual Rates
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 7,152 | 7,044 | 7,324 | 7,516 | 7,259 | 7,520 | 7,924 | 7,660 | 7,732 | 7,709 | 7,996 | 8,108 | 8,152 | 8,048 | 8,076 | 1 |
| 2,896 | 2,924 | 3,020 | 3,088 | 2,982 | 3,080 | 3,184 | 2,952 | 2,880 | 3,024 | 3,000 | 2,936 | 2,940 | 2,832 | 2,927 | 2 |
| (1,580) | (1,600) | (1,600) | (1,672) | (1,613) | (1,728) | (1,736) | (1,632) | (1,616) | (1,678) | (1,532) | (1,604) | (1,612) | (1,556) | (1,576) | 3 |
| 4,256 | 4,120 | 4,304 | 4,428 | 4,277 | 4,440 | 4,740 | 4,708 | 4,852 | 4,685 | 4,996 | 5,172 | 5,212 | 5,216 | 5,149 | 4 |
| 3,364 | 3,372 | 3,432 | 3,532 | 3,425 | 3,796 | 3,604 | 3,608 | 3,696 | 3,676 | 3,860 | 3,784 | 3,764 | 3,908 | 3,829 | 5 |
| 2,008 | 2,008 | 1,984 | 2,024 | 2,006 | 2,312 | 2,040 | 2,036 | 2,060 | 2,112 | 2,184 | 2,092 | 2,064 | 2,180 | 2,130 | 6 |
| 1,356 | 1,364 | 1,448 | 1,508 | 1,419 | 1,484 | 1,564 | 1,572 | 1,636 | 1,564 | 1,676 | 1,692 | 1,700 | 1,728 | 1,699 | 7 |
| 1,124 | 1,168 | 1,180 | 1,224 | 1,174 | 1,260 | 1,272 | 1,352 | 1,352 | 1,309 | 1,380 | 1,412 | 1,416 | 1,448 | 1,414 | 8 |
| 760 | 784 | 784 | 816 | 786 | 832 | 844 | 900 | 884 | 865 | 900 | 940 | 952 | 948 | 935 | 9 |
| 364 | 384 | 396 | 408 | 388 | 428 | 428 | 452 | 468 | 444 | 480 | 472 | 464 | 500 | 479 | 10 |
| 204 | 216 | 364 | 232 | 254 | 264 | 268 | 220 | 392 | 286 | 244 | 372 | 296 | 340 | 313 | 11 |
| 172 | 184 | 332 | 196 | 221 | 236 | 244 | 196 | 364 | 260 | 208 | 336 | 256 | 300 | 275 | 12 |
| 32 | 32 | 32 | 36 | 33 | 28 | 24 | 24 | 28 | 26 | 36 | 36 | 40 | 40 | 38 | 13 |
| 1,016 | 1,176 | 1,172 | 1,148 | 1,128 | 1,172 | 1,016 | 1,144 | 1,204 | 1,134 | 1,192 | 1,224 | 1,092 | 1,152 | 1,165 | 14 |
| 12,860 | 12,976 | 13,472 | 13,652 | 13,240 | 14,012 | 14,084 | 13,984 | 14,376 | 14,114 | 14,672 | 14,900 | 14,720 | 14,896 | 14,797 | 15 |
| 6,852 | 7,076 | 7,292 | 7,272 | 7,123 | 7,632 | 7,328 | 7,228 | 7,392 | 7,395 | 7,484 | 7,528 | 7,304 | 7,412 | 7,432 | 16 |
| 6,008 | 5,900 | 6,180 | 6,380 | 6,117 | 6,380 | 6,756 | 6,756 | 6,984 | 6,719 | 7,188 | 7,372 | 7,416 | 7,484 | 7,365 | 17 |
| -1,208 | -924 | -932 | -924 | -997 | -948 | -1,004 | -612 | -720 | -821 | -684 | -1,072 | -708 | -476 | -735 | 18 |
| -436 | -576 | -436 | -416 | -466 | -900(1) | -564 | -340 | -368 | -543 | -372 | -604 | -96 | -40 | -278 | 19 |
| -772 | -348 | -496 | -508 | -531 | -48(1) | -440 | -272 | -352 | -278 | -312 | -468 | -612 | -436 | -457 | 20 |
| 11,652 | 12,052 | 12,540 | 12,728 | 12,243 | 13,064 | 13,080 | 13,372 | 13,656 | 13,293 | 13,988 | 13,828 | 14,012 | 14,420 | 14,062 | 21 |
| 6,416 | 6,500 | 6,856 | 6,856 | 6,657 | 6,732 | 6,764 | 6,888 | 7,024 | 6,852 | 7,112 | 6,924 | 7,208 | 7,372 | 7,154 | 22 |
| 5,236 | 5,552 | 5,684 | 5,872 | 5,586 | 6,332 | 6,316 | 6,484 | 6,632 | 6,441 | 6,876 | 6,904 | 6,804 | 7,048 | 6,908 | 23 |

