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NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
FOURTH QUARTER
AND PRELIMINARY ANNUAL
1964

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

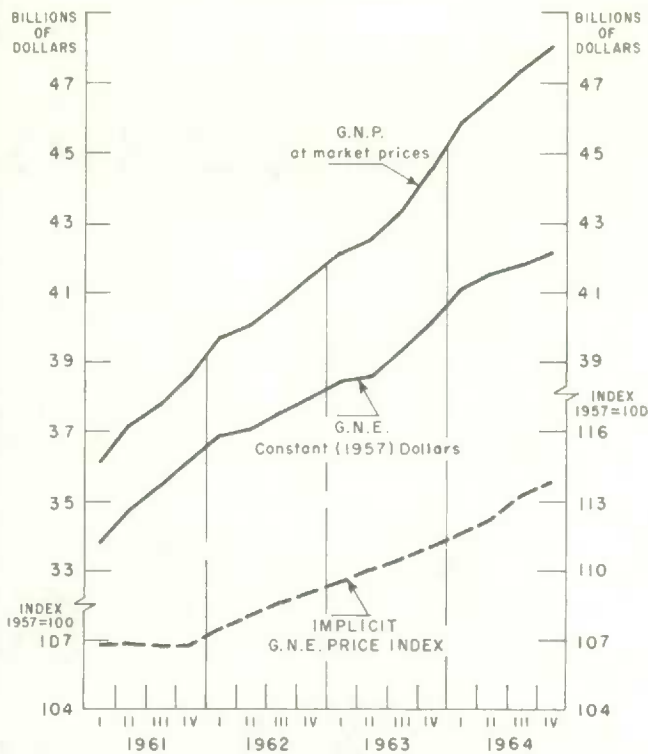
"National Accounts, Income and Expenditure, by Quarters, 1947-61", for the years 1947-58.

"National Accounts, Income and Expenditure, Fourth Quarter and Preliminary Annual, 1963", for the year 1959.

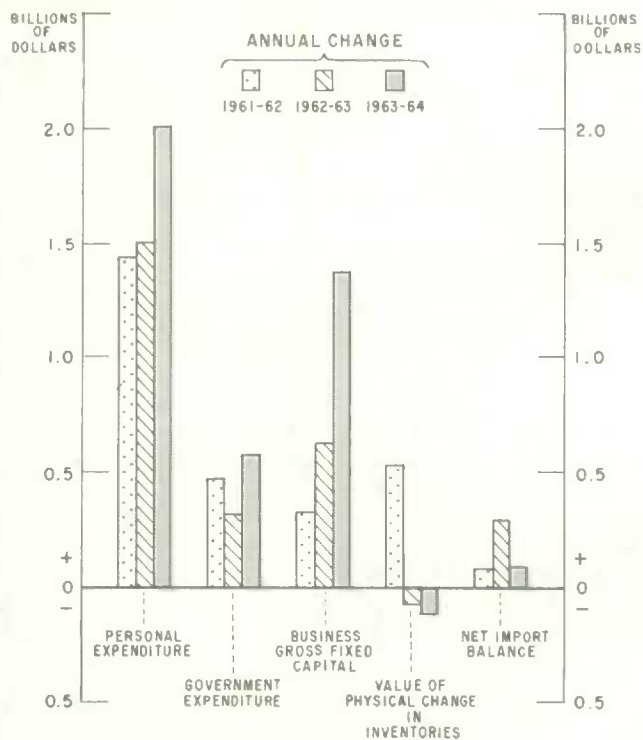
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G.N.P. in the final quarter of 1964
advanced by 1.3 per cent

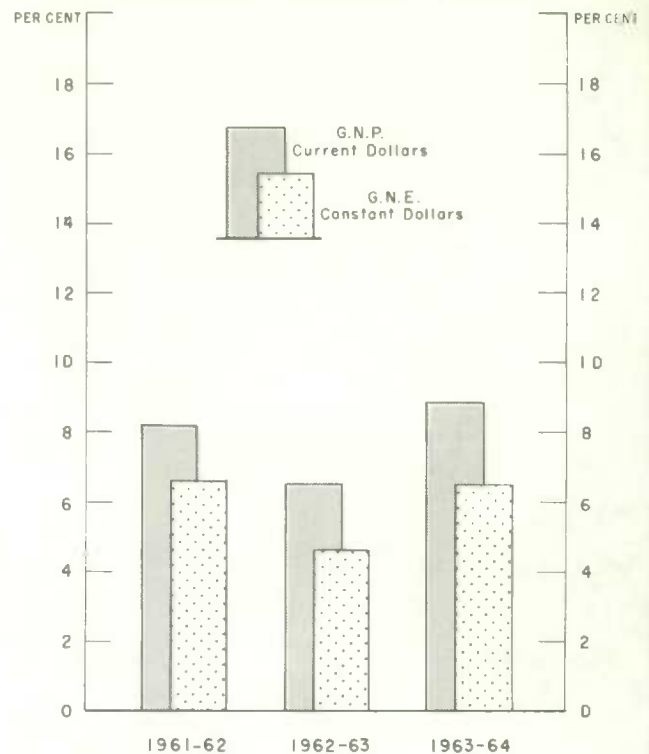


The main supports for the sustained growth
came from business capital spending
and consumers.

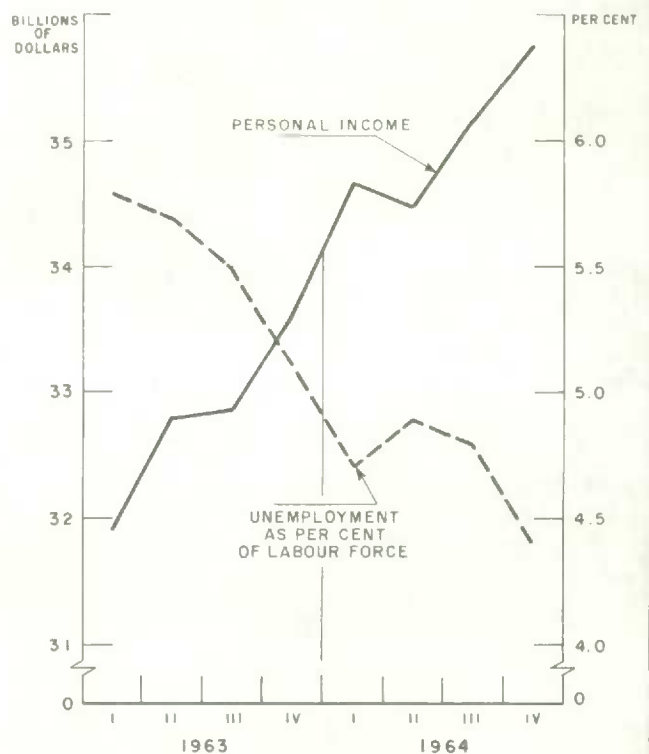


DATA IN THE ABOVE CHARTS ARE SEASONALLY ADJUSTED AT ANNUAL RATES.

.....to give an annual increase of
close to 9 per cent, of which price increases
accounted for almost 2½ per cent.



Continued gains in personal income and
declining unemployment reflected the
economic strength in 1964.



ANNUAL REVIEW 1964

(This report incorporates revisions to data for the years 1961, 62, 63 and the first 3 Quarters of 1964. 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, 1964" has also been incorporated in the estimates, as well as the results of the most recent survey, "Private and Public Investment in Canada - Outlook, 1965".)

Introduction

Gross National Expenditure reached \$47.0 billion in 1964, compared with \$43.2 billion in 1963. This gain of nearly 9 per cent was the largest annual advance since 1956. With prices almost 2-1/2 per cent higher, the increase in terms of constant dollars was 6-1/2 per cent. Western grain crops, though large, were considerably below the exceptional harvest of 1963, with the result that the rate of increase in non-farm output exceeded that in output as a whole.

The pace of expansion was uneven through the year. An upsurge in the first quarter was associated with special circumstances: the government's winter housebuilding incentive programme; forward buying of certain capital goods in anticipation of the progressive imposition of the sales tax; and huge sales of wheat following the contract entered into with the USSR. With these special factors absent or not present in the same degree, the pace of expansion was more moderate during the rest of the year.

The expansion in 1964 was broadly based, with all the components of final demand contributing to the gain in the total. In addition, a rising rate of business stock-building was adding to the demands on the nation's production until the closing quarter of the year and the annual figure substantially exceeded that of 1963. However, with outlays for business capital goods up 18 per cent, the strongest forward impetus came from the investment sector; expenditures for plant and equipment made a major gain, reflecting larger programmes in a wide range of industries; housing reached new records in units started, completed and under construction.

Consumer markets were buoyant; spending rose almost 7-1/2 per cent, one of the largest gains in recent years. The demand for durables was unusually strong, although the rate of increase in sales of cars was not as high as in the two previous years.

The international climate favoured the expansion of trade despite a slowing down in the rate of growth in some overseas countries during the course of the year. In addition to a major increase in the already high level of wheat shipments, there were substantial gains in exports of a wide variety of export products. Exports of goods and services were up 15 per cent. The high and rising level of economic activity in Canada, particularly in the investment sector, contributed to a 13 per cent rise in imports of goods and services. The further narrowing of the deficit on current international transactions due to the increased surplus on merchandise trade was one of the notable developments of the year.

Government purchases of goods and services were appreciably higher than in the previous year, paced by a close to 10 per cent increase at the provincial-municipal level. Federal purchases of goods and services which amount to a little over half those of other levels of government, were 3-1/2 per cent higher. Other government expenditure which, although not directly a part of Gross National Product, contributes indirectly to final demand by supporting expenditure by other sectors, rose by 8 per cent. Government revenues rose more sharply than expenditures and the government sector as a whole came into virtual balance, with the federal deficit shifting to a surplus for the first time since 1957 and the provincial-municipal deficit remaining unchanged.

The salient developments on the income side were a nearly 9 per cent rise in labour income, the largest since 1956, and despite a mixed quarterly movement, with some easing in the summer quarters, an increase in corporation profits of nearly 15 per cent for the year. Farm income reflected the drop in crop production from the exceptionally high level of the previous year.

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

	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	4Q'63 to 1Q'64	1Q'64 to 2Q'64	2Q'64 to 3Q'64	3Q'64 to 4Q'64
1. Personal expenditure	420	200	660	148	116	528	340	396	492	516	704	188	644	464
2. Government expenditure	244	136	- 4	372	- 144	60	204	- 96	228	8	444	- 40	20	252
3. Residential construction	32	- 40	80	40	24	- 20	12	72	64	100	344	- 268	- 36	256
4. Non-residential construction ...	120	- 20	- 44	- 80	- 48	24	28	224	16	76	208	80	132	212
5. Machinery and equipment	72	64	48	80	136	68	- 8	104	112	156	356	72	- 204	192
6. Exports of goods and services ..	588	56	40	224	116	84	176	348	40	736	260	608	152	- 352
7. Total final purchases	1,476	396	780	784	200	744	752	1,048	952	1,592	2,316	640	708	1,024
8. (Final domestic demand)	888	340	740	560	84	660	576	700	912	856	2,056	32	556	1,376

Quarter to Quarter Changes in Other Selected Items

9. "Shift" in non-farm business inventories	- 536	932	- 540	- 88	340	- 612	160	- 316	380	252	72	44	188	- 756
10. Imports of goods and services ..	508	284	- 64	404	- 48	- 436	304	212	432	360	700	- 68	12	292
11. G.N.P. (ex. farm)	560	1,000	512	404	628	648	476	412	872	1,080	1,744	456	956	652

Constant (1957) Dollars

Quarter to Quarter Percentage Changes in Selected Items

12. Final domestic demand	2.2	0.5	1.2	0.8	- 0.2	1.1	0.8	1.2	1.5	1.5	4.0	- 0.5	0.7	2.5
13. Total final purchases	2.8	0.4	1.0	1.0	-	1.1	1.0	1.7	1.3	2.5	3.7	0.6	0.6	1.5
14. Gross national expenditure	1.8	2.1	2.2	0.2	1.3	1.2	1.2	0.5	1.7	2.2	2.4	1.1	0.5	0.9

The changes in expenditure and income described above were associated with an expansion in employment of 3.6 per cent in 1964 and a drop in the average rate of unemployment from 5.5 to 4.7 per cent of the labour force; the growth in non-agricultural employment was 4.3 per cent. By the end of the year the rate of unemployment had fallen to 4.0 per cent from 4.9 per cent a year earlier.

Changes in Components of Gross National Expenditure and Other Data

	Per Cent Changes in Year-to-Year		Per Cent Changes over the year (Seasonally Adjusted)	
	1962 to 1963	1963 to 1964	IVQ. '62 to IVQ. '63	IVQ. '63 to IVQ. '64
Gross National Expenditure	6.5	8.9	7.4	7.6
Personal Expenditure	5.8	7.3	6.6	7.1
Government Expenditure	4.1	7.3	4.4	8.3
Business Gross Fixed Capital	9.1	18.1	13.5	16.7
Business Inventories	(\$-135M)	(\$310M)	(\$476M)	(\$-452 M)
Farm Inventories	(\$ 69M)	(\$-421M)	(\$-272M)	(\$ 112M)
Exports of Goods and Services	9.9	15.0	15.4	6.9
Imports of Goods and Services	5.7	13.2	14.8	9.2
Net National Income	6.5	7.6	6.5	7.3
Wages and Salaries	6.5	8.7	7.6	8.8
Corporation Profits before Taxes ^{1/}	6.6	14.6	7.6	16.6
Rent, Interest, etc.	7.7	5.9	2.4	6.0
Accrued Farm Income	15.2	-14.7	15.9	-22.3
Other Unincorporated Business Income	4.0	4.7	5.2	3.5
Personal Disposable Income	5.9	5.8	6.1	5.4
Net Personal Saving	(\$153M)	(\$-285)	(n.c.)	(\$-364M)

^{1/} Before deducting dividends paid to non-residents.

Price Movements

With overall prices increasing by a little more than 2 per cent, approximately three fourths of the 9 per cent increase in the value of GNP between the years 1963 and 1964 represented a gain in real terms. The following table compares percentage changes in value, volume and price between 1962-1963 and 1963-1964. As indicated in the table, overall prices increased by slightly more in 1964 than in the preceding year. Prices of consumer goods and services advanced by 1.5 per cent in both years, while prices of investment goods, affected by the progressive implementation of the federal sales tax on production machinery and building materials increased by 3.6 per cent in 1964 as compared with 2.6 per cent in 1963. The price component of exports of goods and services advanced by a little over two per cent in 1964, while prices of imported goods and services increased by less than two per cent during the same period.

The increase of 1.5 per cent in prices of consumer goods and services reflected diverse movements within the main components of this aggregate. Prices of durable goods declined by 1 per cent, reflecting a decrease of about 2-1/2 per cent in the prices of new cars. Non-durable goods prices advanced by close to two per cent, with clothing and food prices increasing by 3 and 1-1/2 per cent respectively. Prices of the service component rose by about 2 per cent with rather widespread advances in all the main components other than rents, which advanced only slightly.

