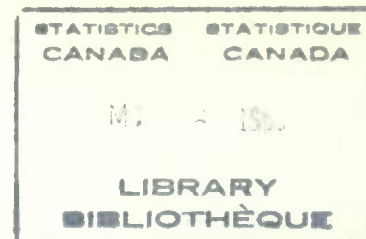


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CANADA



NATIONAL ACCOUNTS INCOME AND EXPENDITURE

Second Quarter

1954

**DOES NOT CIRCULATE
NE PAS PRÊTER**

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Gross National Product remained steady in the second quarter of 1954, at a seasonally adjusted annual rate of \$23.9 billion. The minor declines in production of the two preceding quarters were not resumed. The level of aggregate output was thus unchanged from the first quarter of 1954 but was almost 2 per cent below last year's annual average of \$24.3 billion. This decline from last year reflects a substantially lower value of crop production which is now estimated to be \$400 million below a year ago¹.

In the non-farm sector of the economy, changes in the general level of economic activity are closely approximated² by the figures of Gross National Product excluding accrued net income of farm operators given below:

	Seasonally Adjusted Annual Rates (rounded in billions)							
	\$							
	1953				1954			
	I	II	III	IV	I	II		
Gross National Product (excluding accrued net income of farm operators)...	22.5	22.7	22.9	22.7	22.5	22.6		
Change (computed from unrounded data).....		+0.2	+0.3	-0.3	-0.1	+0.1		

From the above figures, it appears that the recent declines in total non-agricultural production were halted in the second quarter and that a small increase occurred. Related indicators show that production in durable goods manufacturing, construction, and transportation, communication and storage continued to move downward in the second quarter, following the trends which began in 1953. Declines in these groups, however, were offset by gains in the service industries (except transportation) and in the non-durable goods producing industries, except clothing. In manufacturing, the major declines in durable goods production from the first to second quarter occurred in transportation equipment, electrical apparatus and supplies, and iron and steel products. The transportation, communication and storage group was affected by declines in shipments of grains, motor vehicles and farm implements.

Compared with the second quarter of last year, the value of Gross National Product excluding accrued net income of farm operators has shown no change. This evenness with a year ago is equally apparent in the six months over six months comparison. During this period, both the price and volume components of non-farm production remained relatively stable. However, as indicated in the first quarter report, shifts have occurred in the composition of non-farm output since last year, with declines in many of the goods producing industries (particularly manufacturing and construction) being offset by an expansion in most service groups, with the notable exception of transportation, communication and storage.

Persons without jobs and seeking work in the second quarter of 1954 constituted 4.4 per cent of the total labour force, compared with 2.3 per cent in the second quarter of 1953. The number of paid workers with jobs showed a decline of 1 per cent from a year ago. However, higher average hourly rates more than offset declines in total employment and in average hours worked so that labour income in the second quarter showed a small increase over last year. With gains also occurring in other elements of personal income, the purchasing power of the personal sector was maintained at a high level in the second quarter of 1954. Personal disposable income was, in fact, more than 5 per cent above the second quarter of a year ago, despite the relative stability of total production.

Wages and Salaries

Seasonally adjusted, the labour income data show a rise of 1 per cent from the first to the second quarter of 1954, resuming their upward movement after the small decline which occurred in the first quarter. Most groups showed gains from the first to second quarter, but manufacturing and transportation, communication and storage showed a further small decline.

Compared with a year ago, wages, salaries and supplementary labour income rose moderately in the second quarter, by about 1 per cent. This small increase was almost entirely ascribable to gains in the service groups, with the exception of transportation, communication and storage. In the goods sector, wages and salaries paid in manufacturing and construction were down by 2.4 per cent and 4.5 per cent respectively from a year ago.

Within the manufacturing group, wages and salaries in the durable goods producing sectors such as iron and steel and transportation equipment showed declines from a year ago, which were only partly offset

1. This revised estimate is based on latest available information on expected crop yields. In the seasonally adjusted figures of G.N.P., the estimated value of crop production is distributed evenly across the four quarters of the year.
2. The figures are only approximately representative of movements in the non-farm sector since they include a number of small and stable components of G.N.P. originating in agriculture, e.g. wages, interest, rents and depreciation.

by gains in other manufacturing industries.