(2) See footnote 2, Table 6.

TABLE 16. Source of National Saving, by Quarters, 1959-63 Seasonally Adjusted at Annual Rates
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|--|-------|-------|-------|-------|-------|-------|-------|--------|--------|-------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Personal net saving | 1,156 | 1,772 | 1,216 | 1,284 | 1,357 | 1,596 | 1,372 | 1,660 | 1,512 | 1,535 |
| 2 | Business gross saving | 5,028 | 5,020 | 5,356 | 5,336 | 5,185 | 5,580 | 5,228 | 5,244 | 5,024 | 5,269 |
| 3 | Undistributed corporation profits | 1,012 | 936 | 1,024 | 972 | 986 | 1,064 | 776 | 800 | 708 | 837 |
| 4 | Capital consumption allowances and miscellaneous valuation adjustments | 4,004 | 4,152 | 4,316 | 4,344 | 4,204 | 4,492 | 4,440 | 4,436 | 4,324 | 4,423 |
| 5 | Adjustment on grain transactions(1) .. | 12 | -68 | 16 | 20 | -5 | 24 | 12 | 8 | -8 | 9 |
| 6 | Inventory valuation adjustment | -112 | -212 | -64 | -100 | -122 | -148 | -184 | 60 | -8 | -70 |
| 7 | Government surplus (+) or deficit (-) .. | -648 | -844 | -404 | -328 | -556 | -456 | -292 | -1,092 | -1,028 | -717 |
| 8 | Residual error of estimate | -16 | 32 | -56 | -80 | -30 | 156 | -292 | -152 | 132 | -39 |
| 9 | Totals | 5,408 | 5,768 | 6,048 | 6,112 | 5,834 | 6,728 | 5,832 | 5,720 | 5,632 | 5,978 |

(1) This item is an adjustment to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. See also footnote 1, Table 1.

TABLE 17. Disposition of National Saving, by Quarters, 1959-63 Seasonally Adjusted at Annual Rates
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|---|--------|--------|--------|--------|--------|--------|--------|-------|--------|--------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Business gross fixed capital formation | 6,604 | 6,964 | 7,044 | 6,964 | 6,894 | 6,988 | 6,624 | 6,552 | 6,604 | 6,692 |
| 2 | New residential construction | 1,788 | 1,740 | 1,688 | 1,720 | 1,734 | 1,592 | 1,400 | 1,396 | 1,384 | 1,443 |
| 3 | New non-residential construction | 2,500 | 2,624 | 2,600 | 2,632 | 2,589 | 2,640 | 2,544 | 2,572 | 2,552 | 2,577 |
| 4 | New machinery and equipment | 2,316 | 2,600 | 2,756 | 2,612 | 2,571 | 2,756 | 2,680 | 2,584 | 2,668 | 2,672 |
| 5 | Value of physical change in inventories | 284 | 236 | 624 | 284 | 357 | 976 | 348 | -56 | 372 | 410 |
| 6 | Surplus (+) or deficit (-) on current account with non-residents | -1,500 | -1,396 | -1,680 | -1,216 | -1,448 | -1,080 | -1,432 | -928 | -1,216 | -1,164 |
| 7 | Residual error of estimate | 20 | -36 | 60 | 80 | 31 | -156 | 292 | 152 | -128 | 40 |
| 8 | Totals | 5,408 | 5,768 | 6,048 | 6,112 | 5,834 | 6,728 | 5,832 | 5,720 | 5,632 | 5,978 |