Per Cent Changes - Value, Volume, and Prices

	1962 to 1963			1963 to 1964		
	<u>Value</u>	<u>Volume</u>	<u>Price</u> ^{1/}	<u>Value</u>	<u>Volume</u>	<u>Price</u> ^{1/}
Personal Expenditure	5.8	4.3	1.5	7.3	5.8	1.5
Non-Durable Goods, ex. food	4.0	3.1	0.9	7.5	5.4	2.0
Non-Durable Goods - Total	4.2	2.5	1.7	6.3	4.5	1.7
Durable Goods	9.2	8.8	0.4	10.4	11.5	-1.1
Services	6.8	5.3	1.5	7.8	5.5	2.2
Government Expenditure	4.1	-	4.1	7.3	4.4	2.6
Business Gross Fixed Capital Formation	9.1	6.3	2.6	18.1	14.0	3.6
New Residential Construction	8.2	4.6	3.5	18.4	12.0	5.7
New Non-Residential Construction	7.5	4.7	2.6	17.9	14.7	2.7
New Machinery and Equipment	11.1	8.7	2.2	18.2	14.6	3.2
Exports of Goods and Services	9.9	8.6	1.1	15.0	12.4	2.3
Total Final Demand	6.7	4.6	1.9	10.2	7.9	2.2
Imports of Goods and Services	5.7	2.8	2.9	13.2	11.3	1.7
Gross National Expenditure	6.5	4.6	1.8	8.9	6.5	2.3

^{1/} Implicit Price Indexes

Production by Industry

Real domestic product less agriculture for the year 1964 was almost 7 per cent above its 1963 levels, thus surpassing its post-war average annual rate of growth of about 4-1/2 per cent. Most industry groups in 1964 maintained or bettered their post-war growth rates. The largest single contributor to the gain in the total was manufacturing, with an 8 per cent increase, followed by transportation and trade, which increased by 10 and 6 per cent respectively. Construction also had a particularly good year, the 1964 increase of 10 per cent being the highest since 1956.

Components of Demand

Consumer Expenditure

Reflecting particularly strong advances in the first and third quarter, personal expenditure in 1964 rose almost 7-1/2 per cent above the level of 1963. This gain, one of the largest in recent years, was 1-1/2 percentage points higher than obtained the previous year. With prices higher by 1-1/2 per cent on consumer purchases the real growth amounted to 6 per cent.

All components shared in the notably strong demand for durables, particularly furniture, appliances and radios and home furnishings which showed sizeable gains; a reflection in part of the strong demand for housing. The 11-1/2 per cent increase in the net purchases of new and used cars was below the 14 per cent exhibited during the previous two years, possibly resulting from the interruption in supplies due to work stoppages in the industry in the final quarter of the year; new purchases of cars contributed more than one-half to the growth in durables. Purchases of cars of overseas manufacture increased sharply, reversing a downward trend evident for the past few years.

Purchases of non-durable goods increased more than 6 per cent over 1963 with increases in food and clothing providing the main impetus. Moderate increases were also registered in sales of alcoholic beverages and tobacco. Purchases of fuel and gas declined fractionally.

The growth of almost 8 per cent in expenditure on services accounted for roughly 40 per cent of the increase in total spending. Increases of approximately 8 per cent were registered in personal services and personal care, while outlays on recreation grew by 7 per cent. Shelter expenses rose almost 6 per cent, down from an 8 per cent increase in the previous year. Part of the growing demand for services was attributable to substantially higher outlays in 1964 by Canadians travelling abroad.

Personal Expenditure - Per cent Changes

	Year 1962 to Year 1963	Year 1963 to Year 1964
Total Non-durables	4.2	6.3
Food	4.2	5.1
Clothing (including footwear)	3.9	6.3
Total Durables	9.2	10.4
New and Used Cars	14.4	11.5
Total Goods	5.1	7.1
Total Services	6.8	7.8
Total Personal Expenditure	5.8	7.3

Business Gross Fixed Capital Formation

Spending on fixed capital in 1964 totalled about \$9 billion, up 18 per cent from 1963. Based on 1957 prices, the compound rate of growth was some 13 per cent, the highest since 1956. There were marked increases in the opening quarter associated with sharply rising outlays for housing and machinery and equipment; higher expenditures for all three components were evident in the fourth quarter. The upsurge in spending at the year-end carried the fourth quarter level to an annual rate 4-1/2 per cent above the yearly average.

Growth Rate* - Business Gross Fixed Capital Formation in Constant (1957) Dollars
(Average annual rates)

First Year	Final Year											First Year
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	
1953	-5.3	0.5	7.3	6.6	3.9	2.6	1.5	1.1	1.2	1.7	2.7	1953
1954		6.2	13.6	10.6	6.1	4.1	2.6	2.0	2.0	2.4	3.5	1954
1955			21.1	12.8	6.1	3.6	1.8	1.3	1.4	2.0	3.2	1955
1956				4.5	-1.4	-2.2	-3.0	-2.7	-1.9	-0.7	1.0	1956
1957					-7.2	-5.6	-5.4	-4.5	-3.2	-1.6	0.5	1957
1958						-3.9	-4.6	-3.6	-2.1	-0.5	1.8	1958
1959							-5.2	-3.4	-1.5	0.4	2.9	1959
1960								-1.7	0.3	2.2	4.9	1960
1961									2.3	4.2	7.1	1961
1962										6.1	9.6	1962
1963											13.1	1963

*The growth rates are the average annual changes of the natural logarithms of the figures for the first and last years of the periods specified.

Residential capital formation at \$2 billion was over 18 per cent higher than in 1963. Dwelling starts, completions and units under construction at year-end set new records. The number of building starts amounted to 165,700, surpassing the previous record of 164,600 made in 1958. Completions increased over 1963 levels by 18 per cent to about 151,000 units. Dwellings under construction increased from 96,600 at the end of 1963 to 107,700 at the end of 1964.

About nine-tenths of the expansion in housing starts was in multiple dwellings, mostly in urban areas. Changes in housing activity have been attributed to the ready availability of mortgage money, to special winter house-building incentive programmes, to demographic factors and perhaps to the increased attractiveness of apartment accommodation.

Non-residential building and engineering capital formation advanced by about 18 per cent to \$3.3 billion. About half of the gains were in utility projects, notably in the electric power, urban transit and railway industries. Very large expansions occurred in manufacturing by the paper, transportation equipment and primary metal industries; in mining by petroleum and oil wells and by iron mines; and in the financial industries by real estate companies. The industrial composition of 1964 private construction differed from that of 1963 in that there was a significantly smaller relative share for trade and commercial services.

Producers' durable equipment spending moved 18 per cent higher than in 1963 to \$3.6 billion. Some two-thirds of the gain was in manufacturing with large investment programmes by the paper, primary metal, textile and transportation equipment industries. Other major gains were in agriculture and the railway industry. The industrial composition of 1964 machinery and equipment outlays differed from 1963 in that there was a significantly larger relative share for manufacturing and reduced shares for utilities and agriculture.

Investment intentions as published in "Private and Public Investment in Canada - Outlook 1965" call for an increase in 1965 of 12 per cent to \$10.1 billion, with outlays for housing up 11 per cent and for plant and equipment up about 13 per cent from 1964. The industrial composition of planned 1965 spending differs from 1964 in that there is a larger relative share for manufacturing, institutions and real estate companies, and smaller share for mining and agriculture.

Non-farm Business Inventories

Stock accumulation amounted to \$510 million during the year. Although this was by far the biggest annual increase during the current economic expansion, the inventory held by business did not appear high in relation to output. Stocks were built up at a steadily rising rate during the first three quarters of the year but the rate of increase fell sharply in the fourth quarter. Four-fifths of the increase occurred in manufacturing and retail inventories. Wholesale stocks increased also, but at a much lower rate.

Change in Non-farm Business Inventories, Years 1963-1964

	1963	1964	1964 Minus 1963
	(millions of dollars)		
Manufacturing ^{1/}	40	216	176
Durables	23	143	120
Non-Durables	17	73	56
Wholesale	31	77	46
Retail	143	199	56
"Other" Industries	-14	18	32
Grand Total	200	510	310

^{1/} The split into durable and non-durable is based on the nature of the principal product manufactured.

The major part of the accumulation of inventories in manufacturing in 1964 compared with 1963 took place in the durable goods industries, in particular in the transportation equipment, metal fabricating and electrical goods industries; other changes among durables were small and to some extent offsetting. Among non-durables, much the most important change was in the newsprint industry which shifted from depletion in 1963 to accumulation in 1964. For manufacturing as a whole the stock-to-shipsments ratio at the end of the year was the same as that of a year earlier.

All the increase in the rate of accumulation in stocks in wholesale trades is accounted for by the durable lines; the movements in the non-durable trades were mixed and offsetting. The stock-to-sales ratio for all wholesale industry at the end of the year was lower than a year earlier.

In retail trades there were opposing changes in the rate of build-up of stocks as between durables and non-durables. Durables were built-up at a much reduced rate and non-durables at a much higher rate. This development in durables was largely the result of a curtailment in supply to new car dealers in the latter part of the year when strikes occurred in the automobile manufacturing industry in the United States and subsequently in Canada. At the end of the year, the stock-to-sales ratio for all retail trades was higher than a year earlier.

Exports and Imports of Goods and Services

The deficit in Canada's external account on a National Accounts basis fell from \$524 million to \$428 million in 1964, the smallest deficit recorded since 1954. The change of \$96 million resulted from an increase in the surplus in merchandise trade of \$197 million partly offset by a rise of \$101 million in the deficit on non-merchandise trade. About three quarters of the latter can be attributed to a turnabout from a surplus to a deficit in the travel account. Higher deficits in the interest and dividends account (at record levels for both receipts and payments) and the miscellaneous account (government expenditure, business and other services) and a drop in gold production available for export offset an improvement in the freight and shipping account.

Exports and Imports of Goods and Services

	Goods			Services			Current
	Exports	Imports	Net	Exports	Imports	Net	Balance
(millions of dollars)							
1961	5,889	5,716	173	1,742	2,826	-1,084	-911
1962	6,380	6,203	177	1,879	2,879	-1,000	-823
1963	7,082	6,579	503	1,995	3,022	-1,027	-524
1964	8,238	7,538	700	2,202	3,330	-1,128	-428
1963-4 per cent change	16.3	14.6		10.4	10.2		

Massive shipments of wheat to the USSR and other Communist countries were a special factor in the 16 per cent rise in merchandise exports. Other gains were made in zinc, nickel, copper, iron ore and concentrates, newsprint paper, wood pulp, aircraft (after allowance for progress payments and deliveries), cars and trucks, motor vehicle parts, fish, barley, petroleum, farm and non-farm machinery, lumber and natural gas. The changes in exports of the ten leading commodities are shown in the table below.

Available import statistics suggest strength in Canadian demand for imported non-farm machinery, automobile parts, tractors, engines, automobiles, and plate, sheet and strip steel.

Merchandise trade figures used in the National Accounts differ somewhat from the published "Trade of Canada" totals. The effect of these adjustments in 1964 has been to reduce the export balance shown in the "Trade of Canada" report by over \$100 million. The difference results mainly from reductions in wheat and military aircraft receipts which were recorded in the previous year in the National Accounts.

Domestic Exports

	1963	1964	Per cent change ^{1/}
(millions of dollars)			
Main Commodities:			
Wheat ^{2/}	811	988	21.8
Newsprint paper	760	835	9.8
Wood pulp	405	461	13.7
Lumber, softwood	427	450	5.3
Iron ores and concentrates	271	356	31.4
Aluminum and alloys	303	318	5.0
Petroleum, crude	234	262	12.0
Aircraft and parts ^{3/}	108	249	-
Nickel and alloys	175	197	12.4
Copper and alloys	166	190	14.4

^{1/} Based on unrounded figures.

^{2/} Adjusted for national accounts use.

^{3/} Before allowance for progress payments and deliveries.

The Government Sector

Total revenues of all governments combined, (excluding inter-governmental transfers), increased by over 12-1/2 per cent to a level of \$14.6 billion over the 1963 level of \$13.0 billion. Total expenditures increased less sharply, by 7-1/2 per cent, to a level of \$14.6 billion, resulting in a significant narrowing of the combined deficit (on a National Accounts basis) from \$632 million in 1963 to \$20 million in 1964. The improvement in the deficit position came at the federal level as the federal government with an increase in its revenues more than double that of its expenditures, moved from a deficit of \$292 million in 1963 to a surplus of \$328 million in 1964, the first annual surplus recorded since 1957. The deficit at the provincial-municipal level changed little as revenues and expenditures increased by similar amounts.

The continued buoyancy and expansion of activity in the economy in 1964 was reflected in the advances of all components of total government revenues.

Total indirect tax revenue rose by 13 per cent with the federal and the provincial-municipal governments sharing almost equally in the absolute increase. The major part of the gain at the federal level was in excise taxes, due in part to increases in the sales tax rate on production machinery and building materials imposed during the year. Provincial revenues from gasoline and sales taxes rose by almost 20 per cent; the increase was associated with a higher volume of sales and some upward revision in tax rates. Rates of tax on gasoline and fuel oil were increased in Ontario and Manitoba; the general sales tax rate was increased from 4 to 6 per cent in Quebec. The gain in property taxes accounts for most of the rise at the municipal level, but it was tempered somewhat by the decline in returns from retail sales taxes attributable to the withdrawal of Quebec municipalities from the sales tax field in April, 1964, in favour of the province.

Total corporate and personal direct taxes reached a level of \$5.4 billion, an increase of 14 per cent from 1963. Reflecting the sustained improvement in the employment positions and rising incomes, total revenue from federal and provincial personal income taxes was 18 per cent higher than in 1963. Accentuating the rise in federal personal income tax revenues was an increase from 3 per cent to 4 per cent (to a maximum of \$120 per taxpayer) in the levy on personal income on behalf of the Old Age Security Fund. There was an increase from 17 per cent to 18 per cent, effective January 1, 1964, in the abatement of the income tax in favour of the provinces under the terms of the federal-provincial fiscal arrangements which increased the share of provincial income tax revenue.

Investment income accruing to government rose by almost 10-1/2 per cent, with the largest increase occurring in trading profits of government enterprises. At the federal level, investment income increased by 9 per cent. Increased trading profits of power commissions and utilities accounted for more than half of the increase at the provincial-municipal level.

Total expenditures of all levels of governments advanced by over 7-1/2 per cent or \$1.1 billion from 1963 to 1964 with over two-thirds of the gain occurring at the provincial-municipal level. Provincial-municipal expenditures on goods and services rose sharply by over 9 per cent. On the other hand, federal outlays on goods and services showed a modest increase of 3-1/2 per cent which was accounted for by an increase of \$127 million in non-defence outlays and a decline of \$24 million in defence goods and services.

Per cent Change in Government Expenditure and Revenue

	1962 to 1963	1963 to 1964
Government Expenditure:		
Goods and services	4.1	7.3
Transfer payments to persons	2.9	8.4
Interest on public debt	9.1	7.9
Subsidies	6.5	1.9
Totals ^{1/}	4.3	7.5
Government Revenue:		
Direct taxes - persons	6.6	17.0
Direct taxes - corporations	7.0	9.2
Withholding taxes	1.6	10.2
Indirect taxes	5.6	13.1
Investment income	9.5	10.4
Employer-Employee contributions	4.3	5.3
Totals ^{1/}	6.3	12.6

^{1/} Excludes inter-governmental transfers.

There was a gain of almost 8-1/2 per cent over 1963 in the total of transfer payments to persons (excluding interest on the public debt). At the federal level, higher old age security payments, which were increased from \$65 to \$75 per month late in 1963 and the introduction of the new youth allowances more than offset a decline in the payments of unemployment insurance benefits. At the provincial-municipal level, substantial increases in payments under hospital insurance plans and for education accounted for the bulk of the increase.

Income Flows

Labour Income

Labour income for 1964 was estimated at \$23.4 billion, nearly 9 per cent higher than in 1963 and is the largest year-to-year gain recorded since 1956. Income in the goods-producing and in the service-producing industries rose at approximately the same rates.

Wages and salaries in the goods-producing industries advanced 9.0 per cent from 1963 to 1964. The largest increase in this group, about 11-1/2 per cent, occurred in construction although substantial gains of almost 9 per cent were also made in manufacturing.