As has been indicated, the rise in average hourly earnings accounted for the gains in total labour income over a year ago. For example, the increase in average hourly earnings in non-durable goods manufacturing amounted to 6.4 per cent, and in durable goods manufacturing, to 3.6 per cent; in construction and mining, the gains were 4.6 per cent and 2.8 per cent, respectively.

Investment Income

Although investment income in the second quarter of this year was about 7 per cent below the same quarter of a year ago, the seasonally adjusted data indicate that little change has taken place for three consecutive quarters.

The major component of investment income, corporation profits before taxes, was substantially lower than a year ago, but other components showed gains which partially offset this decline. The exception was government trading profits, which showed a decrease from the second quarter of last year.

In the seasonally adjusted data, it would appear that durable manufacturing profits fell further from the first to the second quarter, but these declines were approximately balanced by gains in other groups.

Net Income of Unincorporated Business

Seasonally adjusted, accrued net income of farm operators from farm production in the second quarter was more than 20 per cent below last year's annual average. This decline reflects the method of seasonally adjusting grain production on the basis of anticipated crop yields (see footnote 1, page 1); the value of the 1954 crop is estimated to be considerably below that of 1953. It may be noted, however, that in the unadjusted data, accrued net income of farm operators shows a gain over the second quarter of a year ago, partly attributable to increases in the production and prices of hogs.

Net income of non-farm unincorporated business was down about 6 per cent from a year ago in the second quarter, with the major declines showing up in wholesale and retail trade. In the seasonally adjusted data, no change is shown for net income of non-farm unincorporated business between the first and second quarters of 1954.

The Pattern of Demand

Total final purchases of goods and services, home produced and imported, (but excluding inventories)¹ were slightly lower in the second quarter of 1954 than a year earlier. Declines occurred in government expenditures, non-residential construction, machinery and equipment, and exports. These declines were only partly offset by a substantial increase in personal expenditure on consumer goods and services, with the result that total final purchases (excluding inventories) fell by about 1 per cent.

This relatively minor drop in final purchases of goods and services from a year ago was accompanied by much smaller business inventory accumulation in the second quarter (partly offset by smaller net withdrawals from stocks of grain in commercial channels and farm inventories). Nevertheless, Canadian production as measured by Gross National Expenditure, remained stable relative to a year ago, since imports fell sharply (by 11 per cent)², more than offsetting the total decline in final purchases and inventory change.

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1. That is, the sum of personal expenditure, government expenditure, gross domestic investment (excluding inventories) and exports.
 2. The second quarter import figure as reported in the quarterly estimates of the Canadian Balance of International Payments has been reduced by \$30 million to take account of a discrepancy arising from a change in statistical procedure recently introduced in the International Trade Division. The exact size of the discrepancy is not known, but it is believed to be of the order of some \$40 million; this amount was deducted from the second quarter and an amount of \$10 million is being added back to each of the four quarters of 1954. Without this adjustment, the decline in imports indicated above would be somewhat smaller.

	Change II Q.'53 to II Q.'54 (\$ millions)	Change II Q.'53 to II Q.'54 (Percentage)
Personal Expenditure	+119	+3.1
Government Expenditure	-22	-2.5
New Residential Construction	+5	+1.8
New Non-Residential Construction	-24	-5.8
New Machinery and Equipment	-25	-4.6
Exports of Goods and Services	-126	-9.0
Sub-total	-73	-1.0
Change in Inventories - total	-60
(Business Inventories Only)	(-213)
Imports of Goods and Services	-(-169)	-(-10.6)
Residual Error	+12
Gross National Expenditure	+48	+0.8

Personal Expenditure on Consumer Goods and Services

Turning to a review of the major expenditure components in more detail, the table above shows that consumer outlays provided the chief source of strength on the demand side in the second quarter, with a gain of 3.1 per cent over last year¹. This gain was made up of an increase of 1.4 per cent in the consumption of goods and an increase of 6.8 per cent in the consumption of services. Higher rents accounted for a substantial portion of the gain in outlay for services, but gains were also registered for personal care, household operations and utilities, medical care, education and recreation.