TABLE 16. Source of National Saving, by Quarters, 1959-63 Seasonally Adjusted at Annual Rates
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|--------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|--------|-------|-------|-------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 1,392 | 1,256 | 1,568 | 1,900 | 1,529 | 2,124 | 2,644 | 2,276 | 2,388 | 2,358 | 2,508 | 3,016 | 2,368 | 2,632 | 2,631 | 1 |
| 4,904 | 5,452 | 5,384 | 5,580 | 5,330 | 5,784 | 5,224 | 5,892 | 5,920 | 5,705 | 6,092 | 5,892 | 6,264 | 6,648 | 6,224 | 2 |
| 380 | 816 | 772 | 932 | 725 | 836 | 732 | 864 | 908 | 835 | 876 | 992 | 944 | 1,044 | 964 | 3 |
| 4,508 | 4,512 | 4,580 | 4,696 | 4,574 | 4,712 | 4,848 | 4,888 | 5,012 | 4,865 | 4,972 | 5,068 | 5,116 | 5,340 | 5,124 | 4 |
| 16 | 124 | 32 | -48 | 31 | 236 | -356 | 140 | - | 5 | 244 | -168 | 204 | 264 | 136 | 5 |
| -32 | -52 | -168 | -112 | -91 | -168 | -172 | -184 | -8 | -133 | -112 | -300 | -176 | -148 | -184 | 6 |
| -1,208 | -924 | -932 | -924 | -997 | -948 | -1,004 | -612 | -720 | -821 | -684 | -1,072 | -708 | -476 | -735 | 7 |
| 76 | 44 | -224 | -256 | -90 | -320 | -232 | -108 | -212 | -218 | -360 | -20 | -220 | -340 | -235 | 8 |
| 5,132 | 5,776 | 5,628 | 6,188 | 5,681 | 6,472 | 6,460 | 7,264 | 7,368 | 6,891 | 7,444 | 7,516 | 7,528 | 8,316 | 7,701 | 9 |

TABLE 17. Disposition of National Saving, by Quarters, 1959-63 Seasonally Adjusted at Annual Rates
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|--------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 6,556 | 6,536 | 6,708 | 6,740 | 6,635 | 6,876 | 6,892 | 7,004 | 7,068 | 6,960 | 7,128 | 7,436 | 7,500 | 7,916 | 7,495 | 1 |
| 1,404 | 1,468 | 1,500 | 1,460 | 1,458 | 1,540 | 1,580 | 1,612 | 1,576 | 1,577 | 1,584 | 1,676 | 1,680 | 1,880 | 1,705 | 2 |
| 2,612 | 2,640 | 2,716 | 2,764 | 2,683 | 2,732 | 2,644 | 2,576 | 2,600 | 2,638 | 2,668 | 2,864 | 2,812 | 2,900 | 2,811 | 3 |
| 2,540 | 2,428 | 2,492 | 2,516 | 2,494 | 2,604 | 2,668 | 2,816 | 2,892 | 2,745 | 2,876 | 2,896 | 3,008 | 3,136 | 2,979 | 4 |
| -252 | 40 | -552 | 236 | -132 | 264 | 272 | 1,012 | 540 | 522 | 464 | 340 | 580 | 452 | 459 | 5 |
| -1,096 | -752 | -748 | -1,048 | -911 | -984 | -936 | -860 | -456 | -809 | -512 | -276 | -772 | -392 | -488 | 6 |
| -76 | -48 | 220 | 260 | 89 | 316 | 232 | 108 | 216 | 218 | 364 | 16 | 220 | 340 | 235 | 7 |
| 5,132 | 5,776 | 5,628 | 6,188 | 5,681 | 6,472 | 6,460 | 7,264 | 7,368 | 6,891 | 7,444 | 7,516 | 7,528 | 8,316 | 7,701 | 8 |