The service-producing industries aggregate of wages and salaries for 1964 was up nearly 9 per cent over 1963. Finance and service recorded a gain of over 11 per cent and trade advanced close to 9 per cent. Wages and salaries in government non-military employment and also in the transportation, communication and other utilities industries rose by 6.0 per cent from 1963 to 1964.

These gains in labour income were associated with a rise in the number of employed paid workers of nearly 4-1/2 per cent. Available evidence does not suggest much change in hours worked.

Investment Income

Corporation profits (before taxes and before dividends paid to non-residents) continued to increase to a new record level in 1964. After a very strong first quarter, profits dipped in the second and third quarters but recovered and increased sharply, by 11.5 per cent, in the fourth. For the year as a whole, profits rose to \$4.6 billion or over 14-1/2 per cent above the annual level for 1963. Most industries showed substantial increases, the exceptions being textiles, transportation equipment and public utilities where profits declined. The profits of mining, quarrying and oil wells rose over 30 per cent. Production of the metal industries advanced substantially, as did the profits of primary metal industries, metal fabricators, and machinery, each increasing by about 20 per cent. Other increases were shown by transportation, near 40 per cent, wholesale trade, finance and service each approximately 15 per cent. The weakening of the transportation equipment industry in the fourth quarter was caused by strikes and production stoppages, the annual decline attaining 10 per cent.

Rent, interest and miscellaneous investment income rose by 6 per cent over the \$3.1 billion in 1963 to reach a level of \$3.3 billion in 1964, mainly because of the rise in trading profits of government business enterprises and increased receipts from withholding taxes.

Net Income of Non-Farm Unincorporated Business

Net income of non-farm unincorporated business increased in 1964 to a level of \$2,587 million, about 5 per cent above the 1963 figure. The largest gain, over 13 per cent, was in the construction industry which contributed more than one-third of the increase in the total. Marked increases were also registered in service and finance industries.

Accrued Net Income of Farm Operators from Farm Production

Accrued net income of farm operators from farm production in 1964 was \$1,472 million, close to 15 per cent lower than the record level attained in 1963, but nearly 18 per cent higher than the 1954-1963 average. The largest part of the decrease can be attributed to a marked decline in the value of grain production; the value of the crop in 1964 is estimated at \$1,133 million, \$248 million less than in 1963.

Farm cash income, the largest component of farm net income, reached an all time high level of \$3,456 million, 8-1/2 per cent above the 1963 previous record. Major items contributing to the increase were wheat, flax, dairy products and potatoes. Offsetting the increase in farm cash income was a decline in farm grain inventories. Gross income declined 3 per cent.

Farm operating expenses showed a further increase above the previous record level reached in 1963. The increase, 4 per cent, was somewhat lower than the past ten-year average. Contributing to the increase in farm operating expenses were higher payments for fertilizers, interest on debts, operation of farm machinery including repair, livestock feed, and farm labour.

Farm Income

	1963	1964	Change 1964 1963	Per Cent Change 1964 1963
	(millions of dollars)			
Farm Cash Income	3,185	3,456	271	8.5
Income-In-Kind	357	371	14	3.9
Farm Inventory Change	311	- 99	-410	-
Gross Income	3,853	3,728	-125	-3.2
Deduct:				
Farm Operating Expenses	1,880	1,953	73	3.9
Depreciation	327	349	22	6.7
Add:				
Adjustment on Grain Transactions ^{1/}	138	110	-28	-
Other Adjustments	-59	-64	- 5	-
Accrued Net Income of Farm Operators	1,725	1,472	-253	-14.7

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

The Fourth Quarter

Introductory Review

In the fourth quarter of 1964, when expansion in economic activity had been in progress for fifteen quarters, Gross National Product rose to \$48.0 billion at a seasonally adjusted annual rate, a gain of 1.3 per cent from the third quarter. With some rise in prices somewhat more than half of this increase represents a gain in real terms.

The slight slackening in the rate of increase in Gross National Product in the fourth quarter was the outcome of large and partly offsetting movements among major components. The rate of accumulation of business stocks fell sharply, in some part as a result of the strike-induced interruption of supplies to the automobile dealers. Meanwhile business expenditures on plant and equipment rose sharply and outlays on housing rose even more, possibly as a consequence of the renewal of the winter house-building incentive programme; the consumer market remained strong, with the emphasis shifting somewhat from durables to non-durables. Reversing a recent trend, the deficit on international current account rose sharply, reflecting, on the merchandise side, higher imports and the completion earlier in the year of shipments of wheat to the USSR; and on the service side a larger deficit on travel account.

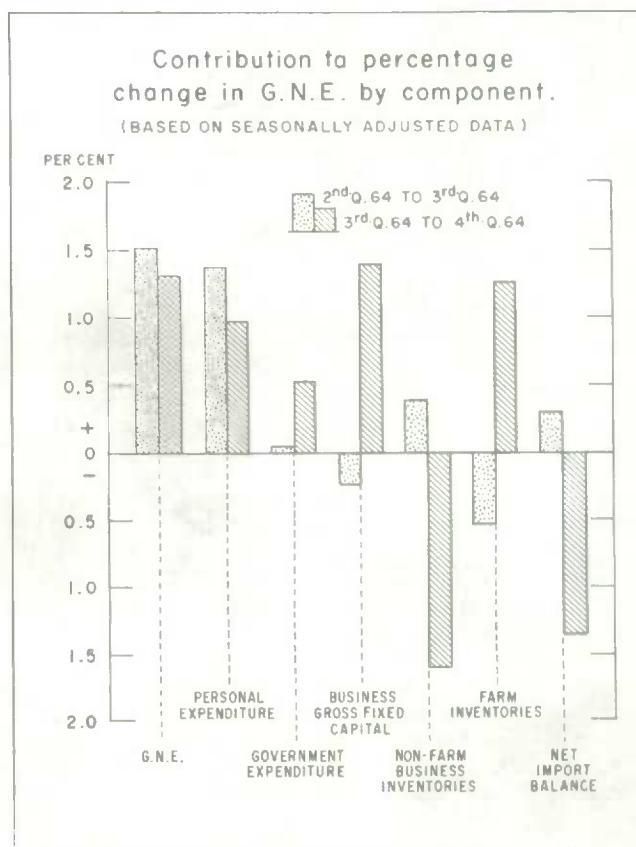
Turning to the income side, special factors account for some of the quarterly changes. The rate of increase in labour income slowed down in the fourth quarter but there were retroactive payments in the third quarter and labour disputes in the fourth. The sharp rise in corporate profits in the fourth quarter is partly accounted for by unusual foreign dividend payments to Canadian corporations and by the subsidies paid to railways.

Components of Expenditure

Personal expenditure on consumer goods and services, seasonally adjusted at annual rates, rose by almost half a billion dollars in the fourth quarter of 1964, an increase of more than 1-1/2 per cent from the previous quarter. In contrast to the third quarter when the main stimulus to growth came from durable goods, services and non-durable goods showed larger rates of growth in the final quarter.

Among goods, a 2-1/2 per cent gain in purchases of non-durables, one of the largest of the recent past, was largely offset by a 6-1/2 per cent decline in durable goods as net purchase of new and used cars dropped 14 per cent, probably reflecting strikes in the automobile industry. Increases of 1-1/2 per cent in food, 3 per cent in fuel, and 2 per cent in outlays on gasoline and auto parts were the chief contributors to the growth in non-durables; sales of alcoholic beverages fell slightly, influenced by a strike of employees of liquor retail outlets in the Province of Quebec.

Advances in services, which rose almost 3 per cent were widely distributed, with outlays on shelter and personal services exhibiting rates of growth of 3-1/2 per cent and 3 per cent respectively. Outlays for purchased transportation and medical care also showed gains in excess of 2 per cent.



Capital spending ended the year 7-1/2 per cent above the previous quarter. A marked increase in housing pushed up the figures but substantial gains were made in plant and equipment outlays. In the fourth quarter of 1964 capital outlays were 45 per cent higher than in the cyclically low first quarter of 1961.

	New residential construction	New Non-residential construction	New Machinery and equipment	Total
	(Seasonally Adjusted)			
	1st qtr.1961 = 100 (trough in general business activity)			
1964 - 1st quarter	155.0	125.0	143.0	138.5
2nd quarter	135.9	128.1	145.9	136.7
3rd quarter	133.3	133.3	137.8	135.1
4th quarter	151.6	141.7	145.4	145.3

Investment in housing reached a seasonally adjusted annual rate of \$2.1 billion in the fourth quarter, a gain of about 14 per cent. Non-residential construction was valued at an annual rate of \$3.6 billion, up 6 per cent from the third quarter, while investment in machinery and equipment advanced to an adjusted annual rate of \$3.7 billion, an increase of 5-1/2 per cent.

It may be noted that the second quarter National Accounts publication referred to special conditions accounting for an accelerated rate of increase in seasonally adjusted data after the third quarter of 1963. These special conditions included the stimulus of the winter house-building incentive scheme and the forward spending associated with the increase in the sales tax on building materials, which raised difficult problems of seasonally adjusting the data which have not yet been overcome.^{1/}

Investment in non-farm business inventories added little to total demand in the fourth quarter of 1964 in contrast to the significant demands imposed on production in the third quarter. Seasonally adjusted estimates show a stock increase of \$48 million at annual rates, compared with \$804 million in the previous quarter. This sharp drop in the rate of accumulation reflected substantially reduced stock-building in manufacturing and wholesale trade and a shift to depletion in retail trade and the total of the other industries.

In manufacturing, durable goods-producing industries showed on balance, a build-up of stocks, almost all of which occurred in the transportation equipment industry; the rate of build-up in this industry was, however, lower than in the previous quarter. On the other hand, the non-durable goods-producing industries showed a small depletion, the result of a drawing down of stocks in the food, petroleum and textiles industries, partially offset by accumulation in the tobacco, clothing and paper industries. By stage of manufacture, accumulation took place at the raw and goods-in-process levels, while the stocks of finished goods were depleted. With new orders running ahead of shipments, the quarter ended with an increased backlog of unfilled orders. The stock-to-shipments ratio was much lower than in the previous quarter.

^{1/}When these special circumstances first arose in the winter of 1963-1964 they were treated as an irregular event in the seasonal adjustment. This meant that the total effect of the special circumstances remained in the seasonally adjusted data and may even have been somewhat exaggerated by the seasonal adjustment process itself. With the repetition of the winter house-building incentive programme this year and the final stage of the progressive imposition of the sales tax on building materials being reached this winter, it was felt that at least the housing bonus is assuming some characteristics of seasonal behaviour. As a consequence, the seasonal factors for both 1963 and 1964 were modified to take account of this presumed new seasonal, and part of these special events has therefore been converted from an irregular to a seasonal occurrence.

In wholesale trades, a drawing-down of stocks occurred in the industrial and transportation equipment, in contrast to a substantial increase in the previous two quarters; this almost offset accumulation in the rest of the durable lines. In the non-durables, the movement was also mixed and resulted in a small accumulation. For the industry as a whole, the stock-to-sales ratio fell.

In retail trades, the depletion for the group as a whole reflected a drawing-down of stocks of food dealers and a drop in stocks in the hands of motor vehicle dealers, whose supply of new cars was curtailed by labour disputes in the automobile industry. The remaining trades increased their stocks. For the retail industry as a whole the stock-to-sales ratio did not change from the previous quarter.

The deficit in the external account climbed from an annual seasonally adjusted rate of \$28 million in the third quarter to \$672 million in the fourth quarter when exports of goods and services fell over 3 per cent to an annual rate of \$10,404 million and imports advanced over 2-1/2 per cent -- moving from \$10,784 to \$11,076 million.

Exports and Imports of Goods and Services (Seasonally adjusted at annual rates)								
	Goods			Services			Current balance	
	Exports	Imports	Net	Exports	Imports	Net		
(millions of dollars)								
1963 - 1st quarter	6,664	6,216	448	1,948	2,920	-972	-524	
2nd quarter	6,992	6,416	576	1,968	2,932	-964	-388	
3rd quarter	7,008	6,704	304	1,992	3,076	-1,084	-780	
4th quarter	7,664	6,980	684	2,072	3,160	-1,088	-404	
1964 - 1st quarter	7,804	7,528	276	2,192	3,312	-1,120	-844	
2nd quarter	8,480	7,572	908	2,124	3,200	-1,076	-168	
3rd quarter	8,572	7,476	1,096	2,184	3,308	-1,124	-28	
4th quarter	8,096	7,576	520	2,308	3,500	-1,192	-672	

Exports of merchandise fell sharply and the surplus on goods, seasonally adjusted, dropped from \$1,096 to \$520 million. With a deficit on non-merchandise trade \$68 million greater, the current account deficit rose \$644 million.

The completion of grain deliveries to the USSR earlier in the year was the main factor in the sharp drop in exports in the fourth quarter. Small declines were recorded in sales of aluminum, farm machinery, newsprint, fertilizers, zinc and non-farm machinery. Together these offset a marked rise in sales of iron ore and small increases for fish, natural gas, wood pulp, crude petroleum, copper and asbestos. Commodity detail is not available to identify increases in merchandise imports.

The non-merchandise trade deficit moved from \$1,124 to \$1,192 million as a result of higher travel payments. Both receipts and payments of interest and dividends advanced to record levels with large non-recurring dividend receipts, and an unusually large dividend payment by a subsidiary in Canada. However, the change in receipts for this account almost offset the change in payments.

The Government Sector

Seasonally adjusted at annual rates, expenditures of all governments combined (including government transfers) increased by \$540 million or almost 3-1/2 per cent to a level of \$16,324 million in the fourth quarter from the previous period. Almost half of the increase was accounted for by higher expenditures on goods and services at the provincial-municipal level; federal expenditures on non-defence goods and services declined slightly while defence outlays remained stable. Another \$220 million of the increase (at annual rates) came as the result of a doubling of federal subsidy payments during the quarter due to large interim payments to the railways.

Total revenues of all governments combined increased by 2-1/2 per cent to a level of \$16,360 million in the fourth quarter. All components showed increases of varying degrees with the largest absolute increases occurring in taxation revenues. Investment income accruing to governments also increased substantially mainly owing to higher profits earned by government enterprises.

With expenditures rising more sharply than revenues, the surplus (on a National Accounts basis) of all governments combined declined from a seasonally adjusted rate of \$164 million in the third quarter to a rate of \$36 million in the fourth. Both the federal and provincial-municipal levels contributed about equally to the decline in the surplus.

Income Flows

Wages and salaries, seasonally adjusted, increased nearly 2 per cent from the third to fourth quarter of 1964. This increase is considerably lower than the gain of over 2-1/2 per cent recorded in the second to third quarter comparison. However, the third quarter included substantial retroactive wage payments while the fourth quarter was affected by industrial disputes.

Seasonally adjusted wages and salaries in the goods-producing industries were 2 per cent higher in the fourth quarter than in the previous quarter. Wages and salaries in construction rose sharply, nearly 9 per cent in the fourth quarter, following a moderate increase in the third and a decline in the second. Manufacturing wages and salaries, seasonally adjusted, increased less than 1 per cent in the fourth quarter; this increase would have been considerably larger but for industrial disputes.

Seasonally adjusted wages and salaries in the service-producing industries advanced less than 2 per cent from the third to the fourth quarter. Finance and service wages and salaries showed a gain of about 2-1/2 per cent, a quarterly rate similar to those recorded in the previous six quarters. Wages and salaries in trade rose less than 2 per cent in the third to fourth quarter comparison. Transportation, communication and other utilities wages and salaries, were 1-1/2 per cent higher; retroactive wage payments had been partly responsible for a relatively larger increase in the preceding period. Government non-military wages and salaries dropped in the fourth quarter, but this decline is fully accounted for by retroactive wage payments in the third quarter.

