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SYSTEM OF NATIONAL ACCOUNTS

NATIONAL ACCOUNTS
INCOME AND EXPENDITURE

FIRST QUARTER 1969

DOMINION BUREAU OF STATISTICS

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National Accounts, Production and
Productivity Division
National Accounts Section

SYSTEM OF NATIONAL ACCOUNTS

NATIONAL ACCOUNTS
INCOME AND EXPENDITURE

FIRST QUARTER 1969

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<u>Catalogue number</u>	<u>Title</u>	<u>Price</u>
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13-001	"National Accounts, Income and Expenditure, Fourth Quarter and Preliminary Annual, 1963", for the year 195950
13-001	"National Accounts, Income and Expenditure, Fourth Quarter and Preliminary Annual, 1964", for the year 196050
13-001	"National Accounts, Income and Expenditure, Fourth Quarter and Preliminary Annual, 1965", for the years 1961-6350
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THE SYSTEM OF NATIONAL ACCOUNTS

In Canada, the National Accounts have been developed since the close of the Second World War in a series of publications relating to their constituent parts. These have now reached a stage of evolution where they can be termed a "System of National Accounts". For purposes of identification, all publications (containing tables of statistics, descriptions of conceptual frameworks, and descriptions of sources and methods) which make up this System will now carry the term "System of National Accounts" as a general title.

The System of National Accounts in Canada consists of several parts. The annual and quarterly Income and Expenditure Accounts (included with Catalogue Nos. carrying the prefix 13) were, historically speaking, the first set of statistics to be referred to with the title "National Accounts" (National Accounts, Income and Expenditure). The Balance of International Payments data, (Catalogue Nos. with prefix 67), in their more summary form, are also part of the System of National Accounts and they, in fact, pre-date the Income and Expenditure Accounts.

Greatly expanded structural detail on industries and on goods and services is portrayed in the Input-Output Tables of the System (Catalogue Nos. with prefix 15). The Indexes of Real Domestic Product by Industry (included with Catalogue Nos. carrying the prefix 61) provide "constant dollar" measures of the contribution of each industry to gross domestic product at factor cost. Inputs and outputs are related in Productivity Studies (Catalogue Nos. with prefix 14).

Both the Input-Output Tables and Indexes of Real Domestic Product by Industry use the establishment as the primary unit of industrial production. Measures of financial transactions are provided by

the Financial Flow Accounts (Catalogue Nos. with prefix 13). Types of lenders and financial instruments are the primary detail in these statistics, and the legal entity is the main unit of classification of transactors. Also, provision is made in the System for incorporation of balance sheet (wealth) estimates when such data are sufficiently developed.

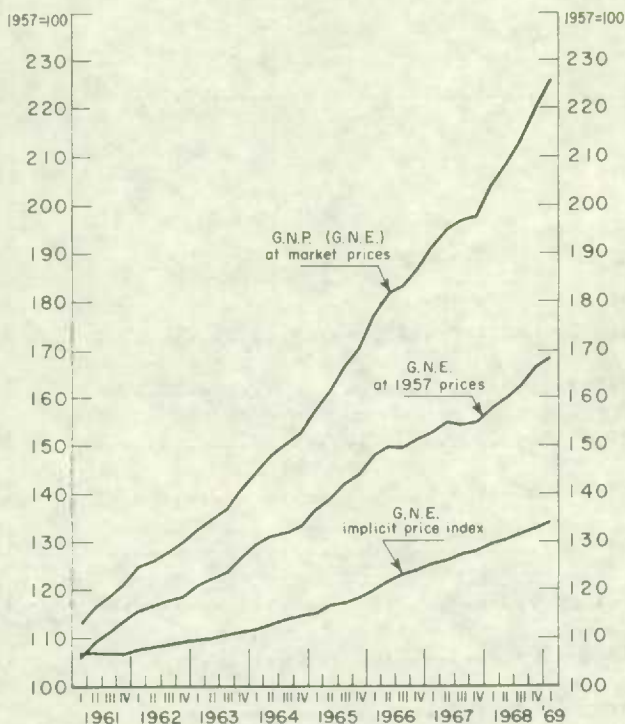
The System of National Accounts provides an overall conceptually integrated framework in which the various parts can be considered as interrelated sub-systems. At present, direct comparisons amongst those parts which use the establishment as the basic unit and those which use the legal entity can be carried out only at highly aggregated levels of data. However, the Dominion Bureau of Statistics is continuing research on enterprise-company-establishment relationships; it may eventually be feasible to reclassify the data which are on one basis (say the establishment basis) to correspond to the units employed on another (the company or the enterprise basis).

In its broad outline, the Canadian System of National Accounts bears a close relationship to the international standard as described in the United Nations publication, "A System of National Accounts" (Studies in Methods, Series F., No. 2, Rev. 3, Statistical Office, Department of Economic and Social Affairs, United Nations, New York, 1968). In the future, a document on the conceptual framework of the Canadian System of National Accounts will be prepared for publication by the Dominion Bureau of Statistics. This document will furnish the broad theoretical outline of the System. The finer conceptual details, the statistical tables, and the descriptions of sources and methods as they pertain to the individual parts of the System, will appear in the various regular and occasional publications relating to those parts.

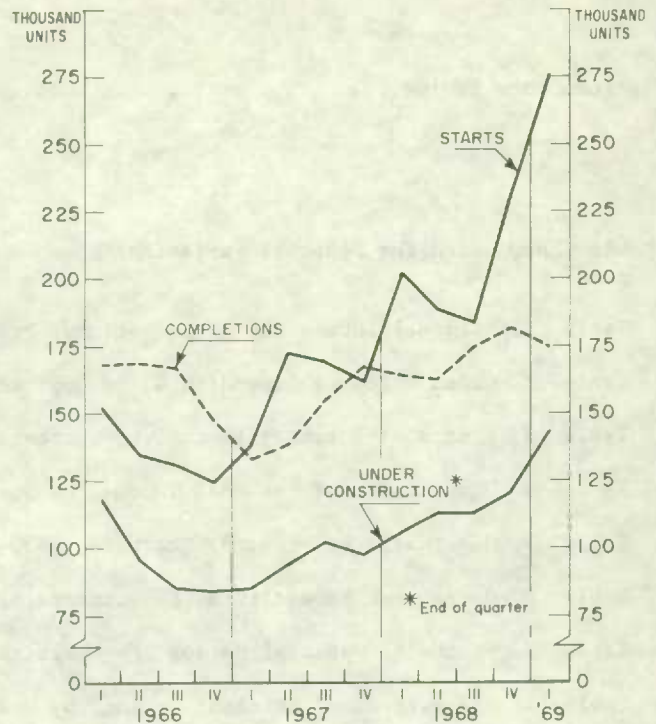
TABLE OF CONTENTS

	Page
Introductory Review	7
Tables Unadjusted for Seasonal Variation:	
Table 1. National Income and Gross National Product, by Quarters, 1968-1969	14
Table 2. Gross National Expenditure, by Quarters, 1968-1969	14
Table 3. Source of Personal Income, by Quarters, 1968-1969	15
Table 4. Disposition of Personal Income, by Quarters, 1968-1969	15
Table 5. Government Revenue, by Quarters, 1968-1969	16
Table 6. Government Expenditure, by Quarters, 1968-1969	17
Table 7. Source of National Saving, by Quarters, 1968-1969	18
Table 8. Disposition of National Saving, by Quarters, 1968-1969	18
Table 9. Relation between Gross National Product at Market Prices and Gross Domestic Product at Factor Cost, by Quarters, 1968-1969	19
Table 10. Gross National Expenditure in Constant (1957) Dollars, by Quarters, 1968-1969 ...	19
Tables Adjusted for Seasonal Variation and at Annual Rates:	
Table 11. National Income and Gross National Product, by Quarters, 1968-1969	22
Table 12. Gross National Expenditure, by Quarters, 1968-1969	22
Table 13. Source of Personal Income, by Quarters, 1968-1969	23
Table 14. Disposition of Personal Income, by Quarters, 1968-1969	23
Table 15. Government Revenue, by Quarters, 1968-1969	24
Table 16. Government Expenditure, by Quarters, 1968-1969	25
Table 17. Source of National Saving, by Quarters, 1968-1969	26
Table 18. Disposition of National Saving, by Quarters, 1968-1969	26
Table 19. Relation between Gross National Product at Market Prices and Gross Domestic Product at Factor Cost, by Quarters, 1968-1969	27
Table 20. Gross National Expenditure in Constant (1957) Dollars, by Quarters, 1968-1969 ...	27