Purchases of consumer durable goods in the second quarter were 6.9 per cent below last year's level, reflecting a decline in retail sales of new automobiles (off 10.2 per cent), appliances and radios, and furniture. It is interesting to note that the unit volume of shipments of refrigerators and washing machines declined 9 per cent and 11 per cent, respectively, during the period, and that the dollar volume of shipments of radios was down by 41 per cent. At the same time, comparison of the unit volume of imports of many of these goods show even greater declines². Imports of passenger cars, refrigerators and washing machines fell by 30 per cent, 53 per cent and 33 per cent, respectively, in the quarter over quarter comparisons. In the seasonally adjusted data, sales of durable goods declined by 6.9 per cent from the first to the second quarter of 1954, reflecting in large part a drop in sales of new automobiles.

The declines in durable goods sales from the second quarter of last year were more than offset by a gain of 3.5 per cent in purchases of non-durable goods. Purchases of food, and tobacco and alcoholic beverages showed marked increases. Clothing showed little change, but gains were registered in a number of other non-durable goods components. In the seasonally adjusted data, total non-durable goods consumption rose by 2.5 per cent from the first to second quarter, continuing the upward trend of the past three years.

Government Expenditure on Goods and Services

Government expenditures for goods and services (federal, provincial and municipal) were 2.5 per cent below the second quarter of 1953. The decline represented a combination of smaller defence outlays, offset in part by increases for non-defence purposes. In the first half of 1954, federal defence outlays (on the National Accounts basis) have been approximately 10 per cent below the level of the first six months of 1953, although increases have occurred in military pay and allowances.

New Residential and Non-Residential Construction

Private investment in new residential construction in the second quarter was about 2 per cent above the level of last year. Seasonally adjusted, the figures show a decline from the first to second quarter of 1954 of about 9 per cent. This drop appears to be related to unusually low activity in June; available July data indicate a marked upturn in housing starts and completions.

Private non-residential construction in the second quarter was 6 per cent below last year. The major part of this decline is related to non-residential building construction, with only a small decline shown for private engineering construction. Seasonally adjusted, the data show a small drop between the first and second quarter.

1. Consumption outlays were also the main source of strength in the first to second quarter movements of the seasonally adjusted gross national expenditure.

2. The comparison here is limited to April and May in both 1953 and 1954.

New Machinery and Equipment

Private investment in machinery and equipment was 4.5 per cent down from the same quarter of last year. This decline was associated with a falling off of sales to business of commercial and passenger vehicles, agricultural implements, and a drop in imports of machinery and equipment.

The seasonally adjusted figures show little change from the first quarter.

Change in Inventories

Total inventory holdings declined slightly in the second quarter, reflecting the drawing down of stocks of farm inventories and grain in commercial channels. However, these withdrawals were substantially less than a year ago, and were associated with the world grain situation. Net additions to stocks of business inventories were very small in the second quarter, and occurred mainly at the wholesale level. Seasonally adjusted, business inventories showed some liquidation in the second quarter, compared with a moderate build-up in the first quarter. The second quarter depletions were associated to a very large extent with the working off of inventory stocks of transportation equipment and primary iron and steel products. At the same time, retail holdings of new automobiles remained approximately level in the second quarter compared with a fairly heavy accumulation in the first quarter.

It is interesting to note that since the second quarter peak of 1953 when additions to business inventory stocks were at a seasonally adjusted annual rate of \$676 million, there has been a fairly steady decline in the rate of accumulation. Thus, the reversal from a position of net accumulation to one of net liquidation between the second quarters of 1953 and 1954 was equivalent to about 3 per cent of Gross National Product. It appears that domestic production was less affected by this reversal than is suggested by the inventory figures, to the extent that part of the inventory decline was met through reduced imports.

Exports and Imports of Goods and Services

Exports of goods and services were 9 per cent below a year ago in the second quarter of 1954, reflecting largely a sharp decline in the volume of wheat sold abroad and also, in part, a lower level of business activity in the United States. As noted above, withdrawals of stocks from farm inventories and grain in commercial channels were quite small in the second quarter of 1954 compared with a year ago, a development associated with the world grain position. Seasonally adjusted, the export figures show a small upturn from the first to second quarter, after declining in the two preceding quarters.