TABLE 18. Gross National Expenditure in Constant (1957) Dollars, by Quarters, 1959-63(1)
Seasonally Adjusted at Annual Rates
(millions of dollars)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Personal expenditure on consumer goods and services | 21,448 | 21,612 | 21,804 | 21,980 | 21,711 | 22,120 | 22,324 | 22,436 | 22,728 | 22,402 |
| 2 | Non-durable goods | 10,932 | 11,020 | 11,128 | 11,284 | 11,091 | 11,332 | 11,420 | 11,508 | 11,580 | 11,460 |
| 3 | Durable goods | 2,592 | 2,648 | 2,596 | 2,532 | 2,592 | 2,560 | 2,568 | 2,536 | 2,664 | 2,582 |
| 4 | Services | 7,924 | 7,944 | 8,080 | 8,164 | 8,028 | 8,228 | 8,336 | 8,392 | 8,484 | 8,360 |
| 5 | Government expenditure on goods and services | 6,224 | 6,324 | 6,112 | 6,160 | 6,205 | 6,224 | 6,052 | 6,456 | 6,340 | 6,268 |
| 6 | Business gross fixed capital formation .. | 6,360 | 6,636 | 6,676 | 6,576 | 6,562 | 6,544 | 6,168 | 6,088 | 6,124 | 6,231 |
| 7 | New residential construction | 1,708 | 1,644 | 1,580 | 1,600 | 1,633 | 1,472 | 1,284 | 1,276 | 1,260 | 1,323 |
| 8 | New non-residential construction | 2,420 | 2,512 | 2,472 | 2,488 | 2,473 | 2,468 | 2,380 | 2,392 | 2,376 | 2,404 |
| 9 | New machinery and equipment | 2,232 | 2,480 | 2,624 | 2,488 | 2,456 | 2,604 | 2,504 | 2,420 | 2,488 | 2,504 |
| 10 | Change in inventories | 292 | 228 | 592 | 240 | 338 | 936 | 348 | -56 | 360 | 397 |
| 11 | Non-farm business inventories | 480 | 260 | 604 | 312 | 414 | 904 | 292 | -128 | 232 | 325 |
| 12 | Farm inventories and grain in commercial channels | -188 | -32 | -12 | -72 | -76 | 32 | 56 | 72 | 128 | 72 |
| 13 | Exports of goods and services | 6,276 | 6,632 | 6,568 | 6,964 | 6,610 | 7,180 | 6,624 | 6,960 | 6,772 | 6,884 |
| 14 | Deduct: Imports of goods and services .. | -7,756 | -8,012 | -8,248 | -8,216 | -8,058 | -8,276 | -8,044 | -7,844 | -7,916 | -8,020 |
| 15 | Residual error of estimate | 20 | -36 | 56 | 80 | 30 | -148 | 276 | 144 | -120 | 38 |
| 16 | GROSS NATIONAL EXPENDITURE IN CONSTANT (1957) DOLLARS | 32,864 | 33,384 | 33,560 | 33,784 | 33,398 | 34,580 | 33,748 | 34,184 | 34,288 | 34,200 |

(1) See footnote 1, Table 9.

TABLE 19. Implicit Price Indexes - Seasonally Adjusted
Gross National Expenditure, (1) 1959-63
(1957 = 100)

| No. | | 1959 | | | | | 1960 | | | | |
|-----|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | I | II | III | IV | Year | I | II | III | IV | Year |
| 1 | Personal expenditure on consumer goods and services | 103.7 | 103.8 | 104.1 | 104.6 | 104.1 | 104.6 | 105.1 | 105.1 | 105.6 | 105.1 |
| 2 | Non-durable goods | 102.5 | 102.3 | 102.4 | 102.9 | 102.5 | 102.5 | 103.1 | 103.0 | 103.7 | 103.1 |
| 3 | Durable goods | 102.9 | 103.2 | 103.4 | 103.8 | 103.3 | 104.1 | 103.6 | 102.8 | 102.3 | 103.2 |
| 4 | Services | 105.7 | 106.1 | 106.6 | 107.1 | 106.4 | 107.6 | 108.3 | 108.7 | 109.1 | 108.4 |
| 5 | Government expenditure on goods and services | 103.0 | 104.0 | 105.4 | 106.0 | 104.6 | 107.1 | 107.9 | 108.1 | 108.8 | 108.0 |
| 6 | Business gross fixed capital formation .. | 103.8 | 104.9 | 105.5 | 105.9 | 105.1 | 106.8 | 107.4 | 107.6 | 107.8 | 107.4 |
| 7 | New residential construction | 104.7 | 105.8 | 106.8 | 107.5 | 106.2 | 108.2 | 109.0 | 109.4 | 109.8 | 109.1 |
| 8 | New non-residential construction | 103.3 | 104.5 | 105.2 | 105.8 | 104.7 | 107.0 | 106.9 | 107.5 | 107.4 | 107.2 |
| 9 | New machinery and equipment | 103.8 | 104.8 | 105.0 | 105.0 | 104.7 | 105.8 | 107.0 | 106.8 | 107.2 | 106.7 |
| 10 | Exports of goods and services | 101.1 | 100.8 | 101.0 | 101.4 | 101.1 | 101.3 | 102.1 | 102.0 | 101.9 | 101.8 |
| 11 | Imports of goods and services | 101.1 | 100.9 | 100.8 | 100.8 | 100.9 | 101.0 | 101.8 | 102.3 | 102.5 | 101.9 |
| 12 | GROSS NATIONAL EXPENDITURE | 103.7 | 104.2 | 104.8 | 105.5 | 104.5 | 105.6 | 106.1 | 106.1 | 106.5 | 106.1 |