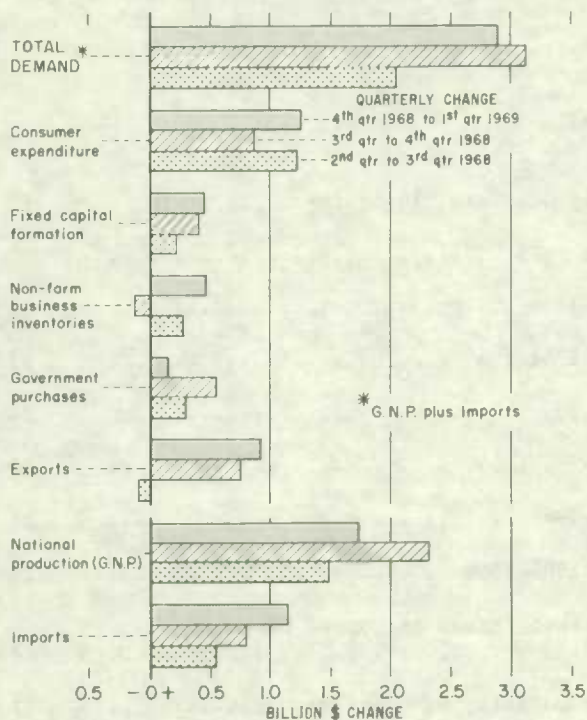
G.N.P. in the first quarter rose 2.5 per cent in current prices and 1.4 per cent in real terms.



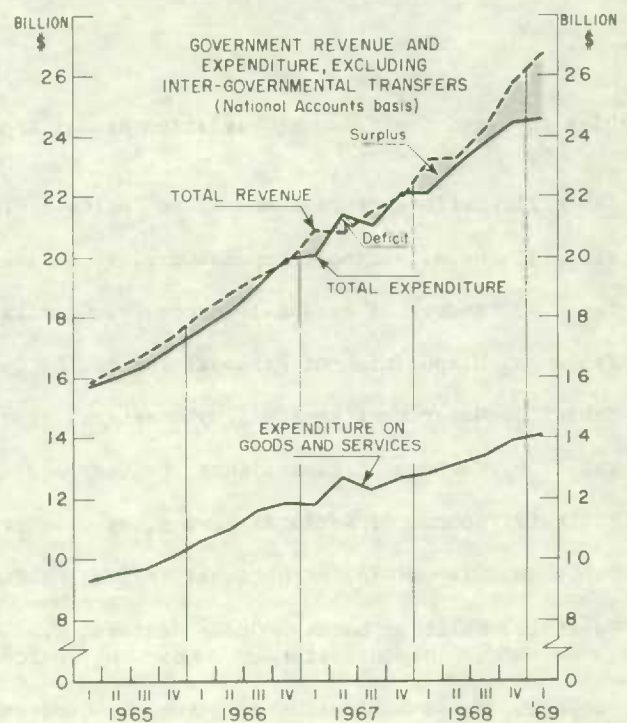
Housing investment rose 19 per cent in the first quarter reflecting higher starts in both the fourth and first quarters. The number of units under construction also rose sharply.



Total demand rose \$2.9 billion, or 3.3 per cent, and was broadly based. On the supply side, sharp increases occurred in both national production and imports.



Government expenditures were almost unchanged while revenues rose 3½ per cent, resulting in a sharp increase in the surplus.



ALL DATA SEASONALLY ADJUSTED, AT ANNUAL RATES.

INTRODUCTORY REVIEW - FIRST QUARTER 1969

The rapid pace of economic activity continued in the first quarter of 1969, as the Gross National Product increased by 2.5 per cent to reach a level of \$71.9 billion, seasonally adjusted at annual rates. After allowing for a price rise of 1 per cent, slightly higher than in the fourth quarter, the advance in constant dollars was about 1-1/2 per cent.^{1/} Excluding accrued net income of farm operators^{2/}, GNP rose 2.7 per cent in current dollars.

Intensified demand pressures by most sectors, partially met from substantially higher imports, characterized the quarter. Larger advances than in the fourth quarter occurred in personal expenditure, business gross fixed capital formation and exports, together with increased investment in business non-farm inventories. On the other hand, government purchases of goods and services rose only slightly, while accumulation of farm inventories^{2/} declined sharply -- in part the result of much higher wheat exports.

Personal expenditure rose a substantial 3 per cent, as all major series except automobiles and tobacco recorded gains; the advance in consumer outlays outpaced a 1 per cent increase in disposable income, resulting in a sharp decline in personal saving. Gross fixed capital formation increased by 3-1/2 per cent, largely the result of a 10 per cent expansion in new residential construction as housing starts rose steeply; outlays for plant and equipment advanced at the same moderate rate as in the fourth quarter, with a 5 per cent gain in the machinery and equipment component outweighing a drop of 3 per cent in non-residential construction. Accumulation in non-farm business inventories rose by \$468 million to \$1,020 million, with increases in all major industrial groups.

Government purchases of goods and services advanced by 1 per cent, the smallest increase in six quarters. The government sector as a whole exercised a restraining influence on the economy; excluding inter-governmental transfers, expenditures rose only fractionally while revenues advanced 3-1/2 per cent, resulting in a sharp increase of \$812 million in the combined surplus.

Reflecting the strength of demand by both Canadians and non-residents, exports and imports registered their largest increases since the first quarter of 1968. Merchandise exports advanced 5-1/2 per cent, led by large gains in wheat, wood pulp, newsprint, and a number of metals. Merchandise imports rose more rapidly, 7-1/2 per cent, with sizable advances in non-farm machinery in line with the larger domestic investment program. Increases of about 13 per cent in both receipts and payments of tourists were the prominent features of the non-merchandise account. The current account deficit on a National Accounts basis widened by \$224 million to \$748 million; the merchandise surplus declined to \$928 million, while the non-merchandise deficit was almost unchanged.

Among components of income, labour income advanced by 3 per cent; mixed movements in other components were on balance offsetting. Within labour income, both the goods-producing and service-producing sectors had the same rate of increase; employment rose by 1-1/2 per cent and the unemployment rate declined to 4.2 per cent from 4.9 in the fourth quarter. Net corporation profits before taxes slipped fractionally from the high level of the previous quarter; gross profits, which include capital consumption allowances, registered a modest increase of 1-1/2 per cent.

Price Movements

Prices rose 1.0 per cent in the first quarter of 1969 compared with 0.8 per cent in the preceding quarter. Higher price increases were recorded in exports and government expenditure; the price components of both business gross fixed capital formation and imports continued to advance at the same rate as in the fourth quarter while personal expenditure showed lower price increases.