Imports of goods and services¹ were down from the second quarter of last year, with declines fairly widespread throughout the various commodity groups; among the groups affected were fibres, textiles, farm implements and machinery, and automobiles and parts. The decline in total imports reflects, to some extent, reduced levels of activity in certain industries such as durable goods manufacturing and textiles, a lower rate of business inventory accumulation compared with a year ago, and possibly the effects of a shift in the composition of total output from goods producing industries to the service industries. There was little change in the seasonally adjusted figures of imports between the first and second quarters.

These developments together with the various transactions on non-merchandise account resulted in a deficit on current account in the second quarter of 1954, amounting to more than \$150 million.

Personal Income and Expenditure

Personal income in the second quarter of 1954 was 4 per cent over the corresponding period of a year ago, despite the relative stability of production. Higher labour income, government transfer payments, and interest, dividends and net rental income of persons accounted for the major share of this increase; net income received by farm operators was also up. As was noted previously, the increase in labour income is attributable to the rise in average hourly earnings over a year ago; higher unemployment insurance benefits account for the major part of the gain in government transfer payments, and an increase in bank deposit interest and in rents for the gain in interest, dividends and net rental income of persons.

With personal direct taxes at a level approximately 7 per cent below a year ago (reflecting the reduction in personal income tax rates effective July 1, 1953), personal disposable income was 5.4 per cent higher in the second quarter of 1954. Personal expenditure on consumer goods and services showed an increase of 3 per cent over last year, leaving personal saving at a level somewhat higher than a year ago.

At seasonally adjusted annual rates, personal saving amounted to \$1,204 million in the second quarter of 1954, or 7.2 per cent of personal disposable income. Thus personal saving showed little change from the first quarter of 1954, both as to level and as a proportion of personal disposable income.

1. See footnote 2, on page 2.

TABLE 1. NATIONAL INCOME AND GROSS NATIONAL PRODUCT, BY QUARTERS, 1953-1954
(millions of dollars)

	1953				Year	1954	
	I	II	III	IV		I	II
1. Wages, Salaries and Supplementary Labour Income..	2,781	2,893	2,991	2,996	11,661	2,838	2,929
2. Military Pay and Allowances.....	70	77	79	83	309	84	92
3. Investment Income.....	864	1,021	1,009	850	3,744	811	954
Net Income of Unincorporated Business:							
4. Accrued Net Income of Farm Operators from Farm Production ¹	30	106	1,323	190	1,649	66	171
5. Net Income of Non-Farm Unincorporated Business ²	342	441	431	466	1,680	328	414
6. NET NATIONAL INCOME AT FACTOR COST.....	4,087	4,538	5,833	4,585	19,043	4,127	4,560
7. Indirect Taxes less Subsidies.....	696	733	741	738	2,908	716	728
8. Depreciation Allowances and Similar Business Costs	534	575	592	635	2,336	566	619
9. Residual Error of Estimate.....	4	-57	59	57	63	-44	-70
10. GROSS NATIONAL PRODUCT AT MARKET PRICES.....	5,321	5,789	7,225	6,015	24,350	5,365	5,837
11. (Gross National Product at Market Prices exclud- ing Accrued Net Income of Farm Operators).....	(5,291)	(5,683)	(5,902)	(5,825)	(22,701)	(5,299)	(5,663)

Footnotes:

1. This item includes the undistributed earnings of the Canadian Wheat Board, and an inventory valuation adjustment for grain in Wheat Board channels.
2. Includes net income of independent professional practitioners.

TABLE 2. GROSS NATIONAL EXPENDITURE, BY QUARTERS, 1953-1954
(millions of dollars)

	1953				Year	1954	
	I	II	III	IV		I	II
1. Personal Expenditure on Consumer Goods and Services.....	3,478	3,811	3,662	4,214	15,165	3,579	3,930
2. Government Expenditure on Goods and Services ^{1,4} ..	1,158	889	1,207	1,154	4,408	1,106	867
Gross Domestic Investment: ²							
3. New Residential Construction.....	190	273	302	296	1,061	209	278
4. New Non-Residential Construction.....	315	417	530	464	1,726	317	393
5. New Machinery and Equipment.....	484	549	482	407	1,922	444	524
6. Change in Inventories.....	-121	-11	1,115	-411	572	-150	-71
7. (Business Inventories only) ³	(123)	(248)	(124)	(-119)	(376)	(88)	(35)
8. Exports of Goods and Services.....	1,158	1,404	1,484	1,374	5,420	1,081	1,278
9. Deduct: Imports of Goods and Services.....	-1,337	-1,600	-1,498	-1,425	-5,860	-1,265	-1,431
10. Residual Error of Estimate.....	-4	57	-59	-58	-64	44	69
11. GROSS NATIONAL EXPENDITURE AT MARKET PRICES.....	5,321	5,789	7,225	6,015	24,350	5,365	5,837