(1) These implicit indexes are currently weighted price indexes. They reflect not only pure price changes, but also changing expenditure patterns within and between major groups. Quarter to quarter comparisons based on the seasonally adjusted data are less subject to the problem of shifting weights than are similar comparisons based on data unadjusted for seasonality, and therefore may be used as indicators of price change.

TABLE 18. Gross National Expenditure in Constant (1957) Dollars, by Quarters, 1959-63(1)
Seasonally Adjusted at Annual Rates
(millions of dollars)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 22,536 | 23,004 | 23,360 | 23,480 | 23,095 | 23,900 | 23,848 | 23,900 | 24,324 | 23,993 | 24,636 | 24,792 | 25,084 | 25,552 | 25,016 | 1 |
| 11,432 | 11,760 | 11,768 | 11,912 | 11,718 | 12,180 | 12,104 | 12,208 | 12,336 | 12,207 | 12,440 | 12,388 | 12,552 | 12,616 | 12,499 | 2 |
| 2,524 | 2,608 | 2,860 | 2,752 | 2,686 | 2,916 | 2,892 | 2,808 | 3,000 | 2,904 | 3,036 | 3,128 | 3,136 | 3,368 | 3,167 | 3 |
| 8,580 | 8,636 | 8,732 | 8,816 | 8,691 | 8,804 | 8,852 | 8,884 | 8,988 | 8,882 | 9,160 | 9,276 | 9,396 | 9,568 | 9,350 | 4 |
| 6,576 | 6,404 | 6,612 | 6,732 | 6,581 | 6,644 | 6,948 | 6,640 | 6,628 | 6,715 | 6,736 | 6,784 | 6,728 | 6,560 | 6,702 | 5 |
| 6,064 | 6,040 | 6,192 | 6,200 | 6,124 | 6,252 | 6,216 | 6,288 | 6,304 | 6,265 | 6,316 | 6,564 | 6,564 | 6,840 | 6,571 | 6 |
| 1,280 | 1,340 | 1,364 | 1,328 | 1,328 | 1,380 | 1,404 | 1,420 | 1,380 | 1,396 | 1,380 | 1,448 | 1,444 | 1,564 | 1,459 | 7 |
| 2,428 | 2,448 | 2,532 | 2,564 | 2,493 | 2,504 | 2,408 | 2,344 | 2,344 | 2,400 | 2,380 | 2,540 | 2,484 | 2,536 | 2,485 | 8 |
| 2,356 | 2,252 | 2,296 | 2,308 | 2,303 | 2,368 | 2,404 | 2,524 | 2,580 | 2,469 | 2,556 | 2,576 | 2,636 | 2,740 | 2,627 | 9 |
| -280 | 48 | -556 | 256 | -133 | 264 | 308 | 968 | 440 | 495 | 420 | 312 | 576 | 416 | 431 | 10 |
| 100 | 444 | -120 | 668 | 273 | 48 | 260 | 680 | 132 | 280 | 72 | -52 | 264 | 348 | 158 | 11 |
| -380 | -396 | -436 | -412 | -406 | 216 | 48 | 288 | 308 | 215 | 348 | 364 | 312 | 68 | 273 | 12 |
| 7,148 | 7,296 | 7,572 | 7,592 | 7,402 | 7,588 | 7,752 | 7,720 | 7,888 | 7,737 | 7,940 | 8,384 | 8,388 | 8,944 | 8,414 | 13 |
| -8,104 | -7,928 | -8,116 | -8,392 | -8,135 | -8,272 | -8,380 | -8,280 | -8,064 | -8,249 | -8,136 | -8,284 | -8,640 | -8,836 | -8,474 | 14 |
| -72 | -44 | 208 | 240 | 83 | 292 | 216 | 100 | 200 | 202 | 332 | 16 | 200 | 304 | 213 | 15 |
| 33,868 | 34,820 | 35,272 | 36,108 | 35,017 | 36,668 | 36,908 | 37,336 | 37,720 | 37,158 | 38,244 | 38,568 | 38,900 | 39,780 | 38,873 | 16 |