The softening in the rate of increase in consumer prices was most apparent in non-durable goods. Food prices, in particular, rose by 0.4 per cent this quarter compared with 1.7 per cent last quarter. Increases in cereal and dairy products and fish partially offset declines in bakery products, and poultry. Among non-food non-durable goods, the largest increase was shown by alcoholic beverages which rose by 0.6 per cent. Tobacco products showed a slight decline. In durable goods, the rise of 0.4 per cent was the result of higher prices for new cars, household appliances and radios, and furniture.

^{1/} Real Domestic Product at factor cost by industry of origin, an alternative but conceptually somewhat different measure of economic production, shows a 2.0 per cent advance in real terms for the first quarter. Among the differences between the two series are market price valuation versus factor cost, the use of national versus domestic boundaries, and the use of different weight-base periods.

^{2/} Estimates of crop production are based on acreage intentions and ten-year average yields. On these assumptions, the value of the 1969 crop would be \$1.3 billion compared with \$1.5 billion in 1968. Seasonally adjusted quarterly figures are obtained by dividing the annual estimate by four.

Services continued to exert a dominating influence on the rise in consumer prices. The strongest rises were recorded in transportation, medical care, and recreation. The rent index, on the other hand, showed some deceleration, rising by 0.7 per cent compared with 1.1 per cent in the previous quarter.

In business gross fixed capital formation, the price component of new residential construction registered a very strong 3.6 per cent advance. The price index of residential building materials jumped by 4.7 per cent, largely attributable to a 6 per cent increase in lumber products; the labour component rose by 1.6 per cent. There was no change in the price index for non-residential construction, as the advance in the price index of the building component was offset by a decline in that of engineering construction, including railways.

Within merchandise exports, increases were recorded in the prices of meat and meat preparations, newsprint paper, lumber, shingles and crude animal products. Decreases were registered in the price indexes of alcoholic beverages, wheat and other cereal products, asbestos, fertilizers, non-agricultural machinery and equipment, and motor vehicles and parts.

Selected Base Weighted Price Indexes - Seasonally Adjusted
Percentage Change from Previous Quarter

	1966			1967				1968				1969
	II	III	IV	I	II	III	IV	I	II	III	IV	I
Personal expenditure ...	1.0	0.6	0.9	0.4	1.3	1.3	0.7	1.3	0.8	0.9	1.1	0.7
Non-durable goods	1.1	0.5	0.5	-0.1	0.8	1.2	0.4	1.8	0.7	0.6	1.1	0.5
Food	1.2	0.7	-0.2	-0.9	-0.6	2.0	0.8	1.4	-0.1	0.6	1.7	0.4
Non-food	1.1	0.4	1.1	0.6	1.8	0.6	-	2.2	1.3	0.7	0.5	0.5
Durable goods	0.8	-0.3	1.2	-0.1	1.4	1.0	1.1	-0.1	0.2	-0.1	0.3	0.4
Total goods	1.1	0.4	0.6	-	0.8	1.2	0.5	1.4	0.6	0.5	0.9	0.4
Services, excluding net expenditure abroad...	1.1	1.0	1.2	1.3	2.1	1.5	0.8	1.0	1.2	1.5	1.5	1.2
Business gross fixed capital formation	1.3	1.2	1.0	0.8	-0.5	-0.2	0.7	1.0	1.2	0.9	0.7	0.7
Residential construction	1.4	2.2	1.9	0.4	1.9	1.1	1.8	1.7	1.9	1.4	1.0	3.6
Non-residential construction	1.3	1.3	1.5	1.2	1.3	0.6	0.7	1.3	1.7	0.6	1.2	-
Machinery and equipment	1.3	0.7	0.2	0.6	-3.2	-1.7	-	0.4	0.4	0.8	0.1	-0.1
Exports	0.6	1.7	0.6	0.3	-	0.1	0.4	1.1	0.7	0.2	0.4	1.6
of which merchandise	0.5	1.7	0.4	-	-0.4	-0.3	0.4	1.2	0.3	-0.1	0.1	1.2
Gross National Expenditure (excluding inventories)	1.3	1.0	1.1	0.8	0.6	1.0	0.7	1.2	1.1	1.2	0.8	1.0
Gross National Expenditure (implicit prices)	1.2	1.3	0.7	1.1	0.5	1.0	0.5	1.4	0.5	1.0	0.8	1.0

The Components of Demand

Personal Expenditure on Consumer Goods and Services

Personal expenditure reached a level of \$43.5 billion, seasonally adjusted at annual rates, an increase of 3 per cent from the fourth quarter. All three major aggregates contributed to the rise, with non-durables and services advancing more rapidly than in the preceding quarter and durables recording a 2 per cent gain after a fractional decline previously.

Expenditures on non-durables advanced nearly 3-1/2 per cent, the largest gain in seven quarters. Outlays for alcoholic beverages increased by 5 per cent from the strike-affected fourth quarter; clothing expenditure also rose 5 per cent, paced by a 7-1/2 per cent advance in women's and children's apparel which had shown little change in the three preceding quarters. Increases of 2 to 3 per cent occurred in outlays for gasoline, oil and grease, energy sources for home use, and food. In contrast, the tobacco series declined by 5 per cent.

Among components of durable goods, increases of between 3 and 5-1/2 per cent occurred in purchases of furniture, home furnishings and appliances. Partly offsetting these gains was a 1-1/2 per cent decline in car outlays, resulting from a drop of 3 per cent in purchases of new cars of North American manufacture.

All components of services recorded increases, mostly in the range of 2 to 3-1/2 per cent. The purchased transportation component registered the largest advance -- 6-1/2 per cent.

Business Gross Fixed Capital Formation

Spending on fixed capital formation marked a third consecutive quarterly increase, rising by 3.4 per cent to a level of \$13.6 billion, seasonally adjusted at annual rates. The \$448 million increase had a mixed composition: residential construction and machinery and equipment rose by \$316 million and \$272 million respectively, while non-residential construction dropped by \$140 million.

New residential construction rose by 10 per cent as housing starts rose to an annual rate of 275,000 units from 231,000 in the fourth quarter. It is interesting to note that, as a result of sharp increases in the number of starts and a relatively stable level of completions, the number of housing units under construction has been climbing sharply since the end of the third quarter of 1968.

Investment in plant and equipment rose by 1.3 per cent -- the result of a 5 per cent increase in machinery and equipment spending and a 3 per cent fall in non-residential construction. The increase in machinery and equipment was associated with increased imports of non-farm producers' durables and larger outlays on passenger and commercial vehicles. The lower level of non-residential construction of \$4.7 billion was about the same as the average investment of the years 1967 and 1968.

Non-Farm Business Inventories

Investment in non-farm business inventories picked up strongly this quarter, with an accumulation of \$1,020 million, seasonally adjusted at annual rates, compared with \$552 million in the previous quarter. The strength in inventory investment was pervasive. Retail trade showed the largest accumulation, but manufacturing and wholesale trade also recorded sizable inventory investment.

Value of Physical Change in Non-Farm Business Inventories (Seasonally Adjusted, at Annual Rates)

	4Q 1968	1Q 1969
	(millions of dollars)	
Manufacturing	168	368
Durables	176	264
Non-durables	-8	104
Wholesale	108	196
Retail	324	456
"Other" industries	-48	-
Grand Total	552	1,020

In manufacturing, the strongest accumulation was in durables, where additions to the stocks of primary metal, metal fabricating, machinery, transportation and electrical products industries more than offset a sizable liquidation in the wood products industry. In non-durables, although most components showed additions to stocks, liquidations occurred in the rubber, clothing and knitting mills and paper products groups. By stages of fabrication, stocks accumulated at all levels. The stock-to-ships ratio for manufacturing as a whole was slightly lower than that of the previous quarter.