Footnotes:

1. Includes outlay on new durable assets such as building and highway construction by governments, other than government business enterprises. Also includes the change in inventories of government commodity agencies.
2. Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals.
3. Excluding grain in commercial channels and change in farm inventories.
4. Includes defence expenditures of:

1953					1954	
I	II	III	IV	Year	I	II
589	400	455	465	1,909	530	360

TABLE 3. SOURCES OF PERSONAL INCOME, BY QUARTERS, 1953-1954
(millions of dollars)

	1953				Year	1954	
	I	II	III	IV		I	II
1. Wages, Salaries and Supplementary Labour Income..	2,781	2,893	2,991	2,996	11,661	2,838	2,929
2. Deduct: Employer and Employee Contributions to Social Insurance and Government Pension Funds...	-94	-94	-97	-101	-386	-95	-97
3. Military Pay and Allowances.....	70	77	79	83	309	84	92
4. Net Income Received by Farm Operators from Farm Production ¹	-6	114	1,287	221	1,616	62	175
5. Net Income of Non-Farm Unincorporated Business...	342	441	431	466	1,680	328	414
6. Interest, Dividends and Net Rental Income of Persons.....	401	432	433	423	1,689	435	488
Transfer Payments to Persons:							
7. From Government (Excluding Interest).....	428	344	344	353	1,469	468	381
8. Charitable Contributions by Corporations.....	7	8	8	7	30	6	7
9. Net Bad Debt Losses of Corporations.....	6	7	7	8	28	7	7
10. PERSONAL INCOME.....	3,935	4,222	5,483	4,456	18,096	4,133	4,396

Footnotes:

1. This item differs from line 4 of Table 1 in that it excludes the undistributed earnings (and the inventory valuation adjustment) of the Canadian Wheat Board.

TABLE 4. DISPOSITION OF PERSONAL INCOME, BY QUARTERS, 1953-1954
(millions of dollars)

1953						1954	
	I	II	III	IV	Year	I	II
Personal Direct Taxes:							
1. Income Taxes.....	312	381	291	303	1,287	299	352
2. Succession Duties.....	19	17	20	17	73	17	17
3. Miscellaneous.....	27	18	12	15	72	24	16
4. Total Personal Direct Taxes.....	358	416	323	335	1,432	340	385
Personal Expenditure on Consumer Goods and Services:							
5. Non-Durable Goods.....	1,910	2,131	2,141	2,543	8,725	1,972	2,205
6. Durable Goods.....	420	507	405	446	1,778	391	472
7. Services ¹	1,148	1,173	1,116	1,225	4,662	1,216	1,253
8. Total Personal Expenditure on Consumer Goods and Services.....	3,478	3,811	3,662	4,214	15,165	3,579	3,930
Personal Savings:							
9. Personal Saving Excluding Farm Inventory Change	368	179	616	285	1,448	410	153
10. Farm Inventory Change.....	-269	-184	882	-378	51	-196	-72
11. Total Personal Saving.....	99	-5	1,498	-93	1,499	214	81
12. PERSONAL INCOME.....	3,935	4,222	5,483	4,456	18,096	4,133	4,396
13. (Personal Disposable Income) ²	(3,577)	(3,806)	(5,160)	(4,121)	(16,664)	(3,793)	(4,011)

Footnotes:

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

TABLE 5. NATIONAL INCOME AND GROSS NATIONAL PRODUCT, BY QUARTERS, 1953-1954
SEASONALLY ADJUSTED AT ANNUAL RATES
(millions of dollars)