Corporation profits in the fourth quarter of 1964 were at a seasonally adjusted annual rate of \$4.9 billion, some 11-1/2 per cent above the preceding quarter. The largest contributions to the increase were made by mining, quarrying and oil wells and by transportation, storage and communication, due to larger railway subsidies. Electrical apparatus, chemicals, and wholesale trade also displayed notable strength. The strikes and parts shortages suffered by the transportation equipment industry adversely affected profits for the metal group. Other offsetting movements were widely dispersed throughout manufacturing industries.

Rent, interest and miscellaneous investment income, seasonally adjusted at annual rates, increased by over 4 per cent in the fourth quarter of 1964 and totalled \$3,388 million, mainly influenced by the previously mentioned increase in government trading profits more than offset the decline in other government investment income.

Accrued net income of farm operators from farm production, seasonally adjusted at annual rates, of \$1,404 million in the fourth quarter declined 2 per cent from the third quarter. Reflecting the much lower level of grain exports during the quarter, the earnings of the Canadian Wheat Board declined sharply; almost offsetting this decline were increased returns from the sale of farm products and an accumulation of livestock inventories.

On the other hand, seasonally adjusted net income of farm operators, which is reflected in the personal income account, increased by almost 12 per cent in the quarter with payments from the Canadian Wheat Board showing little change.

Production by Industry

Seasonally adjusted real domestic product less agriculture for the fourth quarter of 1964 was about 2 per cent above the level attained in the previous quarter, and almost 24 per cent above its first quarter, 1961, cyclical trough.

Construction, manufacturing and mining, in that order, were the largest contributors to the fourth quarter gain, with the first two jointly accounting for approximately one half of the total increase in non-agricultural real output.

Within manufacturing, which advanced by about 2 per cent, durables showed no change from the previous quarter, as the substantial decline in motor vehicles and parts production, resulting from strikes in the industry, was offset by increases in all other major groups. The iron and steel products, non-ferrous metal products and non-metallic mineral products groups, in particular, showed considerable gains. Non-durables increased by more than 3 per cent. Foods and beverages and chemical products, up by 5 and 7 per cent, respectively, accounted for the larger part of the gain in non-durables.

Increases of about 4 and 6 per cent respectively occurred in electric power and gas utilities and mining, with most components of metal mining substantially higher.

Among the remaining industry groups, transportation recorded an increase in the fourth quarter of 3 per cent, largely as a result of gains in railway and water transportation. The gain in trade of 1 per cent was concentrated in the retail area, particularly food stores and building material dealers, while motor vehicle dealer sales declined sharply. A similar pattern of gains and declines at the store level was discernible in wholesale trade.

Technical Note

Revisions to Government Data Introduced in this Publication

Beginning in 1961, the quarterly estimates of municipal revenues and expenditures have been improved with the incorporation of the results of a quarterly sample survey of municipal revenues and expenditures begun in 1961 by the Public Finance and Transportation Division; prior to this period the quarterly distribution is based on the movements of similar components in the provincial series. The estimates of quarterly provincial revenues and expenditures have also been improved with all provinces now submitting quarterly returns.

The user should note that, as a result, there have been substantial changes in quarterly patterns from those published previously for the years 1961 to 1964 inclusive. Consideration will be given later to the possibility of incorporating the newly established quarterly patterns in the historical record.

TABLES UNADJUSTED FOR SEASONAL VARIATION

TABLE 1. National Income and Gross National Product, by Quarters, 1960-64
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Wages, salaries, and supplementary labour income	4,342	4,565	4,719	4,619	18,245	4,448	4,733	4,940	4,875	18,996
2	Military pay and allowances	119	129	127	134	509	129	140	137	144	550
3	Corporation profits before taxes	751	910	877	800	3,338	606	918	942	961	3,427
4	Deduct: Dividends paid to non-residents(1)	- 102	- 106	- 115	- 135	- 458	- 164	- 122	- 128	- 172	- 586
5	Rent, interest and miscellaneous investment income	610	605	604	651	2,470	628	628	685	729	2,670
6	Accrued net income of farm operators from farm production(2)	27	82	984	93	1,186	87	135	676	110	1,008
7	Net income of non-farm unincorporated business(3)	446	555	522	690	2,213	444	558	565	707	2,274
8	Inventory valuation adjustment(4)	- 37	- 46	15	- 2	- 70	- 10	- 11	- 41	- 27	- 89
9	NET NATIONAL INCOME AT FACTOR COST ...	6,156	6,694	7,733	6,850	27,433	6,168	6,979	7,776	7,327	28,250
10	Indirect taxes less subsidies	1,087	1,140	1,109	1,134	4,470	1,121	1,174	1,153	1,248	4,696
11	Capital consumption allowances and miscellaneous valuation adjustments	1,074	1,128	1,125	1,096	4,423	1,073	1,136	1,151	1,180	4,540
12	Residual error of estimate	- 41	- 192	78	116	- 39	- 80	- 60	54	71	- 15
13	GROSS NATIONAL PRODUCT AT MARKET PRICES	8,276	8,770	10,045	9,196	36,287	8,282	9,229	10,134	9,826	37,471
14	(Gross national product at market prices excluding accrued net income of farm operators)	(8,249)	(8,688)	(9,061)	(9,103)	(35,101)	(8,195)	(9,094)	(9,458)	(9,716)	(36,463)

(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 accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board.

TABLE 2. Gross National Expenditure, by Quarters, 1960-64
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Personal expenditure on consumer goods and services	5,423	5,888	5,780	6,449	23,540	5,615	6,102	6,049	6,700	24,466
2	Government expenditure on goods and services(1, 2)	1,527	1,524	1,970	1,748	6,769	1,561	1,767	2,029	1,879	7,236
3	Business gross fixed capital formation(3)	1,429	1,767	1,812	1,684	6,692	1,302	1,713	1,875	1,745	6,635
4	New residential construction	309	357	391	386	1,443	269	365	421	403	1,458
5	New non-residential construction ...	479	623	791	684	2,577	443	647	851	742	2,683
6	New machinery and equipment	641	787	630	614	2,672	590	701	603	600	2,494
7	Value of physical change in inventories(4)	162	- 138	668	- 282	410	45	- 117	279	- 177	30
8	Non-farm business inventories	410	- 45	- 102	62	325	272	- 5	- 75	247	439
9	Farm inventories and grain in commercial channels	- 248	- 93	770	- 344	85	- 227	- 112	354	- 424	- 409
10	Exports of goods and services	1,597	1,708	1,925	1,778	7,008	1,587	1,874	2,127	2,043	7,631
11	Deduct: Imports of goods and services	- 1,903	- 2,171	- 2,033	- 2,065	- 8,172	- 1,908	- 2,170	- 2,171	- 2,293	- 8,542
12	Residual error of estimate	41	192	- 77	- 116	40	80	60	- 54	- 71	15
13	GROSS NATIONAL EXPENDITURE AT MARKET PRICES	8,276	8,770	10,045	9,196	36,287	8,282	9,229	10,134	9,826	37,471

(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, 1960-64
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
4,763	5,060	5,242	5,168	20,233	5,058	5,358	5,566	5,564	21,546	5,479	5,804	6,070	6,063	23,416	1
147	152	145	142	586	136	157	148	157	598	140	150	147	146	583	2
746	1,032	972	1,000	3,750	797	1,094	1,022	1,083	3,996	941	1,238	1,141	1,260	4,580	3
- 131	- 155	- 120	- 178	- 584	- 149	- 123	- 124	- 217	- 613	- 171	- 126	- 141	- 247	- 685	4
669	686	688	828	2,871	732	749	766	846	3,093	789	789	802	897	3,277	5
50	119	1,196	133	1,498	46	137	1,373	169	1,725	11	187	1,118	156	1,472	6
502	608	570	696	2,376	520	619	598	735	2,472	545	652	627	763	2,587	7
- 34	- 36	- 44	1	- 113	- 34	- 78	- 36	- 47	- 195	- 35	- 73	22	- 35	- 121	8
6,712	7,466	8,649	7,790	30,617	7,106	7,913	9,313	8,290	32,622	7,699	8,621	9,786	9,003	35,109	9
1,260	1,315	1,368	1,330	5,273	1,361	1,337	1,411	1,459	5,568	1,502	1,587	1,631	1,611	6,331	10
1,156	1,243	1,237	1,278	4,914	1,209	1,295	1,283	1,385	5,172	1,331	1,410	1,386	1,480	5,607	11
- 142	- 161	59	1	- 243	- 161	- 130	72	37	- 182	- 88	- 107	100	51	- 44	12
8,986	9,863	11,313	10,399	40,561	9,515	10,415	12,079	11,171	43,180	10,444	11,511	12,903	12,145	47,003	13
(8,936)	(9,744)	(10,117)	(10,266)	(39,063)	(9,469)	(10,278)	(10,706)	(11,002)	(41,455)	(10,433)	(11,324)	(11,785)	(11,989)	(45,531)	14

(3) Includes net income of independent professional practitioners.

(4) See footnote 4, Table 2.

TABLE 2. Gross National Expenditure, by Quarters, 1960-64
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
6,050	6,480	6,291	7,092	25,913	6,351	6,818	6,688	7,559	27,416	6,863	7,294	7,181	8,093	29,431	1
1,693	1,955	2,118	1,944	7,710	1,805	1,972	2,210	2,037	8,024	1,949	2,128	2,318	2,212	8,607	2
1,385	1,818	1,934	1,823	6,960	1,441	1,980	2,091	2,079	7,591	1,875	2,314	2,344	2,435	8,968	3
293	392	457	435	1,577	298	414	478	517	1,707	462	451	513	595	2,021	4
481	650	795	712	2,638	461	707	866	801	2,835	558	808	1,003	974	3,343	5
611	776	682	676	2,745	682	859	747	761	3,049	855	1,055	828	866	3,604	6
34	- 191	1,066	- 352	557	- 6	- 286	1,145	- 362	491	2	- 181	942	- 383	380	7
281	- 67	106	15	335	233	- 199	32	134	200	288	11	202	9	510	8
- 247	- 124	960	- 367	222	- 239	- 87	1,113	- 496	291	- 286	- 192	740	- 392	- 130	9
1,735	2,083	2,257	2,184	8,259	1,847	2,253	2,468	2,509	9,077	2,129	2,714	2,907	2,690	10,440	10
- 2,054	- 2,444	- 2,294	- 2,290	- 9,082	- 2,084	- 2,453	- 2,451	- 2,613	- 9,601	- 2,463	- 2,866	- 2,689	- 2,850	- 10,868	11
143	162	- 59	- 2	244	161	131	- 72	- 38	182	89	108	- 100	- 52	45	12
8,986	9,863	11,313	10,399	40,561	9,515	10,415	12,079	11,171	43,180	10,444	11,511	12,903	12,145	47,003	13

(4) 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. Source of Personal Income, by Quarters, 1960-64
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Wages, salaries, and supplementary labour income	4,342	4,565	4,719	4,619	18,245	4,448	4,733	4,940	4,875	18,996
2	Deduct: Employer and employee contributions to social insurance and government pension funds	- 190	- 169	- 195	- 197	- 751	- 197	- 189	- 202	- 199	- 787
3	Military pay and allowances	119	129	127	134	509	129	140	137	144	550
4	Net income received by farm operators from farm production(1)	44	86	973	74	1,177	107	114	660	97	978
5	Net income of non-farm unincorporated business	446	555	522	690	2,213	444	558	565	707	2,274
6	Interest, dividends and net rental income of persons(2)	713	732	708	729	2,882	727	751	755	797	3,030
	Transfer payments to persons:										
7	From government (excluding interest)	898	758	714	750	3,120	980	853	785	823	3,441
8	Charitable contributions by corporations	10	10	10	10	40	10	10	10	10	40
9	PERSONAL INCOME	6,382	6,666	7,578	6,809	27,435	6,648	6,970	7,650	7,254	28,522

(1) This item differs from line 6 of Table 1, by excluding the adjustment which has been made to take account of the accrued 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, 1960-64
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Personal direct taxes	556	640	578	586	2,360	577	678	627	629	2,511
2	Income taxes	429	551	500	499	1,979	454	586	540	545	2,125
3	Succession duties and estate taxes ..	49	38	32	39	158	37	33	38	38	146
4	Miscellaneous	78	51	46	48	223	86	59	49	46	240
5	Personal expenditure on consumer goods and services	5,423	5,888	5,780	6,449	23,540	5,615	6,102	6,049	6,700	24,466
6	Non-durable goods	2,653	2,842	2,913	3,405	11,813	2,734	2,937	3,016	3,491	12,178
7	Durable goods	582	754	599	729	2,664	556	750	648	762	2,716
8	Services(1)	2,188	2,292	2,268	2,315	9,063	2,325	2,415	2,385	2,447	9,572
9	Personal net saving	403	138	1,220	- 226	1,535	456	190	974	- 75	1,545
10	Personal saving excluding change in farm inventories	597	256	528	138	1,519	648	260	632	283	1,823
11	Value of physical change in farm inventories	- 194	- 118	692	- 364	16	- 192	- 70	342	- 358	- 278
12	PERSONAL INCOME	6,382	6,666	7,578	6,809	27,435	6,648	6,970	7,650	7,254	28,522
13	(Personal disposable income)(2)	(5,826)	(6,026)	(7,000)	(6,223)	(25,075)	(6,071)	(6,292)	(7,023)	(6,625)	(26,011)

(1) Includes net expenditure abroad.

(2) Personal Income less Total Personal Direct Taxes.