Over two thirds of the accumulation in both wholesale and retail trade occurred in non-durable lines, where increases were widespread. Stock-to-sales ratios increased this quarter, especially in wholesale trade.

Exports and Imports of Goods and Services

With exports of goods and services higher by \$924 million, and imports by \$1,148 million, the balance on current account for the quarter, on a National Accounts basis, widened from a deficit of \$524 million at annual rates to a deficit of \$748 million. The merchandise surplus dropped from \$1,144 to \$928 million, while the non-merchandise deficit was practically unchanged.

Merchandise exports rose 5-1/2 per cent from the fourth quarter level. Increases were recorded in wheat, iron ore, asbestos, lumber, wood pulp, newsprint, iron and steel products, copper, industrial and farm machinery, motor vehicle parts and communication equipment. Shipments of motor vehicles, however, dropped sharply.

Merchandise imports climbed 7-1/2 per cent. There were sizable increases in the imports of non-farm machinery, reflecting the pick-up in machinery and equipment spending, and in coal and fuel oil. Imports of most consumer items also increased.

The unchanged deficit on non-merchandise trade resulted from a smaller deficit in miscellaneous transactions (government expenditures, personal and institutional remittances, miscellaneous income and business services) offsetting larger deficits in interest and dividend and in freight and shipping transactions.

Transactions with Non-Residents Seasonally Adjusted at Annual Rates (National Accounts Basis)

	IV Q 1968			IQ 1969			Change in Balances
	Exports	Imports	Net	Exports	Imports	Net	
	(millions of dollars)						
Goods	14,312	13,168	1,144	15,064	14,136	928	-216
Services	3,100	4,768	-1,668	3,272	4,948	-1,676	-8
Gold available for export	112	-	112	108	-	108	-4
Tourist and travel	944	1,012	-68	1,072	1,140	-68	-
Interest and dividends	316	1,236	-920	376	1,320	-944	-24
Freight and shipping	924	956	-32	952	1,008	-56	-24
Other transactions	804	1,564	-760	764	1,480	-716	44
Total	17,412	17,936	-524	18,336	19,084	-748	-224

Government Sector

Seasonally adjusted at annual rates, total revenues of all governments combined (excluding inter-governmental transfers) increased by \$908 million, or 3.5 per cent in the first quarter to \$26,744 million. More than three quarters of the gain occurred in revenues from direct and indirect taxation; both contributed about equally to the rise.

Personal direct taxes rose 4 per cent, with the gain concentrated at the federal level. The gain was partly associated with the imposition of the Social Development Tax at the beginning of the year. Corporation direct taxes rose by 3 per cent with the bulk at the federal level.

Revenue from indirect taxes rose by \$348 million with the gain occurring at the provincial-municipal level. This rise reflected higher returns from gasoline and sales taxes at the provincial level and higher revenues from property taxes at the municipal level. At the federal level increases in revenue from customs import duties and excise duties were more than offset by a decline in revenues from excise taxes.

Total expenditure (excluding inter-governmental transfers) increased by \$96 million to \$24,556 million. Expenditure on goods and services by all governments rose by 1 per cent, with the increase occurring at the provincial-municipal level. Federal outlays on goods and services were virtually unchanged with a decline in defence spending offsetting higher non-defence outlays.

Transfer payments to persons declined slightly in the quarter; there were offsetting movements at the different levels of government. Federal payments rose as a result of a further lowering in the age limit of recipients of old age security pensions. Transfer payments at the provincial-municipal level declined from the irregularly high levels of the last half of 1968 when payments were made under the Ontario Residential Property Tax Reduction Act.

The decline in subsidies occurred at the federal level and reflected, in the main, smaller payments to the railways.

Federal transfer payments to other levels of government increased and were attributable to higher payments under the Federal-Provincial Fiscal Arrangements Act and higher post-secondary educational grants.

With total revenues of all governments combined (including the Canada and Quebec Pension Plans) rising more sharply than expenditures, the government surplus, seasonally adjusted at annual rates and on a National Accounts basis, increased from \$1,376 million in the fourth quarter of 1968 to \$2,188 million in the first quarter, the largest in recent years. At the federal level, revenues rose by about 3-1/2 per cent while expenditures increased by almost 2 per cent so that the federal surplus moved from a rate of \$248 million in the fourth quarter to a rate of \$452 million in the first quarter. Provincial-municipal revenues rose by 4-1/2 per cent and expenditures were virtually unchanged so that the provincial-municipal surplus increased from a rate of \$84 million to a rate of \$692 million. The surpluses of the Canada and the Quebec Pension Plans showed little change.

The Components of Income

Labour Income

Total labour income increased by 3 per cent, a somewhat higher gain than the trend experienced in the last two years. Wages and salaries in both the goods and the service-producing industries rose at about the same rate as the total.

The increase in the goods-producing industries was somewhat higher than in the previous quarter and about 1 per cent higher than the average quarterly advances in 1968. A 3 per cent rise in manufacturing was associated with increases of about 1 per cent in employment and 2 per cent in earnings. In construction, wages and salaries rose by over 4 per cent, mainly because of substantial employment increases in building construction. The primary industries showed only a slight advance.

In the service-producing industries, transportation, storage, communication and other utilities increased by about 1-1/2 per cent, trade by 4 per cent, and finance and service by 3-1/2 per cent. These increases resulted from both gains in employment and higher earnings. Wages and salaries in government increased by almost 3 per cent.

Corporation Profits

After increasing steadily since the first quarter of 1967 and gaining strong momentum in the latter part of 1968, net corporation profits declined fractionally in the first quarter. Capital cost allowances increased by 4-1/2 per cent; gross profits, which include these charges, rose by 1-1/2 per cent.

Profits in the manufacturing industry dropped by 4 per cent from the peak fourth quarter level and by 6 per cent in the transportation, storage and communication industry; in the finance industry there was also a modest shift downward from the high fourth quarter level. The trade groups registered relatively strong advances from their high fourth quarter levels. There was a 10 per cent improvement in wholesale trade profits, 5 per cent in retail trade, and a robust 35 per cent advance in the service industry.

Within the manufacturing group, a majority of the industries experienced lower profit levels. The groups with the largest declines were wood, metals, electrical products, and petroleum and coal, while lesser declines occurred in the textile, printing, and chemical groups. Offsetting these declines were gains in the food and beverage, paper, and non-metallic mineral industries.

Accrued Net Income of Farm Operators

Accrued net income of farm operators fell to \$1,804 million or 7.2 per cent below the fourth quarter rate. The decline was largely due to a fall in the estimated value of the 1969 crop, which is based on acreage intentions and ten-year yields. Partially offsetting this decline was an increase in the profits of the Canadian Wheat Board as exports rose well above the fourth quarter level.

Real Domestic Product^{1/}

Real Domestic Product registered a second consecutive 2 per cent advance in the first quarter. Both the goods-producing and service-producing industries rose at the same rate, with increases in all industry divisions except forestry and fishing and trapping.

Advances of over 4 per cent occurred in transportation, storage, and communication, and in construction; trade rose by over 2 per cent with most of the gain at the wholesale level. The community, business and personal services division increased by 1-1/2 per cent, with education and business services being the main contributors. Manufacturing rose by less than 1 per cent, entirely due to the non-durable component, especially pulp and paper mills; durables declined fractionally, as drops in motor vehicles and parts and in saw-mills offset increases elsewhere.

^{1/} For further information, see Index of Industrial Production, April 1969 (DBS 61-005).