	1953				Year	1954	
	I	II	III	IV		I	II
1. Wages, Salaries and Supplementary Labour Income..	11,408	11,672	11,728	11,836	11,661	11,700	11,826
2. Military Pay and Allowances.....	280	308	316	332	309	336	368
3. Investment Income.....	3,888	3,856	3,688	3,544	3,744	3,604	3,668
Net Income of Unincorporated Business:							
4. Accrued Net Income of Farm Operators from Farm Production.....	1,672	1,404	1,668	1,852	1,649	1,408	1,280
5. Net Income of Non-Farm Unincorporated Business ²	1,636	1,680	1,668	1,736	1,680	1,572	1,576
6. NET NATIONAL INCOME AT FACTOR COST.....	18,884	18,920	19,068	19,300	19,043	18,620	18,708
7. Indirect Taxes less Subsidies.....	2,844	2,940	2,984	2,864	2,908	2,916	2,920
8. Depreciation Allowances and Similar Business Costs	2,236	2,320	2,268	2,420	2,336	2,372	2,492
9. Residual Error of Estimate.....	204	-84	196	-64	63	20	-196
10. GROSS NATIONAL PRODUCT AT MARKET PRICES.....	24,168	24,096	24,616	24,520	24,350	23,928	23,924
11. (Gross National Product at Market Prices excluding Accrued Net Income of Farm Operators).....	(22,496)	(22,692)	(22,948)	(22,668)	(22,701)	(22,520)	(22,644)

Footnotes:

1. Includes an arbitrary smoothing of crop production, standard seasonal adjustments for livestock items, and a seasonal adjustment for earnings of the Canadian Wheat Board. Because of the arbitrary elements, too precise an interpretation should not be given the seasonally adjusted figures of accrued net income of farm operators.
2. Includes net income of independent professional practitioners.

TABLE 6. GROSS NATIONAL EXPENDITURE, BY QUARTERS, 1953-1954
SEASONALLY ADJUSTED AT ANNUAL RATES
(millions of dollars)

	1953				Year	1954	
	I	II	III	IV		I	II
1. Personal Expenditure on Consumer Goods and Services	14,996	15,080	15,192	15,392	15,165	15,396	15,624
2. Government Expenditure on Goods and Services ¹	4,460	4,320	4,568	4,284	4,408	4,288	4,200
Gross Domestic Investment ²							
3. New Residential Construction.....	1,020	1,000	1,044	1,180	1,061	1,104	1,000
4. New Non-Residential Construction.....	1,588	1,660	1,864	1,792	1,726	1,584	1,552
5. New Machinery and Equipment.....	2,028	1,832	2,044	1,784	1,922	1,820	1,804
6. Change in Inventories..... ³	708	612	472	496	572	224	-104
7. (Business Inventories only) ³	(304)	(676)	(492)	(32)	(376)	(164)	(-172)
8. Exports of Goods and Services.....	5,316	5,564	5,648	5,152	5,420	4,988	5,068
9. Deduct: Imports of Goods and Services.....	-5,740	-6,056	-6,020	-5,624	-5,860	-5,452	-5,420
10. Residual Error of Estimate.....	-208	84	-196	64	-64	-24	200
11. GROSS NATIONAL EXPENDITURE AT MARKET PRICES.....	24,168	24,096	24,616	24,520	24,350	23,928	23,924

Footnotes:

1. Includes outlay on new durable assets such as building and highway construction by governments, other than government business enterprises. Also includes the change in inventories of government commodity agencies.
2. Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals.
3. Excludes grain in commercial channels, and farm inventories.

TABLE 7. SOURCES OF PERSONAL INCOME, BY QUARTERS, SEASONALLY ADJUSTED AT ANNUAL RATES
(millions of dollars)

	1953				Year	1954	
	I	II	III	IV		I	II
1. Wages, Salaries and Supplementary Labour Income..	11,408	11,672	11,728	11,836	11,661	11,700	11,816
2. Deduct: Employer and Employee Contributions to Social Insurance and Government Pension Funds...	-368	-384	-388	-404	-386	-372	-396
3. Military Pay and Allowances.....	280	308	316	332	309	336	368
4. Net Income Received by Farm Operators from Farm Production.....	1,468	1,516	1,528	1,952	1,616	1,356	1,264
5. Net Income of Non-Farm Unincorporated Business...	1,636	1,680	1,668	1,736	1,680	1,572	1,576
6. Interest, Dividends and Net Rental Income of Persons ²	1,648	1,668	1,788	1,652	1,689	1,804	1,884
Transfer Payments to Persons:							
7. From Government (Excluding Interest).....	1,452	1,452	1,448	1,524	1,469	1,588	1,608
8. Charitable Contributions by Corporations.....	28	32	32	28	30	24	28
9. Net Bad Debt Losses of Corporations.....	24	28	28	32	28	28	28
10. PERSONAL INCOME.....	17,576	17,972	18,148	18,688	18,096	18,036	18,176

