

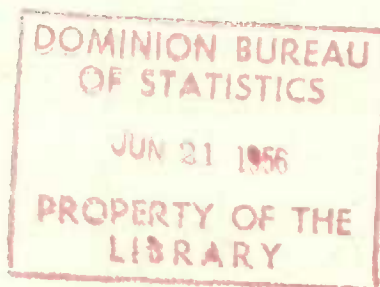
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CANADA

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**NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
FIRST QUARTER
1956**



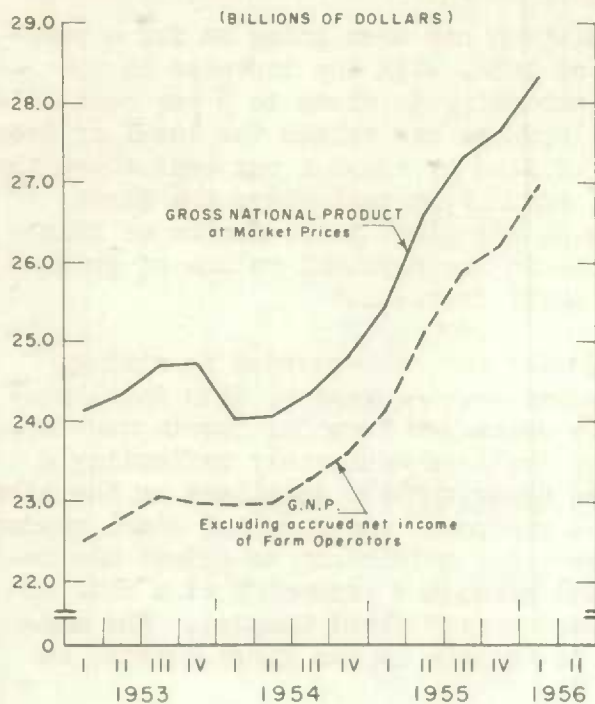
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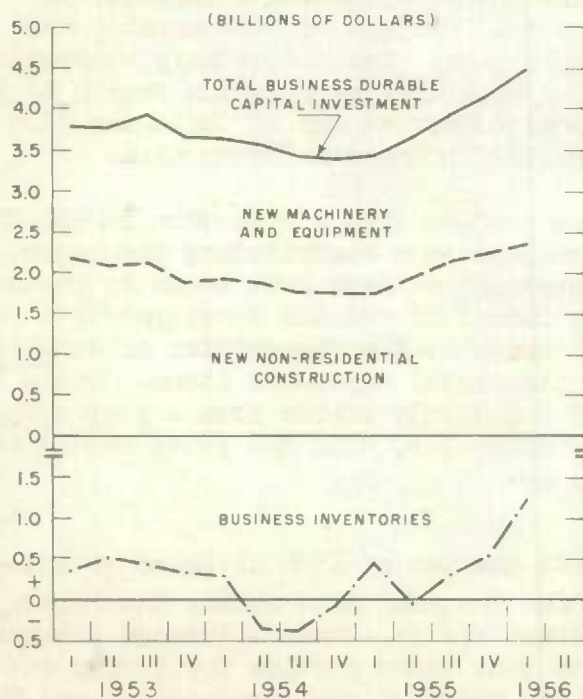
**GROSS NATIONAL PRODUCT
WAS AT THE RATE OF \$28.3 BILLION
IN THE FIRST QUARTER,
CONTINUING THE GAINS OF THE RECORD YEAR 1955**



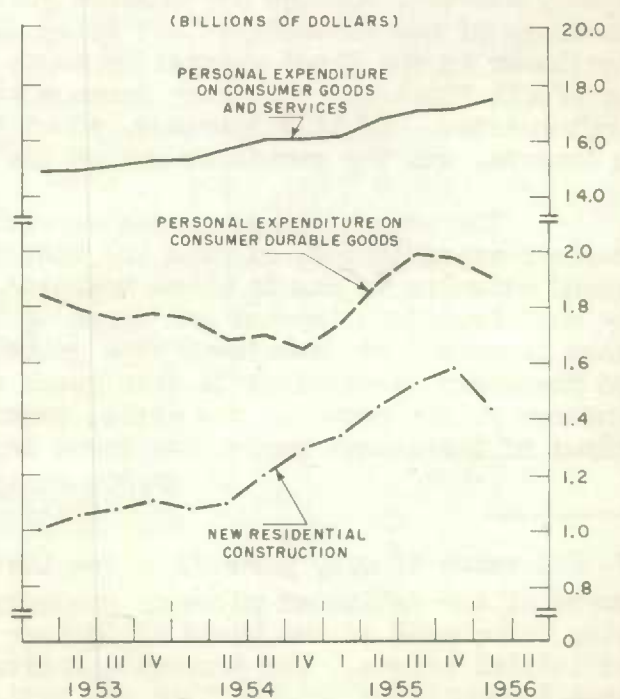
**NON-AGRICULTURAL EMPLOYMENT
HAS CONTINUED TO MOVE UPWARD
(1949 = 100)**



**BUSINESS INVENTORY INVESTMENT AND
OUTLAYS FOR NEW PLANT, MACHINERY AND
EQUIPMENT CONTINUED TO PROVIDE STRONG
ELEMENTS OF DEMAND IN THE FIRST QUARTER**



**WHILE TOTAL CONSUMER EXPENDITURES
INCREASED OVER THE FOURTH QUARTER,
OUTLAYS FOR DURABLE GOODS DECLINED.
RESIDENTIAL CONSTRUCTION WAS ALSO DOWN**



INTRODUCTION

This report contains revised quarterly data for the years 1953, 1954 and 1955.