TABLES UNADJUSTED FOR SEASONAL VARIATION

TABLE 1. National Income and Gross National Product, by Quarters, 1968 and 1969
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Wages, salaries, and supplementary labour income ..	8,203	8,718	9,116	9,188	35,225	9,181		
2. Military pay and allowances	173	159	184	180	696	165		
3. Corporation profits before taxes	1,129	1,574	1,464	1,710	5,877	1,400		
4. Deduct: Dividends paid to non-residents(1)	- 190	- 188	- 193	- 270	- 841	- 183		
5. Rent, interest, and miscellaneous investment income	1,114	1,152	1,183	1,309	4,758	1,291		
6. Accrued net income of farm operators from farm production(2)	72	66	1,453	205	1,796	123		
7. Net income of non-farm unincorporated business(3)	690	837	855	1,040	3,422	747		
8. Inventory valuation adjustment(4)	- 83	- 54	- 39	- 129	- 305	- 168		
9. NET NATIONAL INCOME AT FACTOR COST	11,108	12,264	14,023	13,233	50,628	12,556		
10. Indirect taxes less subsidies	2,327	2,295	2,400	2,499	9,521	2,562		
11. Capital consumption allowances and miscellaneous valuation adjustments	1,767	1,901	1,777	1,815	7,260	1,852		
12. Residual error of estimate	- 166	- 17	88	54	- 41	- 277		
13. GROSS NATIONAL PRODUCT AT MARKET PRICES	15,036	16,443	18,288	17,601	67,368	16,693		
14. (Gross national product at market prices excluding accrued net income of farm operators)	(14,964)	(16,377)	(16,835)	(17,396)	(65,572)	(16,570)		

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

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

(3) Includes net income of independent professional practitioners.

(4) See footnote 4, Table 2.

TABLE 2. Gross National Expenditure, by Quarters, 1968 and 1969
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Personal expenditure on consumer goods and services	9,484	10,052	10,014	11,366	40,916	10,402		
2. Government expenditure on goods and services(1, 2)	2,931	3,254	3,656	3,488	13,329	3,221		
3. Business gross fixed capital formation(3)	2,792	3,319	3,209	3,433	12,753	2,987		
4. New residential construction	525	716	754	836	2,831	706		
5. New non-residential construction	920	1,152	1,269	1,342	4,683	923		
6. New machinery and equipment	1,347	1,451	1,186	1,255	5,239	1,358		
7. Value of physical change in inventories(4)	- 74	- 141	1,254	- 379	660	137		
8. Non-farm business inventories	251	49	183	- 4	479	462		
9. Farm inventories and grain in commercial channels	- 325	- 190	1,071	- 375	181	- 325		
10. Exports of goods and services	3,582	4,313	4,439	4,401	16,735	4,091		
11. Deduct: Imports of goods and services	- 3,846	- 4,371	- 4,196	- 4,654	- 17,067	- 4,423		
12. Residual error of estimate	167	17	- 88	- 54	42	278		
13. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	15,036	16,443	18,288	17,601	67,368	16,693		

(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.

(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, 1968 and 1969
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Wages, salaries, and supplementary labour income	8,203	8,718	9,116	9,188	35,225	9,181		
2. Deduct: Employer and employee contributions to social insurance and government pension funds	- 556	- 580	- 589	- 573	- 2,298	- 623		
3. Military pay and allowances	173	159	184	180	696	165		
4. Net income received by farm operators from farm production(1)	173	267	1,413	169	2,022	124		
5. Net income of non-farm unincorporated business	690	837	855	1,040	3,422	747		
6. Interest, dividends, and net rental income of persons(2)	1,273	1,334	1,325	1,383	5,315	1,389		
Transfer payments to persons:								
7. From government (excluding interest)	1,793	1,764	1,774	1,863	7,194	2,012		
8. Charitable contributions by corporations	12	12	12	12	48	12		
9. PERSONAL INCOME	11,761	12,511	14,090	13,262	51,624	13,007		

(1) This item differs from line 6, 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, 1968 and 1969
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Personal direct taxes	1,651	1,586	1,619	1,804	6,660	1,926		
2. Income taxes	1,441	1,416	1,452	1,613	5,922	1,669		
3. Succession duties and estate taxes	59	56	62	58	235	57		
4. Miscellaneous	151	114	105	133	503	200		
5. Personal expenditure on consumer goods and services ..	9,484	10,052	10,014	11,366	40,916	10,402		
6. Non-durable goods	4,461	4,688	4,853	5,693	19,695	4,830		
7. Durable goods	1,033	1,270	1,113	1,389	4,805	1,139		
8. Services(1)	3,990	4,094	4,048	4,284	16,416	4,433		
9. Personal net saving	626	873	2,457	92	4,048	679		
10. Personal saving excluding change in farm inventories	951	984	1,354	583	3,872	1,008		
11. Value of physical change in farm inventories	- 325	- 111	1,103	- 491	176	- 329		
12. PERSONAL INCOME	11,761	12,511	14,090	13,262	51,624	13,007		
13. (Personal disposable income)(2)	(10,110)	(10,925)	(12,471)	(11,458)	(44,964)	(11,081)		

(1) Includes net expenditure abroad.

(2) Personal Income less Total Personal Direct Taxes.

TABLE 5. Government Revenue, by Quarters, 1968 and 1969
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Direct taxes - Persons	1,651	1,586	1,619	1,804	6,660	1,926		
2. Federal	1,037	1,059	1,040	1,147	4,283	1,209		
3. Provincial and municipal	614	527	579	657	2,377	717		
4. Direct taxes - Corporations	490	674	644	785	2,593	614		
5. Federal(1)	365	502	480	585	1,932	457		
6. (Federal tax collections)(1)	(409)	(484)	(557)	(426)	(1,876)	(628)		
7. Provincial	125	172	164	200	661	157		
8. (Provincial tax collections)	(180)	(166)	(187)	(150)	(683)	(211)		
Withholding taxes:								
9. Federal(2)	49	60	40	60	209	46		
10. Indirect taxes	2,419	2,388	2,566	2,648	10,021	2,660		
11. Federal	856	906	949	1,053	3,764	915		
12. Provincial and municipal	1,563	1,482	1,617	1,595	6,257	1,745		
13. Investment income	522	580	582	690	2,374	645		
14. Federal	162	221	242	253	878	229		
15. Provincial and municipal	346	339	322	409	1,416	394		
16. Canada Pension Plan	14	20	18	28	80	22		
17. Employer and employee contributions to social insurance and government pension funds	556	580	589	573	2,298	623		
18. Federal	196	182	200	249	827	237		
19. Provincial and municipal	132	133	141	140	546	137		
20. Canada Pension Plan	168	193	191	134	686	180		
21. Quebec Pension Plan	60	72	57	50	239	69		
Transfers from Federal:								
22. Provincial and municipal	591	653	571	637	2,452	696		
23. TOTAL REVENUE	6,278	6,521	6,611	7,197	26,607	7,210		
24. FEDERAL	2,665	2,930	2,951	3,347	11,893	3,093		
25. PROVINCIAL AND MUNICIPAL	3,371	3,306	3,394	3,638	13,709	3,846		
26. CANADA PENSION PLAN	182	213	209	162	766	202		
27. QUEBEC PENSION PLAN	60	72	57	50	239	69		

(1) Excludes refundable tax on corporate cash profits introduced May 1966. In the first quarter of 1968, refunding of over-payments exceeded collections by \$5 million. In the second quarter the amount collected was \$9 million. Refunding of the tax began in the third quarter and amounted to \$52 million, in the fourth quarter the amount refunded was \$36 million. In the first quarter 1969 refunds were \$20 million.