TABLE 3. Source of Personal Income, by Quarters, 1960-64
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
4,763	5,060	5,242	5,168	20,233	5,058	5,358	5,566	5,564	21,546	5,479	5,804	6,070	6,063	23,416	1
- 200	- 195	- 208	- 209	- 812	- 209	- 204	- 216	- 218	- 847	- 221	- 219	- 225	- 227	- 892	2
147	152	145	142	586	136	157	148	157	598	140	150	147	146	583	3
19	218	1,152	103	1,492	17	188	1,316	66	1,587	161	98	1,021	82	1,362	4
502	608	570	696	2,376	520	619	598	735	2,472	545	652	627	763	2,587	5
774	819	823	892	3,308	851	891	878	935	3,555	907	934	929	990	3,760	6
1,065	919	839	906	3,729	1,026	975	887	950	3,838	1,115	1,038	986	1,020	4,159	7
11	11	11	11	44	11	11	11	11	44	11	11	11	11	44	8
7,081	7,592	8,574	7,709	30,956	7,410	7,995	9,188	8,200	32,793	8,137	8,468	9,566	8,848	35,019	9

TABLE 4. Disposition of Personal Income, by Quarters, 1960-64
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
633	724	680	693	2,730	683	747	723	758	2,911	765	909	852	881	3,407	1
503	627	587	599	2,316	556	646	628	657	2,487	623	791	749	767	2,930	2
41	40	43	41	165	36	41	43	51	171	41	57	39	48	185	3
89	57	50	53	249	91	60	52	50	253	101	61	64	66	292	4
6,050	6,480	6,291	7,092	25,913	6,351	6,818	6,688	7,559	27,416	6,863	7,294	7,181	8,093	29,431	5
2,964	3,097	3,201	3,699	12,961	3,089	3,208	3,364	3,847	13,508	3,246	3,394	3,569	4,146	14,355	6
645	836	630	841	2,952	677	910	686	950	3,223	799	992	796	971	3,558	7
2,441	2,547	2,460	2,552	10,000	2,585	2,700	2,638	2,762	10,685	2,818	2,908	2,816	2,976	11,518	8
398	388	1,603	- 76	2,313	376	430	1,777	- 117	2,466	509	265	1,533	- 126	2,181	9
572	418	759	388	2,137	595	481	747	332	2,155	775	388	785	332	2,280	10
- 174	- 30	844	- 464	176	- 219	- 51	1,030	- 449	311	- 266	- 123	748	- 458	- 99	11
7,081	7,592	8,574	7,709	30,956	7,410	7,995	9,188	8,200	32,793	8,137	8,468	9,566	8,848	35,019	12
(6,448)	(6,868)	(7,894)	(7,016)	(28,226)	(6,727)	(7,248)	(8,465)	(7,442)	(29,882)	(7,372)	(7,559)	(8,714)	(7,967)	(31,612)	13

TABLE 5. Government Revenue, by Quarters, 1960-64
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Direct taxes - Persons	556	640	578	586	2,360	577	678	627	629	2,511
2	Federal	447	557	506	507	2,017	461	582	543	546	2,132
3	Provincial and municipal	109	83	72	79	343	116	96	84	83	379
4	Direct taxes - Corporations	349	425	401	369	1,544	302	422	442	446	1,612
5	Federal	286	348	329	303	1,266	246	343	359	363	1,311
6	(Federal tax collections)	(302)	(400)	(360)	(302)	(1,364)	(297)	(360)	(314)	(296)	(1,267)
7	Provincial	63	77	72	66	278	56	79	83	83	301
8	(Provincial tax collections)	(81)	(79)	(81)	(61)	(302)	(76)	(70)	(74)	(64)	(284)
	Withholding taxes:										
9	Federal(1)	19	19	17	24	79	30	27	24	35	116
10	Indirect taxes	1,137	1,197	1,175	1,196	4,705	1,167	1,225	1,250	1,305	4,947
11	Federal	502	570	540	568	2,180	496	553	555	586	2,190
12	Provincial and municipal	635	627	635	628	2,525	671	672	695	719	2,757
13	Investment income	236	256	250	321	1,063	235	253	295	343	1,126
14	Federal	76	95	81	130	382	73	87	116	133	409
15	Provincial and municipal	160	161	169	191	681	162	166	179	210	717
16	Employer and employee contributions to social insurance and government pension funds	190	169	195	197	751	197	189	202	199	787
17	Federal	128	104	127	128	487	129	120	130	131	510
18	Provincial and municipal	62	65	68	69	264	68	69	72	68	277
	Transfers from Federal:										
19	Provincial and municipal	251	247	242	254	994	260	298	283	287	1,128
20	TOTAL REVENUE	2,738	2,953	2,858	2,947	11,496	2,768	3,092	3,123	3,244	12,227
21	FEDERAL	1,458	1,693	1,600	1,660	6,411	1,435	1,712	1,727	1,794	6,668
22	PROVINCIAL and MUNICIPAL	1,280	1,260	1,258	1,287	5,085	1,333	1,380	1,396	1,450	5,559

(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, 1960-64
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
633	724	680	693	2,730	683	747	723	758	2,911	765	909	852	881	3,407	1
468	563	526	531	2,088	488	572	555	578	2,193	549	699	648	662	2,558	2
165	161	154	162	642	195	175	168	180	718	216	210	204	219	849	3
360	454	439	449	1,702	386	488	459	488	1,821	426	534	499	530	1,989	4
269	339	328	335	1,271	288	363	342	363	1,356	317	398	372	395	1,482	5
(317)	(367)	(322)	(288)	(1,294)	(305)	(373)	(338)	(312)	(1,328)	(324)	(521)	(375)	(385)	(1,605)	6
91	115	111	114	431	98	125	117	125	465	109	136	127	135	507	7
(91)	(76)	(101)	(91)	(359)	(114)	(104)	(128)	(101)	(447)	(116)	(126)	(131)	(113)	(486)	8
26	35	23	41	125	31	30	23	43	127	30	34	25	51	140	9
1,323	1,382	1,432	1,428	5,565	1,416	1,428	1,495	1,540	5,879	1,566	1,653	1,706	1,723	6,648	10
528	596	635	642	2,401	551	592	621	687	2,451	616	719	739	773	2,847	11
795	786	797	786	3,164	865	836	874	853	3,428	950	934	967	950	3,801	12
276	293	282	406	1,257	305	334	336	401	1,376	350	365	362	442	1,519	13
73	105	84	186	448	96	131	126	149	502	119	133	129	166	547	14
203	188	198	220	809	209	203	210	252	874	231	232	233	276	972	15
200	195	208	209	812	209	204	216	218	847	221	219	225	227	892	16
129	122	133	134	518	134	126	136	138	534	141	136	140	141	558	17
71	73	75	75	294	75	78	80	80	313	80	83	85	86	334	18
299	257	277	301	1,134	304	311	266	288	1,169	298	327	306	323	1,254	19
3,117	3,340	3,341	3,527	13,325	3,334	3,542	3,518	3,736	14,130	3,656	4,041	3,975	4,177	15,849	20
1,493	1,760	1,729	1,869	6,851	1,588	1,814	1,803	1,958	7,163	1,772	2,119	2,053	2,188	8,132	21
1,624	1,580	1,612	1,658	6,474	1,746	1,728	1,715	1,778	6,967	1,884	1,922	1,922	1,989	7,717	22

TABLE 6. Government Expenditure, by Quarters, 1960-64
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Goods and services	1,527	1,524	1,970	1,748	6,769	1,561	1,767	2,029	1,879	7,236
2	Federal	671	634	733	692	2,730	689	716	811	766	2,982
3	(Defence)	(433)	(336)	(387)	(390)	(1,546)	(436)	(366)	(391)	(420)	(1,613)
4	Provincial and municipal	856	890	1,237	1,056	4,039	872	1,051	1,218	1,113	4,254
5	Transfer payments to persons (excluding interest on the public debt)	898	758	714	750	3,120	980	853	785	823	3,441
6	Federal	579	491	435	471	1,976	600	516	423	467	2,006
7	Provincial and municipal	319	267	279	279	1,144	380	337	362	356	1,435
8	Interest on the public debt	249	291	264	291	1,095	261	308	290	311	1,170
9	Federal(2)	179	191	199	184	753	183	203	200	200	786
10	Provincial and municipal	70	100	65	107	342	78	105	90	111	384
11	Subsidies	50	57	66	62	235	46	51	97	57	251
12	Federal	48	53	54	54	209	42	48	83	48	221
13	Provincial	2	4	12	8	26	4	3	14	9	30
	Transfers to other levels of government:										
14	Federal	251	247	242	254	994	260	298	283	287	1,128
15	Total expenditure	2,975	2,877	3,256	3,105	12,213	3,108	3,277	3,484	3,357	13,226
16	Federal	1,728	1,616	1,663	1,655	6,662	1,774	1,781	1,800	1,768	7,123
17	Provincial and municipal	1,247	1,261	1,593	1,450	5,551	1,334	1,496	1,684	1,589	6,103
18	Deficit (-) or surplus (+)	- 237	76	- 398	- 158	- 717	- 340	- 185	- 361	- 113	- 999
19	Federal	- 270	77	- 63	5	- 251	- 339	- 69	- 73	26	- 455
20	Provincial and municipal	33	- 1	- 335	- 163	- 466	- 1	- 116	- 288	- 139	- 544
21	TOTAL EXPENDITURE MINUS DEFICIT OR PLUS SURPLUS	2,738	2,953	2,858	2,947	11,496	2,768	3,092	3,123	3,244	12,227
22	FEDERAL	1,458	1,693	1,600	1,660	6,411	1,435	1,712	1,727	1,794	6,668
23	PROVINCIAL AND MUNICIPAL	1,280	1,260	1,258	1,287	5,085	1,333	1,380	1,396	1,450	5,559

(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, 1960-64
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
1,693	1,955	2,118	1,944	7,710	1,805	1,972	2,210	2,037	8,024	1,949	2,128	2,318	2,212	8,607	1
752	772	776	723	3,023	722	715	782	720	2,939	791	736	784	731	3,042	2
(471)	(401)	(397)	(409)	(1,678)	(409)	(375)	(392)	(400)	(1,576)	(457)	(364)	(357)	(374)	(1,552)	3
941	1,183	1,342	1,221	4,687	1,083	1,257	1,428	1,317	5,085	1,158	1,392	1,534	1,481	5,565	4
1,065	919	839	906	3,729	1,026	975	887	950	3,838	1,115	1,038	986	1,020	4,159	5
663	521	451	477	2,112	628	535	461	513	2,137	634	566	503	532	2,235	6
402	398	388	429	1,617	398	440	426	437	1,701	481	472	483	488	1,924	7
292	339	325	346	1,302	322	374	347	377	1,420	350	405	369	408	1,532	8
200	219	230	217	866	216	244	243	232	935	236	259	253	247	995	9
92	120	95	129	436	106	130	104	145	485	114	146	116	161	537	10
83	67	64	98	292	55	91	84	81	311	64	66	75	112	317	11
57	63	50	90	260	51	86	64	74	275	60	61	52	105	278	12
6	4	14	8	32	4	5	20	7	36	4	5	23	7	39	13
299	257	277	301	1,134	304	311	266	288	1,169	298	327	306	323	1,254	14
3,412	3,537	3,623	3,595	14,167	3,512	3,723	3,794	3,733	14,762	3,776	3,964	4,054	4,075	15,869	15
1,971	1,832	1,784	1,808	7,395	1,921	1,891	1,816	1,827	7,455	2,019	1,949	1,898	1,938	7,804	16
1,441	1,705	1,839	1,787	6,772	1,591	1,832	1,978	1,906	7,307	1,757	2,015	2,156	2,137	8,065	17
- 295	- 197	- 282	- 68	- 842	- 178	- 181	- 276	3	- 632	- 120	77	- 79	102	- 20	18
- 478(1)	- 72	- 55	61	- 544	- 333	- 77	- 13	131	- 292	- 247	170	155	250	328	19
183(1)	- 125	- 227	- 129	- 298	155	- 104	- 263	- 128	- 340	127	- 93	- 234	- 148	- 348	20
3,117	3,340	3,341	3,527	13,325	3,334	3,542	3,518	3,736	14,130	3,656	4,041	3,975	4,177	15,849	21
1,493	1,760	1,729	1,869	6,851	1,588	1,814	1,803	1,958	7,163	1,772	2,119	2,053	2,188	8,132	22
1,624	1,580	1,612	1,658	6,474	1,746	1,728	1,715	1,778	6,967	1,884	1,922	1,922	1,989	7,717	23

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

TABLE 7. Source of National Saving, by Quarters, 1960-61
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Personal net saving	403	138	1,220	- 226	1,535	456	190	974	- 75	1,545
2	Business gross saving	1,238	1,382	1,380	1,269	5,269	1080	1,426	1,430	1,391	5,327
3	Undistributed corporation profits ...	181	258	244	154	837	27	269	263	198	757
4	Capital consumption allowances and miscellaneous valuation adjustments	1,074	1,128	1,125	1,096	4,423	1,073	1,136	1,151	1,180	4,540
5	Adjustment on grain transac- tions(1)	- 17	- 4	11	19	9	- 20	21	16	13	30
6	Inventory valuation adjustment	- 37	- 46	15	- 2	- 70	- 10	- 11	- 41	- 27	- 89
7	Government surplus (+) or deficit (-)	- 237	76	- 398	- 158	- 717	- 340	- 185	- 361	- 113	- 999
8	Residual error of estimate	- 41	- 192	78	116	- 39	- 80	- 60	54	71	- 15
9	Totals	1,326	1,358	2,295	999	5,978	1,106	1,360	2,056	1,247	5,769

(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, 1960-61
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Business gross fixed capital formation	1,429	1,767	1,812	1,684	6,692	1,302	1,713	1,875	1,745	6,635
2	New residential construction	309	357	391	386	1,443	269	365	421	403	1,458
3	New non-residential construction	479	623	791	684	2,577	443	647	851	742	2,683
4	New machinery and equipment	641	787	630	614	2,672	590	701	603	600	2,494
5	Value of physical change in inventories	162	- 138	668	- 282	410	45	- 117	279	- 177	30
6	Surplus (+) or deficit (-) on current account with non-residents	- 306	- 463	- 108	- 287	- 1,164	- 321	- 296	- 44	- 250	- 911
7	Residual error of estimate	41	192	- 77	- 116	40	80	60	- 54	- 71	15
8	Totals	1,326	1,358	2,295	999	5,978	1,106	1,360	2,056	1,247	5,769

TABLE 7. Source of National Saving, by Quarters, 1960-64
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
398	388	1,603	- 76	2,313	376	430	1,777	- 117	2,466	509	265	1,533	- 126	2,181	1
1,316	1,434	1,568	1,505	5,823	1,356	1,584	1,644	1,699	6,283	1,366	1,927	1,828	1,848	6,969	2
129	290	287	197	903	118	340	304	211	973	185	428	345	294	1,252	3
1,156	1,243	1,237	1,278	4,914	1,209	1,295	1,283	1,385	5,172	1,331	1,410	1,386	1,480	5,607	4
31	- 99	44	30	6	29	- 51	57	103	138	- 150	89	97	74	110	5
- 34	- 36	- 44	1	- 113	- 34	- 78	- 36	- 47	- 195	- 35	- 73	22	- 35	- 121	6
- 295	- 197	- 282	- 68	- 842	- 178	- 181	- 276	3	- 632	- 120	77	- 79	102	- 20	7
- 142	- 161	59	1	- 243	- 161	- 130	72	37	- 182	- 88	- 107	100	51	- 44	8
1,243	1,428	2,904	1,363	6,938	1,359	1,625	3,181	1,575	7,740	1,632	2,089	3,404	1,840	8,965	9

TABLE 8. Disposition of National Saving, by Quarters, 1960-64
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
1,385	1,818	1,934	1,823	6,960	1,441	1,980	2,091	2,079	7,591	1,875	2,314	2,344	2,435	8,968	1
293	392	457	435	1,577	298	414	478	517	1,707	462	451	513	595	2,021	2
481	650	795	712	2,638	461	707	866	801	2,835	558	808	1,003	974	3,343	3
611	776	682	676	2,745	682	859	747	761	3,049	855	1,055	828	866	3,604	4
34	- 191	1,066	- 352	557	- 6	- 286	1,145	- 362	491	2	- 181	942	- 383	380	5
- 319	- 361	- 37	- 106	- 823	- 237	- 200	17	- 104	- 524	- 334	- 152	218	- 160	- 428	6
163	142	- 59	- 3	244	161	131	- 72	- 38	182	89	108	- 100	- 52	45	7
1,343	1,428	2,904	1,363	6,938	1,359	1,625	3,181	1,575	7,740	1,632	2,089	3,404	1,840	8,965	8