TABLE 19. Implicit Price Indexes - Seasonally Adjusted
Gross National Expenditure, (1) 1959-63
(1957 = 100)

| 1961 | | | | | 1962 | | | | | 1963 | | | | | No. |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|
| I | II | III | IV | Year | I | II | III | IV | Year | I | II | III | IV | Year | |
| 105.8 | 105.7 | 105.9 | 106.1 | 105.9 | 106.5 | 107.1 | 107.6 | 107.9 | 107.3 | 108.2 | 108.5 | 109.2 | 109.5 | 108.9 | 1 |
| 103.8 | 103.7 | 103.9 | 104.0 | 103.9 | 104.4 | 105.0 | 105.4 | 106.0 | 105.2 | 106.2 | 106.5 | 107.5 | 107.9 | 107.0 | 2 |
| 101.7 | 101.5 | 100.7 | 100.6 | 101.1 | 100.7 | 100.6 | 101.4 | 100.9 | 100.9 | 101.2 | 101.2 | 101.5 | 101.2 | 101.3 | 3 |
| 109.5 | 109.7 | 110.3 | 110.7 | 110.0 | 111.4 | 112.2 | 112.6 | 112.8 | 112.2 | 113.2 | 113.6 | 114.0 | 114.4 | 113.8 | 4 |
| 108.8 | 110.0 | 110.8 | 111.6 | 110.3 | 113.2 | 114.0 | 115.4 | 116.7 | 114.8 | 118.7 | 119.5 | 121.2 | 122.7 | 120.5 | 5 |
| 108.1 | 108.2 | 108.3 | 108.7 | 108.3 | 110.0 | 110.9 | 111.4 | 112.1 | 111.1 | 112.9 | 113.3 | 114.3 | 115.7 | 114.1 | 6 |
| 109.7 | 109.6 | 109.6 | 110.1 | 109.8 | 111.6 | 112.5 | 113.5 | 114.2 | 113.0 | 114.8 | 115.7 | 116.3 | 120.2 | 116.9 | 7 |
| 107.6 | 107.8 | 107.3 | 107.8 | 107.6 | 109.1 | 109.8 | 109.9 | 110.9 | 109.9 | 112.1 | 112.8 | 113.2 | 114.4 | 113.1 | 8 |
| 107.8 | 107.8 | 108.5 | 109.0 | 108.3 | 110.0 | 111.0 | 111.6 | 112.1 | 111.2 | 112.5 | 112.4 | 114.1 | 114.5 | 113.4 | 9 |
| 102.1 | 102.0 | 103.7 | 104.5 | 103.1 | 105.1 | 106.4 | 106.7 | 106.9 | 106.3 | 107.7 | 107.1 | 107.7 | 107.9 | 107.6 | 10 |
| 103.6 | 103.3 | 106.0 | 107.1 | 105.0 | 108.3 | 109.6 | 109.9 | 110.2 | 109.5 | 111.4 | 111.7 | 113.5 | 113.7 | 112.6 | 11 |
| 106.6 | 106.7 | 106.9 | 106.9 | 106.8 | 107.6 | 108.2 | 108.8 | 109.6 | 108.6 | 110.1 | 110.2 | 110.7 | 111.4 | 110.6 | 12 |

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TABLE 20. Business Gross Fixed Capital Formation, by Industry, 1959-63(1)
(millions of dollars)

| | 1959 | 1960 | 1961 | 1962 | 1963 |
|---|-------|-------|-------|-------|-------|
| 1. Agriculture | 539 | 550 | 576 | 663 | 744 |
| 2. Fishing and trapping | | | | | |
| 3. Forestry | | | | | |
| 4. Mining, quarrying, and oil wells | 342 | 400 | 449 | 480 | 503 |
| 5. Manufacturing | 1,144 | 1,178 | 1,085 | 1,269 | 1,347 |
| 6. Construction | 145 | 130 | 136 | 109 | 116 |
| 7. Transportation | 746 | 704 | 645 | 490 | 586 |
| 8. Storage | | | | | |
| 9. Communication(2) | | | | | |
| 10. Electric power, gas and water utilities ... | 766 | 688 | 710 | 723 | 792 |
| 11. Trade | 363 | 381 | 307 | 319 | 312 |
| 12. Finance, insurance and real estate(3) | 2,001 | 1,722 | 1,770 | 1,875 | 1,961 |
| 13. Services(4) | 475 | 508 | 570 | 596 | 637 |
| 14. Totals | 6,894 | 6,692 | 6,635 | 6,960 | 7,495 |