(2) 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 6. Government Expenditure, by Quarters, 1968 and 1969
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Goods and services	2,931	3,254	3,656	3,488	13,329	3,221		
2. Federal	1,104	1,045	1,162	1,164	4,475	1,195		
3. (Defence)	(481)	(419)	(433)	(479)	(1,812)	(505)		
4. Provincial and municipal	1,827	2,209	2,494	2,324	8,854	2,026		
5. Transfer payments to persons (excluding interest on the public debt)	1,793	1,764	1,774	1,863	7,194	2,012		
6. Federal	856	878	757	786	3,277	966		
7. Provincial and municipal	936	883	1,013	1,070	3,902	1,038		
8. Canada Pension Plan	1	2	3	5	11	6		
9. Quebec Pension Plan	-	1	1	2	4	2		
10. Interest on the public debt	497	613	558	594	2,262	560		
11. Federal	308	370	378	353	1,409	341		
12. Provincial and municipal	189	243	180	241	853	219		
13. Subsidies	92	93	166	149	500	98		
14. Federal	69	77	106	123	375	76		
15. Provincial	23	16	60	26	125	22		
Capital Assistance(1)								
16. Federal	20	9	27	14	70	14		
Transfers to other levels of government:								
17. Federal	591	653	571	637	2,452	696		
18. Total expenditure	5,924	6,386	6,752	6,745	25,807	6,601		
19. Federal	2,948	3,032	3,001	3,077	12,058	3,288		
20. Provincial and municipal	2,975	3,351	3,747	3,661	13,734	3,305		
21. Canada Pension Plan	1	2	3	5	11	6		
22. Quebec Pension Plan	-	1	1	2	4	2		
23. Deficit (-) or Surplus	354	135	- 141	452	800	609		
24. Federal	- 283	- 102	- 50	270	- 165	- 195		
25. Provincial and municipal	396	- 45	- 353	- 23	- 25	541		
26. Canada Pension Plan	181	211	206	157	755	196		
27. Quebec Pension Plan	60	71	56	48	235	67		
28. TOTAL EXPENDITURE MINUS DEFICIT OR PLUS SURPLUS	6,278	6,521	6,611	7,197	26,607	7,210		
29. FEDERAL	2,665	2,930	2,951	3,347	11,893	3,093		
30. PROVINCIAL AND MUNICIPAL	3,371	3,306	3,394	3,638	13,709	3,846		
31. CANADA PENSION PLAN	182	213	209	162	766	202		
32. QUEBEC PENSION PLAN	60	72	57	50	239	69		

(1) From 1961 on, this item is treated as government current expenditure; prior to 1961, it was treated as capital transfer.

TABLE 7. Source of National Saving, by Quarters, 1968 and 1969
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Personal net saving	626	873	2,457	92	4,048	679		
2. Business gross saving	1,890	2,200	2,253	2,278	8,621	2,227		
3. Undistributed corporation profits	204	491	409	413	1,517	362		
4. Capital consumption allowances and miscellaneous valuation adjustments	1,767	1,901	1,777	1,815	7,260	1,852		
5. Adjustment on grain transactions(1)	- 101	- 201	40	36	- 226	- 1		
6. Capital assistance	20	9	27	14	70	14		
7. Inventory valuation adjustment	- 83	- 54	- 39	- 129	- 305	- 168		
8. Government surplus or deficit (-)	354	135	- 141	452	800	609		
9. Residual error of estimate	- 166	- 17	88	54	- 41	- 277		
10. Totals	2,621	3,137	4,618	2,747	13,123	3,070		

(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, 1968 and 1969
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Business gross fixed capital formation	2,792	3,319	3,209	3,433	12,753	2,987		
2. New residential construction	525	716	754	836	2,831	706		
3. New non-residential construction	920	1,152	1,269	1,342	4,683	923		
4. New machinery and equipment	1,347	1,451	1,186	1,255	5,239	1,358		
5. Value of physical change in inventories	- 74	- 141	1,254	- 379	660	137		
6. Surplus or deficit (-) on current account with non-residents	- 264	- 58	243	- 253	- 332	- 332		
7. Residual error of estimate	167	17	- 88	- 54	42	278		
8. Totals	2,621	3,137	4,618	2,747	13,123	3,070		

TABLE 9. Relation between Gross National Product at Market Prices and Gross Domestic Product at Factor Cost, by Quarters, 1968 and 1969 (millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. GROSS NATIONAL PRODUCT AT MARKET PRICES ..	15,036	16,443	18,288	17,601	67,368	16,693		
2. Deduct: Residual error of estimate	166	17	- 88	- 54	41	277		
3. Indirect taxes less subsidies ..	- 2,327	- 2,295	- 2,400	- 2,499	- 9,521	- 2,562		
4. Income received from non-residents	- 68	- 80	- 79	- 112	- 339	- 84		
5. Add: Income paid to non-residents ...	292	315	298	405	1,310	307		
6. GROSS DOMESTIC PRODUCT AT FACTOR COST	13,099	14,400	16,019	15,341	58,859	14,631		

TABLE 10. Gross National Expenditure in Constant (1957) Dollars, by Quarters, 1968 and 1969(1) (millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Personal expenditure on consumer goods and services	7,705	8,074	7,954	9,007	32,740	8,162		
2. Non-durable goods	3,735	3,842	3,930	4,629	16,136	3,932		
3. Durable goods	1,003	1,224	1,081	1,318	4,626	1,101		
4. Services	2,967	3,008	2,943	3,060	11,978	3,129		
5. Government expenditure on goods and services	1,870	2,175	2,500	2,247	8,792	1,933		
6. Business gross fixed capital formation ..	2,099	2,451	2,335	2,476	9,361	2,160		
7. New residential construction	348	463	483	529	1,823	433		
8. New non-residential construction	642	793	876	915	3,226	623		
9. New machinery and equipment	1,109	1,195	976	1,032	4,312	1,104		
10. Change in inventories	- 44	- 142	977	- 246	545	157		
11. Non-farm business inventories	219	83	96	57	455	410		
12. Farm inventories and grain in commercial channels	- 263	- 225	881	- 303	90	- 253		
13. Exports of goods and services	3,036	3,639	3,699	3,732	14,106	3,424		
(of which merchandise)	(2,644)	(3,106)	(2,942)	(3,250)	(11,942)	(3,036)		
14. Deduct: Imports of goods and services ...	- 3,192	- 3,622	- 3,454	- 3,859	- 14,127	- 3,593		
(of which merchandise)	(2,408)	(2,749)	(2,510)	(2,979)	(10,646)	(2,779)		
15. Residual error of estimate	129	13	- 67	- 41	34	206		
16. GROSS NATIONAL EXPENDITURE IN CONSTANT (1957) DOLLARS	11,603	12,588	13,944	13,316	51,451	12,449		

(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 10, 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.