TABLE 9. Gross National Expenditure in Constant (1957) Dollars, by Quarters, 1960-64(1)
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Personal expenditure on consumer goods and services	5,182	5,605	5,497	6,118	22,402	5,307	5,769	5,702	6,327	23,105
2	Non-durable goods	2,593	2,763	2,821	3,283	11,460	2,636	2,835	2,892	3,360	11,723
3	Durable goods	553	725	590	714	2,582	543	735	651	757	2,686
4	Services	2,036	2,117	2,086	2,121	8,360	2,128	2,199	2,159	2,210	8,696
5	Government expenditure on goods and services	1,392	1,415	1,865	1,596	6,268	1,365	1,612	1,916	1,669	6,562
6	Business gross fixed capital formation	1,339	1,645	1,683	1,564	6,231	1,201	1,585	1,733	1,606	6,125
7	New residential construction	287	327	357	352	1,323	246	333	383	366	1,328
8	New non-residential construction	446	582	737	639	2,404	409	600	795	690	2,494
9	New machinery and equipment	606	736	589	573	2,504	546	652	555	550	2,303
10	Change in inventories	156	- 159	642	- 242	397	51	- 152	243	- 113	29
11	Non-farm business inventories	396	- 35	- 107	71	325	263	1	- 83	252	433
12	Farm inventories and grain in commercial channels	- 240	- 124	749	- 313	72	- 212	- 153	326	- 365	- 404
13	Exports of goods and services	1,585	1,667	1,883	1,749	6,884	1,559	1,835	2,039	1,946	7,379
14	Deduct: Imports of goods and services	- 1,885	- 2,122	- 1,984	- 2,029	- 8,020	- 1,842	- 2,091	- 2,040	- 2,159	- 8,132
15	Residual error of estimate	39	181	- 73	- 109	38	74	56	- 51	- 66	13
16	GROSS NATIONAL EXPENDITURE IN CONSTANT (1957) DOLLARS	7,808	8,232	9,513	8,647	34,200	7,715	8,614	9,542	9,210	35,081

(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, 1960-64
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
5,684	6,053	5,834	6,586	24,157	5,875	6,284	6,101	6,925	25,185	6,256	6,621	6,454	7,303	26,634	1
2,849	2,957	3,026	3,493	12,325	2,920	3,018	3,114	3,575	12,627	3,013	3,129	3,249	3,802	13,193	2
640	828	627	831	2,926	669	898	679	938	3,184	796	988	800	967	3,551	3
2,195	2,268	2,181	2,262	8,906	2,286	2,368	2,308	2,412	9,374	2,447	2,504	2,405	2,534	9,890	4
1,424	1,738	1,948	1,685	6,795	1,471	1,681	1,956	1,689	6,797	1,551	1,767	1,988	1,793	7,099	5
1,258	1,639	1,738	1,630	6,265	1,277	1,747	1,829	1,804	6,657	1,610	1,961	1,979	2,042	7,592	6
263	348	403	383	1,397	261	358	409	433	1,461	383	367	411	475	1,636	7
439	591	725	644	2,399	410	628	768	706	2,512	486	699	865	831	2,881	8
356	700	610	603	2,469	606	761	652	665	2,684	741	895	703	736	3,075	9
70	- 204	956	- 298	524	30	- 308	1,054	- 315	461	52	- 208	846	- 337	353	10
274	- 72	89	18	309	232	- 182	21	119	190	297	16	161	11	485	11
- 204	- 132	867	- 316	215	- 202	- 126	1,033	- 434	271	- 245	- 224	685	- 348	- 132	12
1,648	1,949	2,113	2,041	7,751	1,728	2,092	2,296	2,302	8,418	1,951	2,461	2,619	2,432	9,463	13
- 1,897	- 2,222	- 2,082	- 2,105	- 8,306	- 1,877	- 2,186	- 2,159	- 2,316	- 8,538	- 2,151	- 2,490	- 2,351	- 2,511	- 9,503	14
132	150	- 55	- 2	225	146	119	- 66	- 34	165	79	96	- 89	- 46	40	15
8,319	9,103	10,452	9,537	37,411	8,650	9,429	11,011	10,055	39,145	9,348	10,208	11,446	10,676	41,678	16

TABLES ADJUSTED FOR SEASONAL VARIATION AND AT ANNUAL RATES

TABLE 10. National Income and Gross National Product, by Quarters, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

No.		1960				
		I	II	III	IV	Year
1	Wages, salaries, and supplementary labour income	18,084	18,172	18,312	18,412	18,245
2	Military pay and allowances	496	500	504	536	509
3	Corporation profits before taxes	3,612	3,332	3,320	3,088	3,338
4	Deduct: Dividends paid to non-residents(1)	- 448	- 468	- 492	- 424	- 458
5	Rent, interest and miscellaneous investment income	2,536	2,476	2,440	2,428	2,470
6	Accrued net income of farm operators from farm production(2)	1,184	1,136	1,196	1,228	1,186
7	Net income of non-farm unincorporated business(3)	2,104	2,196	2,220	2,332	2,213
8	Inventory valuation adjustment	- 148	- 184	60	- 8	- 70
9	NET NATIONAL INCOME AT FACTOR COST	27,420	27,160	27,560	27,592	27,433
10	Indirect taxes less subsidies	4,456	4,512	4,436	4,476	4,470
11	Capital consumption allowances and miscellaneous valuation adjustments	4,492	4,440	4,436	4,324	4,423
12	Residual error of estimate	156	- 292	- 152	132	- 39
13	GROSS NATIONAL PRODUCT AT MARKET PRICES	36,524	35,820	36,280	36,524	36,287
14	(Gross national product at market prices excluding accrued net income of farm operators)	(35,340)	(34,684)	(35,084)	(35,296)	(35,101)
No.		1963				
		I	II	III	IV	Year
1	Wages, salaries, and supplementary labour income	20,996	21,308	21,712	22,168	21,546
2	Military pay and allowances	560	608	596	628	598
3	Corporation profits before taxes	3,900	3,960	3,940	4,184	3,996
4	Deduct: Dividends paid to non-residents(1)	- 608	- 560	- 596	- 688	- 613
5	Rent, interest and miscellaneous investment income	2,992	3,072	3,112	3,196	3,093
6	Accrued net income of farm operators from farm production(2)	1,720	1,708	1,664	1,808	1,725
7	Net income of non-farm unincorporated business(3)	2,448	2,440	2,496	2,504	2,472
8	Inventory valuation adjustment	- 136	- 312	- 144	- 188	- 195
9	NET NATIONAL INCOME AT FACTOR COST	31,872	32,224	32,780	33,612	32,622
10	Indirect taxes less subsidies	5,572	5,308	5,640	5,752	5,568
11	Capital consumption allowances and miscellaneous valuation adjustments	4,996	5,140	5,160	5,392	5,172
12	Residual error of estimate	- 280	- 112	- 192	- 144	- 182
13	GROSS NATIONAL PRODUCT AT MARKET PRICES	42,160	42,560	43,388	44,612	43,180
14	(Gross national product at market prices excluding accrued net income of farm operators)	(40,440)	(40,852)	(41,724)	(42,804)	(41,455)

(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, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

1961					1962					No.
I	II	III	IV	Year	I	II	III	IV	Year	
18,504	18,832	19,200	19,448	18,996	19,800	20,128	20,396	20,608	20,233	1
532	540	552	576	550	600	588	584	572	586	2
2,956	3,384	3,608	3,760	3,427	3,636	3,752	3,724	3,888	3,750	3
- 656	- 540	- 564	- 584	- 586	- 524	- 684	- 564	- 564	- 584	4
2,588	2,576	2,780	2,736	2,670	2,744	2,812	2,808	3,120	2,871	5
1,040	1,008	1,096	888	1,008	1,512	1,408	1,512	1,560	1,498	6
2,056	2,224	2,400	2,416	2,274	2,376	2,396	2,352	2,380	2,376	7
- 40	- 44	- 164	- 108	- 89	- 136	- 144	- 176	4	- 113	8
26,980	27,980	28,908	29,132	28,250	30,008	30,256	30,636	31,568	30,617	9
4,604	4,660	4,624	4,896	4,696	5,172	5,224	5,468	5,228	5,273	10
4,448	4,488	4,556	4,668	4,540	4,780	4,916	4,944	5,016	4,914	11
104	92	- 220	- 36	- 15	- 164	- 300	- 220	- 288	- 243	12
36,136	37,220	37,868	38,660	37,471	39,796	40,096	40,828	41,524	40,561	13
(35,096)	(36,212)	(36,772)	(37,772)	(36,463)	(38,284)	(38,688)	(39,316)	(39,964)	(39,063)	14
1964										
I	II	III	IV	Year						
22,732	23,100	23,704	24,128	23,416						
572	576	584	600	583						
4,596	4,468	4,376	4,880	4,580						
- 684	- 588	- 680	- 788	- 685						
3,220	3,252	3,248	3,388	3,277						
1,372	1,680	1,432	1,404	1,472						
2,548	2,584	2,624	2,592	2,587						
- 140	- 292	88	- 140	- 121						
34,216	34,780	35,376	36,064	35,109						
6,140	6,340	6,500	6,344	6,331						
5,512	5,580	5,596	5,740	5,607						
52	- 16	- 80	- 132	- 44						
45,920	46,684	47,392	48,016	47,003						
(44,548)	(45,004)	(45,960)	(46,612)	(45,531)						

TABLE 11. Gross National Expenditure, by Quarters, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

No.		1960				
		I	II	III	IV	Year
1	Personal expenditure on consumer goods and services	23,132	23,456	23,580	23,992	23,540
2	Government expenditure on goods and services (1, 2)	6,664	6,532	6,980	6,900	6,769
3	Business gross fixed capital formation(3)	6,988	6,624	6,552	6,604	6,692
4	New residential construction	1,592	1,400	1,396	1,384	1,443
5	New non-residential construction	2,640	2,544	2,572	2,552	2,577
6	New machinery and equipment	2,756	2,680	2,584	2,668	2,672
7	Value of physical change in inventories	976	348	- 56	372	410
8	Non-farm business inventories	924	280	- 140	236	325
9	Farm inventories and grain in commercial channels(4)	52	68	84	136	85
10	Exports of goods and services	7,276	6,760	7,096	6,900	7,008
11	Deduct: Imports of goods and services	- 8,356	- 8,192	- 8,024	- 8,116	- 8,172
12	Residual error of estimate	- 156	292	152	- 128	40
13	GROSS NATIONAL EXPENDITURE AT MARKET PRICES	36,524	35,820	36,280	36,524	36,287
	Detail of Farm Inventories and GICC:					
	Value of grain crop production	1,008	1,008	1,012	1,012	1,010
	Depletions of farm stocks of grain	- 920	- 1,028	- 1,060	- 1,024	- 1,008
	Change in livestock inventories	40	- 84	20	80	14
	Grain in Commercial Channels	- 76	172	112	68	69

No.		1963				
		I	II	III	IV	Year
1	Personal expenditure on consumer goods and services	26,744	27,140	27,632	28,148	27,416
2	Government expenditure on goods and services(1, 2)	7,980	7,884	8,112	8,120	8,024
3	Business gross fixed capital formation(3)	7,112	7,512	7,704	8,036	7,591
4	New residential construction	1,596	1,668	1,732	1,832	1,707
5	New non-residential construction	2,640	2,864	2,880	2,956	2,835
6	New machinery and equipment	2,876	2,980	3,092	3,248	3,049
7	Value of physical change in inventories	568	296	528	572	491
8	Non-farm business inventories	184	- 132	248	500	200
9	Farm inventories and grain in commercial channels(4)	384	428	280	72	291
10	Exports of goods and services	8,612	8,960	9,000	9,736	9,077
11	Deduct: Imports of goods and services	- 9,136	- 9,348	- 9,780	- 10,140	- 9,601
12	Residual error of estimate	280	116	192	140	182
13	GROSS NATIONAL EXPENDITURE AT MARKET PRICES	42,160	42,560	43,388	44,612	43,180
	Detail of Farm Inventories and GICC:					
	Value of grain crop production	1,380	1,380	1,384	1,380	1,381
	Depletions of farm stocks of grain	- 1,084	- 1,052	- 1,160	- 1,180	- 1,119
	Change in livestock inventories	20	68	16	92	49
	Grain in Commercial Channels	68	32	40	- 220	- 20

(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, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

1961					1962					No.
I	II	III	IV	Year	I	II	III	IV	Year	
23,828	24,332	24,752	24,952	24,466	25,612	25,760	25,876	26,404	25,913	1
6,984	7,112	7,356	7,492	7,236	7,488	7,860	7,716	7,776	7,710	2
6,456	6,544	6,768	6,772	6,635	6,856	6,896	7,008	7,080	6,960	3
1,404	1,468	1,500	1,460	1,458	1,540	1,580	1,604	1,584	1,577	4
2,532	2,660	2,780	2,760	2,683	2,716	2,636	2,588	2,612	2,638	5
2,520	2,416	2,488	2,552	2,494	2,600	2,680	2,816	2,884	2,745	6
- 20	184	- 452	408	30	576	356	928	368	557	7
312	528	- 8	924	439	384	296	636	24	335	8
- 332	- 344	- 444	- 516	- 409	192	60	292	344	222	9
7,308	7,328	7,916	7,972	7,631	8,012	8,236	8,352	8,436	8,259	10
- 8,316	- 8,184	- 8,692	- 8,976	- 8,542	- 8,912	- 9,316	- 9,268	- 8,832	- 9,082	11
- 104	- 96	220	40	15	164	304	216	292	244	12
36,136	37,220	37,868	38,660	37,471	39,796	40,096	40,828	41,524	40,561	13
624	624	628	624	625	1,184	1,184	1,184	1,188	1,185	
- 1,960	- 1,044	- 912	- 744	- 940	- 876	- 920	- 1,160	- 1,176	- 1,033	
108	112	24	- 96	37	32	20	56	- 12	24	
- 4	- 36	- 184	- 300	- 131	- 148	- 224	212	344	46	
1964										
I	II	III	IV	Year						
28,852	29,040	29,684	30,148	29,431						
8,564	8,524	8,544	8,796	8,607						
8,944	8,828	8,720	9,380	8,968						
2,176	1,908	1,872	2,128	2,021						
3,164	3,244	3,376	3,588	3,343						
3,604	3,676	3,472	3,664	3,604						
452	448	388	232	380						
572	616	804	48	510						
- 120	- 168	- 416	184	- 130						
9,996	10,604	10,756	10,404	10,440						
- 10,840	- 10,772	- 10,784	- 11,076	- 10,868						
- 48	12	84	132	45						
45,920	46,684	47,392	48,016	47,003						
1,132	1,132	1,136	1,132	1,133						
- 1,376	- 1,356	- 1,180	- 1,216	- 1,282						
48	136	- 40	56	50						
76	- 80	- 332	212	- 31						

TABLE 12. Source of Personal Income, by Quarters, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Wages, salaries, and supplementary labour income	18,084	18,172	18,312	18,412	18,245	18,504	18,832	19,200	19,448	18,996
2	Deduct: Employer and employee contributions to social insurance and government pension funds	- 756	- 700	- 772	- 776	- 751	- 784	- 776	- 800	- 788	- 787
3	Military pay and allowances ...	496	500	504	536	509	532	540	552	576	550
4	Net income received by farm operators from farm production(1)	1,160	1,124	1,188	1,236	1,177	1,000	880	1,092	940	978
5	Net income of non-farm unincorporated business	2,104	2,196	2,220	2,332	2,213	2,056	2,224	2,400	2,416	2,274
6	Interest, dividends and net rental income of persons(2)	2,908	2,892	2,896	2,832	2,882	2,960	2,980	3,072	3,108	3,030
	Transfer payments to persons:										
7	From government (excluding interest)	3,032	2,984	3,200	3,264	3,120	3,424	3,372	3,468	3,500	3,441
8	Charitable contributions by corporations	40	40	40	40	40	40	40	40	40	40
9	PERSONAL INCOME	27,068	27,208	27,588	27,876	27,435	27,732	28,092	29,024	29,240	28,522

- (1) This item differs from line 6, Table 10 by excluding the adjustment which has been made to take account of the accrued net 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, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Personal direct taxes	2,340	2,380	2,348	2,372	2,360	2,412	2,512	2,548	2,572	2,511
2	Income taxes	1,928	2,004	1,996	1,988	1,979	2,028	2,136	2,152	2,184	2,125
3	Succession duties and estate taxes	196	152	128	156	158	148	132	152	152	146
4	Miscellaneous	216	224	224	228	223	236	244	244	236	240
5	Personal expenditure on consumer goods and services ...	23,132	23,456	23,580	23,992	23,540	23,828	24,332	24,752	24,952	24,466
6	Non-durable goods	11,616	11,772	11,852	12,012	11,813	11,876	12,204	12,236	12,396	12,178
7	Durable goods	2,664	2,660	2,608	2,724	2,664	2,556	2,648	2,880	2,780	2,716
8	Services(1)	8,852	9,024	9,120	9,256	9,063	9,396	9,480	9,636	9,776	9,572
9	Personal net saving	1,596	1,372	1,660	1,512	1,535	1,492	1,248	1,724	1,716	1,545
10	PERSONAL INCOME	27,068	27,208	27,588	27,876	27,435	27,732	28,092	29,024	29,240	28,522
11	(Personal disposable income)(2)	(24,728)	(24,828)	(25,240)	(25,504)	(25,075)	(25,320)	(25,580)	(26,476)	(26,668)	(26,011)

- (1) Includes net expenditure abroad.
(2) Personal Income less Total Personal Direct Taxes.