Footnotes:

1. This item differs from line 4, Table 5, in that it excludes undistributed earnings (and the inventory valuation adjustment) of the Canadian Wheat Board.
2. Includes all government debt interest paid to persons.

TABLE 8. DISPOSITION OF PERSONAL INCOME, BY QUARTERS, SEASONALLY ADJUSTED AT ANNUAL RATES
(millions of dollars)

	1953				Year	1954	
	I	II	III	IV		I	II
Personal Direct Taxes:							
1. Income Taxes.....	1,276	1,288	1,292	1,292	1,287	1,236	1,216
2. Succession Duties.....	76	68	80	68	73	68	68
3. Miscellaneous.....	80	72	68	68	72	84	64
4. Total Personal Direct Taxes.....	1,432	1,428	1,440	1,428	1,432	1,388	1,348
Personal Expenditure on Consumer Goods and Services:							
5. Non-Durable Goods.....	8,584	8,744	8,752	8,820	8,725	8,832	9,048
6. Durable Goods.....	1,872	1,720	1,756	1,764	1,778	1,740	1,620
7. Services ¹	4,540	4,616	4,684	4,808	4,662	4,824	4,956
8. Total Personal Expenditure on Consumer Goods and Services.....	14,996	15,080	15,192	15,392	15,165	15,396	15,624
Personal Savings:							
9. Personal Saving Excluding Farm Inventory Change	1,164	1,572	1,640	1,416	1,448	1,348	1,344
10. Farm Inventory Change.....	-16	-108	-124	452	51	-96	-140
11. Total Personal Saving.....	1,148	1,464	1,516	1,868	1,499	1,252	1,204
12. PERSONAL INCOME.....	17,576	17,972	18,148	18,688	18,096	18,036	18,176
13. (Personal Disposable Income) ²	(16,144)	(16,544)	(16,708)	(17,260)	(16,664)	(16,648)	(16,828)

Footnotes:

1. Includes net expenditure abroad.
2. Personal Income Less Total Personal Direct Taxes.

TABLE 9. GROSS NATIONAL EXPENDITURE IN (1949) CONSTANT DOLLARS, BY QUARTERS,
UNADJUSTED FOR SEASONALITY¹
(millions of dollars)

	1953				Year	1954	
	I	II	III	IV		I	II
1. Personal Expenditure on Consumer Goods and Services.....	2,973	3,283	3,111	3,583	12,950	3,028	3,322
2. Non-Durable Goods.....	1,706	1,926	1,910	2,269	7,811	1,772	1,988
3. Durable Goods.....	367	445	356	394	1,562	345	415
4. Services.....	900	912	845	920	3,577	911	919
5. Government Expenditure on Goods and Services.	921	701	955	902	3,479	845	653
Gross Domestic Investment:							
6. New Residential Construction.....	152	217	240	236	845	166	222
7. New Non-Residential Construction.....	239	316	403	351	1,309	236	297
8. New Machinery and Equipment.....	408	460	401	337	1,606	369	433
9. Change in Inventories.....	-146	-106	1,272	-422	598	-170	-138
10. (Business Inventories only).....	(120)	(200)	(64)	(-78)	(306)	(104)	(27)
11. Exports of Goods and Services.....	1,020	1,251	1,337	1,257	4,865	986	1,157
12. Deduct: Imports of Goods and Services.....	-1,224	-1,445	-1,367	-1,291	-5,327	-1,154	-1,288
13. Residual Error of Estimate.....	-3	47	-48	-48	-52	36	57
14. GROSS NATIONAL EXPENDITURE.....	4,340	4,724	6,304	4,905	20,273	4,242	4,715

Footnote:

1. See footnotes, Table 2.

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