TABLES ADJUSTED FOR SEASONAL VARIATION AND AT ANNUAL RATES

TABLE 11. National Income and Gross National Product, by Quarters, 1968 and 1969 Seasonally Adjusted at Annual Rates
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Wages, salaries, and supplementary labour income	33,784	34,844	35,532	36,740	35,225	37,856	8.9%	10.86%
2. Military pay and allowances	688	648	732	716	696	652		
3. Corporation profits before taxes	5,324	5,656	5,960	6,568	5,877	6,552	6624	
4. Deduct: Dividends paid to non-residents(1)	- 804	- 940	- 904	- 716	- 841	- 784		
5. Rent, interest, and miscellaneous investment income	4,580	4,732	4,776	4,944	4,758	5,248		
6. Accrued net income of farm operators from farm production(2)	1,820	1,592	1,828	1,944	1,796	1,804		
7. Net income of non-farm unincorporated business(3)	3,272	3,400	3,480	3,536	3,422	3,552		
8. Inventory valuation adjustment	- 284	- 176	- 284	- 476	- 305	- 512		
9. NET NATIONAL INCOME AT FACTOR COST	48,380	49,756	51,120	53,256	50,628	54,368	-584	-720
10. Indirect taxes less subsidies	9,368	9,296	9,512	9,908	9,521	10,332		
11. Capital consumption allowances and miscellaneous valuation adjustments	7,252	7,260	7,272	7,256	7,260	7,580		
12. Residual error of estimate	168	16	- 80	- 268	- 41	- 396		
13. GROSS NATIONAL PRODUCT AT MARKET PRICES	65,168	66,328	67,824	70,152	67,368	71,884		
14. (Gross national product at market prices excluding accrued net income of farm operators)	(63,348)	(64,736)	(65,996)	(68,208)	(65,572)	(70,080)		

(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 12. Gross National Expenditure, by Quarters, 1968 and 1969 Seasonally Adjusted at Annual Rates
(million of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Personal expenditure on consumer goods and services	39,872	40,164	41,380	42,248	40,916	43,496		
2. Government expenditure on goods and services(1, 2)	12,840	13,112	13,408	13,956	13,329	14,108		
3. Business gross fixed capital formation(3)	12,632	12,516	12,736	13,128	12,753	13,576		
4. New residential construction	2,548	2,852	2,836	3,088	2,831	3,404		
5. New non-residential construction	4,620	4,612	4,664	4,836	4,683	4,696		
6. New machinery and equipment	5,464	5,052	5,236	5,204	5,239	5,476		
7. Value of physical change in inventories	468	384	716	1,072	660	1,056		
8. Non-farm business inventories	288	396	680	552	479	1,020		
9. Farm inventories and grain in commercial channels(4)	180	- 12	36	520	181	36		
10. Exports of goods and services	16,156	16,736	16,636	17,412	16,735	18,336		
11. Deduct: Imports of goods and services	- 16,628	- 16,572	- 17,132	- 17,936	- 17,067	- 19,084		
12. Residual error of estimate	- 172	- 12	80	272	42	396		
13. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	65,168	66,328	67,824	70,152	67,368	71,884		
Detail of Farm Inventories and GICC:								
Value of grain crop production	1,480	1,484	1,484	1,484	1,483	1,272		
Depletions of farm stocks of grain	- 1,452	- 1,184	- 992	- 1,284	- 1,228	- 1,348		
Change in livestock inventories	- 32	- 160	- 144	20	- 79	- 84		
Grain in commercial channels	184	- 152	- 312	300	5	196		

(1) See footnote 1, Table 2.

(2) For details of defence expenditures, see line 3, Table 16.

(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 11). All other items in the farm inventories series are seasonally adjusted by standard techniques.

TABLE 13. Source of Personal Income, by Quarters, 1968 and 1969 Seasonally Adjusted at Annual Rates
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Wages, salaries, and supplementary labour income	33,784	34,844	35,532	36,740	35,225	37,856		
2. Deduct: Employer and employee contributions to social insurance and government pension funds	- 2,204	- 2,208	- 2,272	- 2,508	- 2,298	- 2,476		
3. Military pay and allowances	688	648	732	716	696	652		
4. Net income received by farm operators from farm production(1)	2,048	1,808	2,060	2,172	2,022	1,720		
5. Net income of non-farm unincorporated business	3,272	3,400	3,480	3,536	3,422	3,552		
6. Interest, dividends, and net rental income of persons(2)	5,140	5,312	5,384	5,424	5,315	5,620		
Transfer payments to persons:								
7. From government (excluding interest)	6,636	7,172	7,404	7,564	7,194	7,528		
8. Charitable contributions by corporations	48	48	48	48	48	48		
9. PERSONAL INCOME	49,412	51,024	52,368	53,692	51,624	54,500		

(1) This item differs from line 6, Table 11, 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 14. Disposition of Personal Income, by Quarters, 1968 and 1969 Seasonally Adjusted at Annual Rates
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Personal direct taxes	6,412	6,236	6,716	7,276	6,660	7,568		
2. Income taxes	5,744	5,540	5,932	6,472	5,922	6,724		
3. Succession duties and estate taxes	236	224	248	232	235	228		
4. Miscellaneous	432	472	536	572	503	616		
5. Personal expenditure on consumer goods and services	39,872	40,164	41,380	42,248	40,916	43,496		
6. Non-durable goods	19,452	19,456	19,668	20,204	19,695	20,880		
7. Durable goods	4,608	4,624	4,996	4,992	4,805	5,080		
8. Services(1)	15,812	16,084	16,716	17,052	16,416	17,536		
9. Personal net saving	3,128	4,624	4,272	4,168	4,048	3,436		
10. PERSONAL INCOME	49,412	51,024	52,368	53,692	51,624	54,500		
11. (Personal disposable income)(2)	(43,000)	(44,788)	(45,652)	(46,416)	(44,964)	(46,932)		

(1) Includes net expenditure abroad.

(2) Personal Income less Total Personal Direct Taxes.

TABLE 15. Government Revenue, by Quarters, 1968 and 1969 Seasonally Adjusted at Annual Rates
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Direct taxes - Persons	6,412	6,236	6,716	7,276	6,660	7,568		
2. Federal	4,260	3,952	4,272	4,648	4,283	4,976		
3. Provincial and municipal	2,152	2,284	2,444	2,628	2,377	2,592		
4. Direct taxes - Corporations	2,396	2,480	2,608	2,888	2,593	2,976		
5. Federal(1)	1,788	1,852	1,944	2,144	1,932	2,216		
6. (Federal tax collections)(1)	(1,788)	(1,508)	(2,340)	(1,868)	(1,876)	(2,760)		
7. Provincial	608	628	664	744	661	760		
8. (Provincial tax collections)	(720)	(632)	(700)	(680)	(683)	(840)		
Withholding taxes:								
9. Federal(2)	220	208	232	176	209	212		
10. Indirect taxes	9,812	9,768	10,044	10,460	10,021	10,803		
11. Federal	3,716	3,576	3,772	3,992	3,764	3,944		
12. Provincial and municipal(3)	6,096	6,192	6,272	6,468	6,257	6,858		
13. Investment income	2,216	2,372	2,380	2,528	2,374	2,704		
14. Federal	784	844	952	932	878	1,052		
15. Provincial and municipal	1,376	1,448	1,356	1,484	1,416	1,564		
16. Canada Pension Plan	56	80	72	112	80	88		
17. Employer and employee contributions to social insurance and government pension funds	2,204	2,208	2,272	2,508	2,298	2,476		
18. Federal	776	756	788	988	827	940		
19. Provincial and municipal	528	532	564	560	546	548		
20. Canada Pension Plan(4)	664	680	696	704	686	716		
21. Quebec Pension Plan(4)	236	240	224	256	239	272		
Transfers from Federal:								
22. Provincial and municipal	2,324	2,564	2,376	2,544	2,452	2,728		
23. TOTAL REVENUE	25,584	25,836	26,628	28,380	26,607	29,472		
24. FEDERAL	11,544	11,188	11,960	12,880	11,893	13,320		
25. PROVINCIAL AND MUNICIPAL	13,084	13,648	13,676	14,428	13,709	15,076		
26. CANADA PENSION PLAN	720	760	768	816	766	804		
27. QUEBEC PENSION PLAN	236	240	224	256	239	272		

(1) "See footnote 1, Table 5."