- (1) This table is derived from "Private and Public Investment in Canada", publications. Additional detail has been provided by the DBS Business Finance Division, and adjustments have been made to bring the data into line with National Accounting concepts. See reconciliation statement, Table 21. For an industrial distribution of total private and public investment, see Table 1 in the aforementioned publications.
- (2) Excludes investment expenditures by the Canadian Broadcasting Corporation, which are included in "Government Expenditure on Goods and Services".
- (3) Includes all new residential construction, (exclusive of government other than government business enterprise). See Table 2.
- (4) Excludes government departmental expenditures, federal hospital, provincial hospital and school, and municipal school expenditures, which are included with "Government Expenditure on Goods and Services". Investment expenditure of government business enterprises (railway, power commission, etc.), are included under appropriate industry headings.

TABLE 21. Business Gross Fixed Capital Formation, 1959-63
Reconciliation Statement
(millions of dollars)

| | 1959 | 1960 | 1961 | 1962 | 1963 |
|--|--------|--------|--------|--------|--------|
| 1. Total private and public investment in Canada(1) | 8,417 | 8,262 | 8,172 | 8,715 | 9,312 |
| 2. Deduct - New residential construction by governments(2) | -18 | -13 | -9 | -10 | -8 |
| 3. New non-residential construction by governments | -1,368 | -1,420 | -1,368 | -1,562 | -1,625 |
| 4. New machinery and equipment outlays by governments | -137 | -137 | -160 | -183 | -184 |
| 5. Business gross fixed capital formation | 6,894 | 6,692 | 6,635 | 6,960 | 7,495 |

(1) As presented in the publications "Private and Public Investment in Canada".

(2) Excludes residential construction under Veterans' Land Act, construction of veterans' rental housing by Central Mortgage and Housing Corporation, and joint federal-provincial housing (Section 36, National Housing Act) which are included under line 5.

TABLE 22. Exports and Imports of Goods and Services, 1959-63(1)
Reconciliation Statement
(millions of dollars)

| | 1959 | 1960 | 1961 | 1962 | 1963 |
|--|-------|-------|-------|-------|-------|
| <u>Exports of goods and services:</u> | | | | | |
| 1. Merchandise exports | 5,150 | 5,392 | 5,889 | 6,364 | 7,064 |
| 2. Gold production available for export | 148 | 162 | 162 | 165 | 166 |
| 3. Interest and dividends received from non-residents | 182 | 173 | 209 | 211 | 228 |
| 4. Other receipts from services rendered to non-residents | 1,312 | 1,383 | 1,474 | 1,608 | 1,745 |
| 5. Sub-total - "Current receipts" as per Canadian Balance of International Payments | 6,792 | 7,110 | 7,734 | 8,348 | 9,203 |
| 6. Inheritances and immigrants' funds | -109 | -102 | -103 | -124 | -149 |
| 7. Total "exports of goods and services" as per National Accounts(2) | 6,683 | 7,008 | 7,631 | 8,224 | 9,054 |
| <u>Imports of goods and services:</u> | | | | | |
| 8. Merchandise imports | 5,572 | 5,540 | 5,716 | 6,209 | 6,580 |
| 9. Interest and dividends paid to non-residents | 671 | 653 | 770 | 781 | 842 |
| 10. Other payments for services rendered to non-residents | 2,053 | 2,160 | 2,230 | 2,206 | 2,302 |
| 11. Sub-total - "Current payments" as per Canadian Balance of International Payments | 8,296 | 8,353 | 8,716 | 9,196 | 9,724 |
| 12. Inheritances and emigrants' funds | -165 | -181 | -174 | -163 | -182 |
| 13. Total "imports of goods and services" as per National Accounts(2) | 8,131 | 8,172 | 8,542 | 9,033 | 9,542 |

(1) Data sources are the reports "Canadian Balance of International Payments" (Balance of Payments Section, Dominion Bureau of Statistics), and other information received from the Balance of Payments Section. Figures exclude mutual aid to N.A.T.O. countries.

(2) See also Table 2.

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