TABLE 12. Source of Personal Income, by Quarters, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
19,800	20,128	20,396	20,608	20,233	20,996	21,308	21,712	22,168	21,546	22,732	23,100	23,704	24,128	23,416	1
- 796	- 800	- 824	- 828	- 812	- 828	- 840	- 856	- 864	- 847	- 876	- 900	- 892	- 900	- 892	2
600	588	584	572	586	560	608	596	628	598	572	576	584	600	583	3
1,264	1,768	1,384	1,552	1,492	1,464	1,860	1,488	1,536	1,587	1,828	1,276	1,108	1,236	1,362	4
2,376	2,396	2,352	2,380	2,376	2,448	2,440	2,496	2,504	2,472	2,548	2,584	2,624	2,592	2,587	5
3,148	3,252	3,356	3,476	3,308	3,460	3,536	3,572	3,652	3,555	3,688	3,708	3,788	3,856	3,760	6
3,880	3,632	3,600	3,804	3,729	3,764	3,840	3,804	3,944	3,838	4,148	4,096	4,200	4,192	4,159	7
44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	8
30,316	31,008	30,892	31,608	30,956	31,908	32,796	32,856	33,612	32,793	34,684	34,484	35,160	35,748	35,019	9

TABLE 13. Disposition of Personal Income, by Quarters, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
2,648	2,688	2,764	2,820	2,730	2,868	2,764	2,932	3,080	2,911	3,232	3,364	3,452	3,580	3,407	1
2,240	2,284	2,344	2,396	2,316	2,480	2,340	2,504	2,624	2,487	2,784	2,868	2,996	3,072	2,930	2
164	160	172	164	165	144	164	172	204	171	164	228	156	192	185	3
244	244	248	260	249	244	260	256	252	253	284	268	300	316	292	4
25,612	25,760	25,876	26,404	25,913	26,744	27,140	27,632	28,148	27,416	28,852	29,040	29,684	30,148	29,431	5
12,856	12,832	12,984	13,172	12,961	13,328	13,376	13,628	13,700	13,508	13,968	14,204	14,440	14,808	14,355	6
2,944	2,948	2,852	3,064	2,952	3,056	3,188	3,204	3,444	3,223	3,588	3,464	3,712	3,468	3,558	7
9,812	9,980	10,040	10,168	10,000	10,360	10,576	10,800	11,004	10,685	11,296	11,372	11,532	11,872	11,518	8
2,056	2,560	2,252	2,384	2,313	2,296	2,892	2,292	2,384	2,466	2,600	2,080	2,024	2,020	2,181	9
30,316	31,008	30,892	31,608	30,956	31,908	32,796	32,856	33,612	32,793	34,684	34,484	35,160	35,748	35,019	10
(27,648)	(28,320)	(28,136)	(28,788)	(28,215)	(29,040)	(30,032)	(29,924)	(30,552)	(29,881)	(31,452)	(31,320)	(31,708)	(32,108)	(31,911)	11

TABLE 14. Government Revenue, by Quarters, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Direct taxes - Persons	2,340	2,380	2,348	2,372	2,360	2,412	2,512	2,548	2,572	2,511
2	Federal	1,996	2,036	2,016	2,020	2,017	2,056	2,124	2,160	2,188	2,132
3	Provincial and municipal	344	344	332	352	343	356	388	388	384	379
4	Direct taxes - Corporations	1,620	1,576	1,516	1,464	1,544	1,424	1,576	1,696	1,752	1,612
5	Federal	1,328	1,296	1,240	1,200	1,266	1,164	1,288	1,376	1,416	1,311
6	(Federal tax collections)	(1,304)	(1,412)	(1,416)	(1,324)	(1,364)	(1,272)	(1,268)	(1,240)	(1,288)	(1,267)
7	Provincial	292	280	276	264	278	260	288	320	336	301
8	(Provincial tax collections)	(292)	(304)	(328)	(284)	(302)	(276)	(280)	(284)	(296)	(284)
	Withholding taxes:										
	Federal(1)	76	76	80	84	79	120	108	120	116	116
10	Indirect taxes	4,680	4,740	4,676	4,724	4,705	4,808	4,868	4,988	5,124	4,947
11	Federal	2,184	2,220	2,144	2,172	2,180	2,168	2,168	2,204	2,220	2,190
12	Provincial and municipal(2)	2,496	2,520	2,532	2,552	2,525	2,640	2,700	2,784	2,904	2,757
13	Investment income	1,060	1,044	1,064	1,084	1,063	1,044	1,052	1,212	1,196	1,126
14	Federal	396	376	356	400	382	380	348	480	428	409
15	Provincial and municipal	664	668	708	684	681	664	704	732	768	717
16	Employer and employee contributions to social insurance and government pension funds	756	700	772	776	751	784	776	800	788	787
17	Federal	508	440	500	500	487	512	500	512	516	510
18	Provincial and municipal	248	260	272	276	264	272	276	288	272	277
	Transfers from Federal:										
19	Provincial and municipal	984	976	1,004	1,012	994	1,016	1,176	1,172	1,148	1,128
20	TOTAL REVENUE	11,516	11,492	11,460	11,516	11,496	11,608	12,068	12,536	12,696	12,227
21	FEDERAL	6,488	6,444	6,336	6,376	6,411	6,400	6,536	6,852	6,884	6,668
22	PROVINCIAL and MUNICIPAL	5,028	5,048	5,124	5,140	5,085	5,208	5,532	5,684	5,812	5,559

(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, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
2,648	2,688	2,764	2,820	2,730	2,868	2,764	2,932	3,080	2,911	3,232	3,364	3,452	3,580	3,407	1
2,080	2,056	2,092	2,124	2,088	2,172	2,084	2,204	2,312	2,193	2,448	2,552	2,580	2,652	2,558	2
568	632	672	696	642	696	680	728	768	718	784	812	872	928	849	3
1,680	1,688	1,696	1,744	1,702	1,800	1,808	1,800	1,876	1,821	1,976	1,976	1,968	2,036	1,989	4
1,264	1,268	1,268	1,284	1,271	1,352	1,352	1,344	1,376	1,356	1,484	1,480	1,468	1,496	1,482	5
(1,352)	(1,292)	(1,280)	(1,252)	(1,294)	(1,300)	(1,312)	(1,344)	(1,356)	(1,328)	(1,392)	(1,844)	(1,500)	(1,684)	(1,605)	6
416	420	428	460	431	448	456	456	500	465	492	496	500	540	507	7
(328)	(312)	(388)	(408)	(359)	(420)	(432)	(480)	(456)	(447)	(424)	(524)	(488)	(508)	(486)	8
112	140	124	124	125	132	120	128	128	127	132	140	140	148	140	9
5,444	5,492	5,696	5,628	5,565	5,820	5,676	5,928	6,092	5,879	6,424	6,608	6,748	6,812	6,648	10
2,312	2,332	2,524	2,436	2,401	2,416	2,316	2,464	2,608	2,451	2,696	2,824	2,928	2,940	2,847	11
3,132	3,160	3,172	3,192	3,164	3,404	3,360	3,464	3,484	3,428	3,728	3,784	3,820	3,872	3,801	12
1,196	1,208	1,180	1,444	1,257	1,308	1,380	1,388	1,428	1,376	1,488	1,508	1,484	1,596	1,519	13
380	416	356	640	448	472	520	520	496	502	560	524	520	584	547	14
816	792	824	804	809	836	860	868	932	874	928	984	964	1,012	972	15
796	800	824	828	812	828	840	856	864	847	876	900	892	900	892	16
512	508	524	528	518	528	528	536	544	534	556	568	552	556	558	17
284	292	300	300	294	300	312	320	320	313	320	332	340	344	334	18
1,172	1,016	1,144	1,204	1,134	1,196	1,232	1,100	1,148	1,169	1,164	1,300	1,264	1,288	1,254	19
13,048	13,032	13,428	13,792	13,325	13,952	13,820	14,132	14,616	14,130	15,292	15,796	15,948	16,360	15,849	20
6,660	6,720	6,888	7,136	6,851	7,072	6,920	7,196	7,464	7,163	7,876	8,088	8,188	8,376	8,132	21
6,388	6,312	6,540	6,656	6,474	6,880	6,900	6,936	7,152	6,967	7,416	7,708	7,760	7,984	7,717	22

TABLE 15. Government Expenditure, by Quarters, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Goods and services	6,664	6,532	6,980	6,900	6,769	6,984	7,112	7,356	7,492	7,236
2	Federal	2,732	2,604	2,796	2,788	2,730	2,852	2,920	3,068	3,088	2,982
3	(Defence)	(1,556)	(1,484)	(1,584)	(1,560)	(1,546)	(1,572)	(1,592)	(1,612)	(1,676)	(1,613)
4	Provincial and municipal	3,932	3,928	4,184	4,112	4,039	4,132	4,192	4,288	4,404	4,254
5	Transfer payments to persons (excluding interest on the public debt)	3,032	2,984	3,200	3,264	3,120	3,424	3,372	3,468	3,500	3,441
6	Federal	1,940	1,876	2,036	2,052	1,976	2,012	2,004	1,992	2,016	2,006
7	Provincial and municipal	1,092	1,108	1,164	1,212	1,144	1,412	1,368	1,476	1,484	1,435
8	Interest on the public debt	1,068	1,064	1,128	1,120	1,095	1,124	1,168	1,180	1,208	1,170
9	Federal(2)	744	736	780	752	753	764	788	768	824	786
10	Provincial and municipal	324	328	348	368	342	360	380	412	384	384
11	Subsidies	224	228	240	248	235	204	208	364	228	251
12	Federal	200	204	212	220	209	176	180	332	196	221
13	Provincial	24	24	28	28	26	28	28	32	32	30
14	Transfers to other levels of government Federal	984	976	1,004	1,012	994	1,016	1,176	1,172	1,148	1,128
15	Total expenditure	11,972	11,784	12,552	12,544	12,213	12,752	13,036	13,540	13,576	13,226
16	Federal	6,600	6,396	6,828	6,824	6,662	6,820	7,068	7,332	7,272	7,123
17	Provincial and municipal	5,372	5,388	5,724	5,720	5,551	5,932	5,968	6,208	6,304	6,103
18	Deficit (-) or surplus (+)	- 456	- 292	- 1,092	- 1,028	- 717	- 1,144	- 968	- 1,004	- 880	- 999
19	Federal	- 112	48	- 492	- 448	- 251	- 420	- 532	- 480	- 388	- 455
20	Provincial and municipal	- 344	- 340	- 600	- 580	- 466	- 724	- 436	- 524	- 492	- 544
21	TOTAL EXPENDITURE MINUS DEFICIT OR PLUS SURPLUS	11,516	11,492	11,460	11,516	11,496	11,608	12,068	12,536	12,696	12,227
22	FEDERAL	6,488	6,444	6,336	6,376	6,411	6,400	6,536	6,852	6,884	6,668
23	PROVINCIAL AND MUNICIPAL	5,028	5,048	5,124	5,140	5,085	5,208	5,532	5,684	5,812	5,559

(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, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
7,488	7,860	7,716	7,776	7,710	7,980	7,884	8,112	8,120	8,024	8,564	8,524	8,544	8,796	8,607	1
3,052	3,148	2,964	2,928	3,023	2,912	2,916	3,004	2,924	2,939	3,160	2,996	3,016	2,996	3,042	2
(1,708)	(1,724)	(1,644)	(1,636)	(1,678)	(1,484)	(1,596)	(1,628)	(1,596)	(1,576)	(1,672)	(1,544)	(1,496)	(1,496)	(1,552)	3
4,436	4,712	4,752	4,848	4,687	5,068	4,968	5,108	5,196	5,085	5,404	5,528	5,528	5,800	5,565	4
3,880	3,632	3,600	3,804	3,729	3,764	3,840	3,804	3,944	3,838	4,148	4,096	4,200	4,192	4,159	5
2,320	2,032	2,044	2,052	2,112	2,196	2,092	2,080	2,180	2,137	2,256	2,216	2,236	2,232	2,235	6
1,560	1,600	1,556	1,752	1,617	1,568	1,748	1,724	1,764	1,701	1,892	1,880	1,964	1,960	1,924	7
1,256	1,280	1,332	1,340	1,302	1,380	1,412	1,428	1,460	1,420	1,500	1,520	1,528	1,580	1,532	8
836	844	892	892	866	900	936	948	956	935	984	988	992	1,016	995	9
420	436	440	448	436	480	476	480	504	485	516	532	536	564	537	10
192	268	228	400	292	248	368	288	340	311	284	268	248	468	317	11
140	236	196	368	260	212	332	252	304	275	248	228	208	428	278	12
32	32	32	32	32	36	36	36	36	36	36	40	40	40	39	13
1,172	1,016	1,144	1,204	1,134	1,196	1,232	1,100	1,148	1,169	1,164	1,300	1,264	1,288	1,254	14
14,068	14,056	14,020	14,524	14,167	14,568	14,736	14,732	15,012	14,762	15,660	15,708	15,784	16,324	15,869	15
7,620	7,276	7,240	7,444	7,395	7,416	7,508	7,384	7,512	7,455	7,812	7,728	7,716	7,960	7,804	16
6,448	6,780	6,780	7,080	6,772	7,152	7,228	7,348	7,500	7,307	7,848	7,980	8,068	8,364	8,065	17
- 1,020	- 1,024	- 592	- 732	- 842	- 616	- 916	- 600	- 396	- 632	- 368	88	164	36	- 20	18
- 960(1)	- 556	- 352	- 308	- 544	- 344	- 588	- 188	- 48	- 292	64	360	472	416	328	19
- 60(1)	- 468	- 240	- 424	- 298	- 272	- 328	- 412	- 348	- 340	- 432	- 272	- 308	- 380	- 348	20
13,048	13,032	13,428	13,792	13,325	13,952	13,820	14,132	14,616	14,130	15,292	15,796	15,948	16,360	15,849	21
6,660	6,720	6,888	7,136	6,851	7,072	6,920	7,196	7,464	7,163	7,876	8,088	8,188	8,376	8,132	22
5,388	6,312	6,540	6,656	6,474	6,880	6,900	6,936	7,152	6,967	7,416	7,708	7,760	7,984	7,717	23

(1) See footnote 2, Table 6.