(2) "See footnote 2, Table 5."

(3) 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.

(4) Estimates of a normal quarterly pattern have been used to seasonally adjust the contributions to the Canada and Quebec Pension Plans. No precise interpretation can be placed on the quarterly movements of these series until a later date.

TABLE 16. Government Expenditure, by Quarters, 1968 and 1969 Seasonally Adjusted at Annual Rates
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Goods and services	12,840	13,112	13,408	13,956	13,329	14,108		
2. Federal	4,384	4,348	4,376	4,792	4,475	4,796		
3. (Defence)	(1,700)	(1,816)	(1,800)	(1,932)	(1,812)	(1,836)		
4. Provincial and municipal	8,456	8,764	9,032	9,164	8,854	9,312		
5. Transfer payments to persons (excluding interest on the public debt)	6,636	7,172	7,404	7,564	7,194	7,528		
6. Federal	3,064	3,400	3,292	3,352	3,277	3,492		
7. Provincial and municipal	3,568	3,760	4,096	4,184	3,902	4,004		
8. Canada Pension Plan	4	8	12	20	11	24		
9. Quebec Pension Plan	-	4	4	8	4	8		
10. Interest on the public debt	2,092	2,260	2,364	2,332	2,262	2,388		
11. Federal	1,256	1,424	1,500	1,456	1,409	1,436		
12. Provincial and municipal	836	836	864	876	853	952		
13. Subsidies	444	472	532	552	500	476		
14. Federal	328	352	388	432	375	360		
15. Provincial	116	120	144	120	125	116		
Capital Assistance(1)								
16. Federal	80	36	108	56	70	56		
Transfers to other levels of government								
17. Federal	2,324	2,564	2,376	2,544	2,452	2,728		
18. Total expenditure	24,416	25,616	26,192	27,004	25,807	27,284		
19. Federal	11,436	12,124	12,040	12,632	12,058	12,868		
20. Provincial and municipal	12,976	13,480	14,136	14,344	13,734	14,384		
21. Canada Pension Plan	4	8	12	20	11	24		
22. Quebec Pension Plan	-	4	4	8	4	8		
23. Deficit (-) or surplus	1,168	220	436	1,376	800	2,188		
24. Federal	108	- 936	- 80	248	- 165	452		
25. Provincial and municipal	108	168	- 460	84	- 25	692		
26. Canada Pension Plan	716	752	756	796	755	780		
27. Quebec Pension Plan	236	236	220	248	235	264		
28. TOTAL EXPENDITURE MINUS DEFICIT OR PLUS SURPLUS	25,584	25,836	26,628	28,380	26,607	29,472		
29. FEDERAL	11,544	11,188	11,960	12,880	11,893	13,320		
30. PROVINCIAL AND MUNICIPAL	13,084	13,648	13,676	14,428	13,709	15,076		
31. CANADA PENSION PLAN	720	760	768	816	766	804		
32. QUEBEC PENSION PLAN	236	240	224	256	239	272		

(1) See footnote 1, Table 6.

TABLE 17. Source of National Saving, by Quarters, 1968 and 1969 Seasonally Adjusted at Annual Rates
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Personal net saving	3,128	4,624	4,272	4,168	4,048	3,436		
2. Business gross saving	8,276	8,368	8,692	9,148	8,621	9,564		
3. Undistributed corporation profits	1,172	1,288	1,544	2,064	1,517	1,844		
4. Capital consumption allowances and miscellaneous valuation adjustments	7,252	7,260	7,272	7,256	7,260	7,580		
5. Adjustment on grain transactions(1)	- 228	- 216	- 232	- 228	- 226	84		
6. Capital assistance	80	36	108	56	70	56		
7. Inventory valuation adjustment	- 284	- 176	- 284	- 476	- 305	- 512		
8. Government surplus or deficit (-)	1,168	220	436	1,376	800	2,188		
9. Residual error of estimate	168	16	- 80	- 268	- 41	- 396		
10. Totals	12,456	13,052	13,036	13,948	13,123	14,280		

(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 18. Disposition of National Saving, by Quarters, 1968 and 1969 Seasonally adjusted at Annual Rates
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Business gross fixed capital formation	12,632	12,516	12,736	13,128	12,753	13,576		
2. New residential construction	2,548	2,852	2,836	3,088	2,831	3,404		
3. New non-residential construction	4,620	4,612	4,664	4,836	4,683	4,696		
4. New machinery and equipment	5,464	5,052	5,236	5,204	5,239	5,476		
5. Value of physical change in inventories	468	384	716	1,072	660	1,056		
6. Surplus or deficit (-) on current account with non-residents	- 472	164	- 496	- 524	- 332	- 748		
7. Residual error of estimate	- 172	- 12	80	272	42	396		
8. Totals	12,456	13,052	13,036	13,948	13,123	14,280		

TABLE 19. Relation Between Gross National Product at Market Prices and Gross Domestic Product
at Factor Cost, by Quarters, 1968 and 1969
Seasonally Adjusted at Annual Rates
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. GROSS NATIONAL PRODUCT AT MARKET PRICES ..	65,168	66,328	67,824	70,152	67,368	71,884		
2. Deduct: Residual error of estimate	- 168	- 16	80	268	41	396		
3. Indirect taxes less subsidies ..	- 9,368	- 9,296	- 9,512	- 9,908	- 9,521	- 10,332		
4. Income received from non-residents	- 300	- 360	- 380	- 316	- 339	- 376		
5. Add: Income paid to non-residents ...	1,252	1,368	1,384	1,236	1,310	1,320		
6. GROSS DOMESTIC PRODUCT AT FACTOR COST	56,584	58,024	59,396	61,432	58,859	62,892		

TABLE 20. Gross National Expenditure in Constant (1957) Dollars, by Quarters, 1968 and 1969(1)
Seasonally Adjusted at Annual Rates
(millions of dollars)

	1968					1969		
	I	II	III	IV	Year	I	II	III
1. Personal expenditure on consumer goods and services	32,296	32,268	33,032	33,364	32,740	34,060		
2. Non-durable goods	16,100	15,980	16,080	16,384	16,136	16,808		
3. Durable goods	4,436	4,444	4,824	4,800	4,626	4,864		
4. Services	11,760	11,844	12,128	12,180	11,978	12,388		
5. Government expenditure on goods and services	8,588	8,780	8,740	9,060	8,792	8,892		
6. Business gross fixed capital formation ..	9,448	9,204	9,300	9,492	9,361	9,748		
7. New residential construction	1,680	1,848	1,812	1,952	1,823	2,080		
8. New non-residential construction	3,240	3,184	3,200	3,280	3,226	3,184		
9. New machinery and equipment	4,528	4,172	4,288	4,260	4,312	4,484		
10. Change in inventories	324	328	620	908	545	1,028		
11. Non-farm business inventories	252	400	592	576	455	908		
12. Farm inventories and grain in commercial channels	72	- 72	28	332	90	120		
13. Exports of goods and services	13,648	14,096	14,020	14,660	14,106	15,268		
(of which merchandise)	(11,532)	(11,840)	(11,812)	(12,584)	(11,942)	(13,120)		
14. Deduct: Imports of goods and services ...	-13,848	-13,740	-14,180	-14,740	-14,127	-15,576		
(of which merchandise)	(10,452)	(10,224)	(10,564)	(11,344)	(10,646)	(12,072)		
15. Residual error of estimate	- 128	- 8	60	212	34	296		
16. GROSS NATIONAL EXPENDITURE IN CONSTANT (1957) DOLLARS	50,328	50,928	51,592	52,956	51,451	53,716		

(1) See footnote 1, Table 10.

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