TABLE 16. Source of National Saving, by Quarters, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Personal net saving	1,596	1,372	1,660	1,512	1,535	1,492	1,248	1,724	1,716	1,545
2	Business gross saving	5,580	5,228	5,244	5,024	5,269	4,912	5,448	5,424	5,524	5,327
3	Undistributed corporation profits	1,064	776	800	708	837	424	832	864	908	757
4	Capital consumption allowances and miscellaneous valuation adjustments	4,492	4,440	4,436	4,324	4,423	4,448	4,488	4,556	4,668	4,540
5	Adjustment on grain transactions(1) ..	24	12	8	- 8	9	40	128	4	- 52	30
6	Inventory valuation adjustment	- 148	- 184	60	- 8	- 70	- 40	- 44	- 164	- 108	- 89
7	Government surplus (+) or deficit (-) ..	- 456	- 292	- 1,092	- 1,028	- 717	- 1,144	- 968	- 1,004	- 880	- 999
8	Residual error of estimate	156	- 292	- 152	132	- 39	104	92	- 220	- 36	- 15
9	Totals	6,728	5,832	5,720	5,632	5,978	5,324	5,776	5,760	6,216	5,769

(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 17. Disposition of National Saving, by Quarters, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Business gross fixed capital formation	6,988	6,624	6,552	6,604	6,692	6,456	6,544	6,768	6,772	6,635
2	New residential construction	1,592	1,400	1,396	1,384	1,443	1,404	1,468	1,500	1,460	1,458
3	New non-residential construction	2,640	2,544	2,572	2,552	2,577	2,532	2,660	2,780	2,760	2,683
4	New machinery and equipment	2,756	2,680	2,584	2,668	2,672	2,520	2,416	2,488	2,552	2,494
5	Value of physical change in inventories	976	348	- 56	372	410	- 20	184	- 452	408	30
6	Surplus (+) or deficit (-) on current account with non-residents	-1,080	- 1,432	- 928	- 1,216	- 1,164	-1,008	- 856	- 776	- 1,004	- 911
7	Residual error of estimate	- 156	292	152	- 128	40	- 104	- 96	220	40	15
8	Totals	6,728	5,832	5,720	5,632	5,978	5,324	5,776	5,760	6,216	5,769

TABLE 16. Source of National Saving, by Quarters, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
2,056	2,560	2,252	2,384	2,313	2,296	2,892	2,292	2,384	2,466	2,600	2,080	2,024	2,020	2,181	1
5,960	5,384	5,972	5,976	5,823	6,172	5,984	6,288	6,688	6,283	6,360	7,260	6,968	7,288	6,969	2
932	828	900	952	903	920	996	952	1,024	973	1,304	1,276	1,048	1,380	1,252	3
4,780	4,916	4,944	5,016	4,914	4,996	5,140	5,160	5,392	5,172	5,512	5,580	5,596	5,740	5,607	4
248	- 360	128	8	6	256	- 152	176	272	138	- 456	404	324	168	110	5
- 136	- 144	- 176	4	- 113	- 136	- 312	- 144	- 188	- 195	- 140	- 292	88	- 140	- 121	6
- 1,020	- 1,024	- 592	- 732	- 842	- 616	- 916	- 600	- 396	- 632	- 368	88	164	36	- 20	7
- 164	- 300	- 220	- 288	- 243	- 280	- 112	- 192	- 144	- 182	52	- 16	- 80	- 132	- 44	8
6,696	6,476	7,236	7,344	6,938	7,436	7,536	7,644	8,344	7,740	8,504	9,120	9,164	9,072	8,965	9

TABLE 17. Disposition of National Saving, by Quarters, 1960-64 Seasonally Adjusted at Annual Rates
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
6,856	6,896	7,008	7,080	6,960	7,112	7,512	7,704	8,036	7,591	8,944	8,828	8,720	9,380	8,968	1
1,540	1,580	1,604	1,584	1,577	1,596	1,668	1,732	1,832	1,707	2,176	1,908	1,872	2,128	2,021	2
2,716	2,636	2,588	2,612	2,638	2,640	2,864	2,880	2,956	2,835	3,164	3,244	3,376	3,588	3,343	3
2,600	2,680	2,816	2,884	2,745	2,876	2,980	3,092	3,248	3,049	3,604	3,676	3,472	3,664	3,604	4
576	356	928	368	557	568	296	528	572	491	452	448	388	232	380	5
- 900	- 1,080	- 916	- 396	- 823	- 524	- 388	- 780	- 404	- 524	- 844	- 168	- 28	- 672	- 428	6
164	304	216	292	244	280	116	192	140	182	- 48	12	84	132	45	7
6,696	6,476	7,236	7,344	6,938	7,436	7,536	7,644	8,344	7,740	8,504	9,120	9,164	9,072	8,965	8

TABLE 18. Gross National Expenditure in Constant (1957) Dollars, by Quarters, 1960-64(1)
Seasonally Adjusted at Annual Rates
(millions of dollars)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Personal expenditure on consumer goods and services	22,120	22,324	22,436	22,728	22,402	22,516	22,988	23,412	23,504	23,105
2	Non-durable goods	11,332	11,420	11,508	11,580	11,460	11,436	11,748	11,792	11,916	11,723
3	Durable goods	2,560	2,568	2,536	2,664	2,582	2,496	2,600	2,884	2,764	2,686
4	Services	8,228	8,336	8,392	8,484	8,360	8,584	8,640	8,736	8,824	8,696
5	Government expenditure on goods and services	6,224	6,052	6,456	6,340	6,268	6,400	6,468	6,636	6,744	6,562
6	Business gross fixed capital formation ..	6,544	6,168	6,088	6,124	6,231	5,964	6,052	6,252	6,232	6,125
7	New residential construction	1,472	1,284	1,276	1,260	1,323	1,280	1,340	1,364	1,328	1,328
8	New non-residential construction	2,468	2,380	2,392	2,376	2,404	2,348	2,472	2,596	2,560	2,494
9	New machinery and equipment	2,604	2,504	2,420	2,488	2,504	2,336	2,240	2,292	2,344	2,303
10	Change in inventories	936	348	- 56	360	397	- 72	156	- 448	480	29
11	Non-farm business inventories	904	292	- 128	232	325	304	540	- 12	900	433
12	Farm inventories and grain in commercial channels	32	56	72	128	72	- 376	- 384	- 436	- 420	- 404
13	Exports of goods and services	7,180	6,624	6,960	6,772	6,884	7,156	7,176	7,600	7,584	7,379
14	Deduct: Imports of goods and services ..	- 8,276	- 8,044	- 7,844	- 7,916	- 8,020	- 8,028	- 7,920	- 8,204	- 8,376	- 8,132
15	Residual error of estimate	- 148	276	144	- 120	38	- 96	- 88	200	36	13
16	GROSS NATIONAL EXPENDITURE IN CONSTANT (1957) DOLLARS	34,580	33,748	34,184	34,288	34,200	33,840	34,832	35,448	36,204	35,081

(1) See footnote 1, Table 9.

TABLE 19. Implicit Price Indexes - Seasonally Adjusted
Gross National Expenditure, (1) 1960-64
(1957 = 100)

No.		1960					1961				
		I	II	III	IV	Year	I	II	III	IV	Year
1	Personal expenditure on consumer goods and services	104.6	105.1	105.1	105.6	105.1	105.8	105.9	105.7	106.2	105.9
2	Non-durable goods	102.5	103.1	103.0	103.7	103.1	103.8	103.9	103.8	104.0	103.9
3	Durable goods	104.1	103.6	102.8	102.3	103.2	102.4	101.5	99.9	100.7	101.1
4	Services	107.6	108.3	108.7	109.1	108.4	109.5	109.7	110.3	110.8	110.1
5	Government expenditure on goods and services	107.1	107.9	108.1	108.8	108.0	109.1	110.0	110.8	111.1	110.3
6	Business gross fixed capital formation ..	106.8	107.4	107.6	107.8	107.4	108.2	108.1	108.3	108.7	108.3
7	New residential construction	108.2	109.0	109.4	109.8	109.1	109.7	109.6	110.0	109.9	109.8
8	New non-residential construction	107.0	106.9	107.5	107.4	107.2	107.8	107.6	107.1	107.8	107.6
9	New machinery and equipment	105.8	107.0	106.8	107.2	106.7	107.9	107.9	108.6	108.9	108.3
10	Exports of goods and services	101.3	102.1	102.0	101.9	101.8	102.1	102.1	104.2	105.1	103.4
11	Imports of goods and services	101.0	101.8	102.3	102.5	101.9	103.6	103.3	105.9	107.2	105.0
12	GROSS NATIONAL EXPENDITURE	105.6	106.1	106.1	106.5	106.1	106.8	106.9	106.8	106.8	106.8

(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 13. Gross National Expenditure in Constant (1957) Dollars, by Quarters, 1960-64(1)
Seasonally Adjusted at Annual Rates
(millions of dollars)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
24,016	24,048	24,088	24,476	24,157	24,712	24,984	25,312	25,732	25,185	26,252	26,316	26,812	27,156	26,634	1
12,312	12,224	12,340	12,424	12,325	12,548	12,552	12,696	12,712	12,627	12,900	13,072	13,228	13,572	13,193	2
2,900	2,932	2,832	3,040	2,926	3,016	3,152	3,160	3,408	3,184	3,564	3,444	3,716	3,480	3,551	3
8,804	8,892	8,916	9,012	8,906	9,148	9,280	9,456	9,612	9,374	9,788	9,800	9,868	10,104	9,890	4
6,676	6,960	6,768	6,776	6,795	6,848	6,704	6,852	6,784	6,797	7,140	7,076	6,996	7,184	7,099	5
6,232	6,216	6,292	6,320	6,265	6,308	6,624	6,728	6,968	6,657	7,684	7,476	7,360	7,848	7,592	6
1,380	1,404	1,416	1,388	1,397	1,392	1,440	1,480	1,532	1,461	1,796	1,552	1,504	1,692	1,636	7
2,488	2,396	2,356	2,356	2,399	2,360	2,552	2,544	2,592	2,512	2,764	2,808	2,904	3,048	2,881	8
2,364	2,416	2,520	2,576	2,469	2,556	2,632	2,704	2,844	2,684	3,124	3,116	2,952	3,108	3,075	9
564	352	868	312	524	536	268	508	532	461	444	424	336	208	353	10
360	264	600	12	309	168	- 116	248	460	190	568	596	744	32	485	11
204	88	268	300	215	368	384	260	72	271	- 124	- 172	- 408	176	- 132	12
7,580	7,732	7,800	7,892	7,751	8,028	8,344	8,360	8,940	8,418	9,128	9,648	9,672	9,404	9,463	13
- 8,236	- 8,512	- 8,452	- 8,024	- 8,306	- 8,220	- 8,376	- 8,632	- 8,924	- 8,538	- 9,472	- 9,364	- 9,436	- 9,740	- 9,503	14
152	280	200	268	225	256	104	172	128	165	- 44	12	76	116	40	15
36,984	37,076	37,564	38,020	37,411	38,468	38,652	39,300	40,160	39,145	41,132	41,588	41,816	42,176	41,678	16

TABLE 19. Implicit Price Indexes - Seasonally Adjusted
Gross National Expenditure, (1) 1960-64
(1957 = 100)

1962					1963					1964					No.
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
106.7	107.1	107.4	107.9	107.3	108.2	108.6	109.2	109.4	108.9	109.9	110.4	110.7	111.0	110.5	1
104.4	105.0	105.2	106.0	105.2	106.2	106.6	107.3	107.8	107.0	108.3	108.7	109.2	109.1	108.8	2
100.8	100.7	100.9	100.9	100.8	101.3	101.1	101.5	100.9	101.2	100.7	100.5	99.8	99.6	100.1	3
111.4	112.2	112.6	112.8	112.3	113.2	114.0	114.2	114.5	114.0	115.4	116.0	116.9	117.5	116.5	4
112.2	112.9	114.0	114.8	113.5	116.5	117.6	118.4	119.7	118.1	119.9	120.5	122.1	122.4	121.2	5
110.0	110.9	111.4	112.0	111.1	112.7	113.4	114.5	115.3	114.0	116.4	118.1	118.5	119.5	118.1	6
111.6	112.5	113.3	114.1	112.9	114.7	115.8	117.0	119.6	116.8	121.2	122.9	124.5	125.8	123.5	7
109.2	110.0	109.8	110.9	110.0	111.9	112.2	113.2	114.0	112.9	114.5	115.5	116.3	117.7	116.0	8
110.0	110.9	111.7	112.0	111.2	112.5	113.2	114.3	114.3	113.6	115.4	118.0	117.6	117.9	117.2	9
105.7	106.5	107.1	106.9	106.6	107.3	107.4	107.7	108.9	107.8	109.5	109.9	111.2	110.6	110.3	10
108.2	109.4	109.7	110.1	109.3	111.1	111.6	113.3	113.6	112.5	114.4	115.0	114.3	113.7	114.4	11
107.6	108.1	108.7	109.2	108.4	109.6	110.1	110.4	111.1	110.3	111.6	112.3	113.3	113.8	112.8	12

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TABLE 20. Business Gross Fixed Capital Formation, by Industry, 1960-64(1)
(millions of dollars)

	1960	1961	1962	1963	1964
1. Agriculture					
2. Fishing and trapping	550	576	663	762	820
3. Forestry	54	50	54	60	73
4. Mining, quarrying, and oil wells	400	449	480	521	633
5. Manufacturing	1,178	1,085	1,269	1,358	1,815
6. Construction	130	136	109	135	151
7. Transportation					
8. Storage	704	645	490	566	764
9. Communication(2)	377	337	382	432	415
10. Electric power, gas and water utilities ...	688	710	723	766	886
11. Trade	381	307	319	338	351
12. Finance, insurance and real estate(3)	1,722	1,770	1,875	1,980	2,349
13. Services(4)	508	570	596	673	711
14. Totals	6,692	6,635	6,960	7,591	8,968

- (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 commissions, etc.), are included under appropriate industry headings.

TABLE 21. Business Gross Fixed Capital Formation, 1960-64
Reconciliation Statement
(millions of dollars)

	1960	1961	1962	1963	1964
1. Total private and public investment in Canada(1)	8,262	8,172	8,715	9,393	10,827
2. Deduct - New residential construction by governments(2)	- 13	- 9	- 10	- 6	- 7
3. New non-residential construction by governments	- 1,420	- 1,368	- 1,562	- 1,609	- 1,640
4. New machinery and equipment outlays by governments	- 137	- 160	- 183	- 187	- 212
5. Business gross fixed capital formation	6,692	6,635	6,960	7,591	8,968

(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, 1960-64(1)
Reconciliation Statement
(millions of dollars)

	1960	1961	1962	1963	1964
<u>Exports of goods and services:</u>					
1. Merchandise exports	5,392	5,889	6,380	7,082	8,238
2. Gold production available for export	162	162	155	154	144
3. Interest and dividends received from non-residents	173	209	202	223	287
4. Other receipts for services	1,383	1,474	1,646	1,767	1,937
5. Sub-total - "Current receipts" as per Canadian Balance of International Payments	7,110	7,734	8,383	9,226	10,606
6. Inheritances and immigrants' funds	- 102	- 103	- 124	- 149	- 166
7. Total "exports of goods and services" as per National Accounts(2)	7,008	7,631	8,259	9,077	10,440
<u>Imports of goods and services:</u>					
8. Merchandise imports	5,540	5,716	6,203	6,579	7,538
9. Interest and dividends paid to non-residents	653	770	794	869	960
10. Other payments for services	2,160	2,230	2,260	2,335	2,561
11. Sub-total - "Current payments" as per Canadian Balance of International Payments	8,353	8,716	9,257	9,783	11,059
12. Inheritances and emigrants' funds	- 181	- 174	- 175	- 182	- 191
13. Total "imports of goods and services" as per National Accounts(2)	8,172	8,542	9,082	9,601	10,868

(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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