The rise in Gross National Product which has been going on for a year-and-a-half continued into the first quarter of 1956, with the increase in the value of production from the fourth quarter amounting to close to 3 per cent after allowing for seasonal factors. This recent increase has raised the level of Gross National Product to an annual rate of \$28.3 billion or about 6 per cent above the annual average for the year 1955 as a whole, and 11.7 per cent above the first quarter one year ago. The continued advance in the first three months of this year was mainly a reflection of a further rise in the physical volume of production, with prices on average showing only a small increase.*

The gain in output in the first quarter was concentrated in mining, forestry, construction, transportation and other service groups, with total production in manufacturing remaining relatively unchanged from the fourth quarter. Within manufacturing, the durable goods group declined moderately reflecting a fall-off in non-ferrous metals and electrical apparatus and supplies; on the other hand, output in wood products, transportation equipment and iron and steel products rose in the first quarter, but these gains were not sufficient to offset the decline in other categories. The iron and steel group was producing at a rate approximately 25 per cent above the level of last year's first quarter. The non-durable goods manufacturing group continued to advance in the first quarter as gains occurred in most major components.

On the demand side, a further strong stimulus coming from business investment in new non-residential construction, new machinery and equipment and business inventory accumulation was added to the continued advance in total consumer expenditures and in exports in the first quarter. Within the consumer sector, however, outlays for durable goods declined, reflecting a fall-off in purchases of new automobiles and television sets. Outlays for new housing were also lower in the first quarter by about 10 per cent. Taken together, however, the sum of all final and inventory demands rose by \$1.1 billion from the fourth to the first quarter. Of this increase, about one-third was met out of the sharp rise in imports, and the remainder out of the increase in Canadian production.

The recent change in the expenditure pattern from a situation in which consumer expenditures, exports and housing outlays were contributing the major demand stimulus to one in which business investment outlays have begun to provide the most important impetus has shown up in a number of related developments — price increases in investment type goods, a change in the composition of imports, and inventory stockpiling in hard goods and industrial equipment items. While consumer prices have, on the whole, remained relatively stable from a year ago, prices of investment goods have shown marked increases, with the price factor in

* The value of crop production for the first quarter of 1956 is taken as one-fourth of the estimated value of production for the year as a whole, the latter being calculated on the basis of 10-year average yields, current acreage intentions and initial prices. The current estimates on this basis provide for a drop of about \$100 million between 1955 and 1956 in the value of crop production, and this is reflected in the change from the fourth to first quarters in the seasonally adjusted data of Gross National Product, and accrued net income of farm operators.

new non-residential construction and in machinery and equipment increasing by about 7 or 8 per cent from the first quarter of a year ago. The composition of imports has been substantially altered, with the major portion of recent gains concentrated in iron and steel products and non-ferrous metal products. Imports have continued to supply a very important part of the machinery and equipment investment programme and it is estimated that the greater part of the rise in this component between the fourth and the first quarter was met out of imports. An important part of the stockpiling of business inventories in the last two quarters has occurred in the metal-using industries, particularly in the iron and steel and transportation equipment groups. Some increase was also apparent in the wholesale machinery group. This inventory build-up has undoubtedly contributed to the continued upward movement in merchandise imports. Even with the high rates of imports and domestic production, and the consequent sharp rise in the rate of business inventory accumulation however, stock-sales ratios in manufacturing, wholesale and retail trade have in general remained below the corresponding levels of the past two years. It may be noted that in the post-war period, there frequently has been a very close correspondence between the movement of imports and inventory stockpiling in Canada.

Percentage changes in the expenditure components from the fourth quarter, and in relation to the 1955 annual average, are shown in the table below.

	IV Q.1955 ¹ \$ billion	I Q.1956 ¹ \$ billion	Change ¹ IV Q.1955 to I Q. 1956 \$ billion	% Change IV Q.1955 to I Q.1956	% Change I Q.1956 over Annual 1955 Average
Personal Expenditure.....	17.3	17.6	+0.3	2.0	4.2
Government Expenditure...	4.8	4.9	+0.1	1.4	3.4
Residential Construction.	1.6	1.4	-0.2	-9.8	-3.3
Non-Res. Construction....	1.9	2.1	+0.2	12.0	19.7
Machinery and Equipment..	2.3	2.4	+0.1	5.5	17.6
Exports.....	5.8	6.2	+0.3	5.6	7.1
Total Final Purchases (ex inventories).....	33.7	34.6	1.0	2.8	5.9
Change in Inventories....	0.8	1.1	+0.3	N.A.	N.A.
(Business only).....	(0.5)	(1.2)	(+0.7)	N.A.	N.A.
Imports.....	-6.9	-7.3	+(-0.4)	6.1	+13.9
Error.....	+0.1	-0.1	-0.2	N.A.	N.A.
GROSS NATIONAL EXPENDITURE	27.6	28.3	+0.7	2.5	5.8
Gross Available Supply (G.N.E. plus imports)	34.5	35.6	+1.1	3.2	7.4

Note: Figures will not add by +.1 or -.1 due to rounding.

N.A. — not applicable.

1. Seasonally adjusted at annual rates.

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Accompanying these developments, National Income continued to advance in the first quarter, with wages and salaries showing a further gain of about 2 per cent. Corporation profits, which were rising sharply in 1955, have been levelling off in recent months and showed no change from the fourth to the first quarters of 1956, seasonally adjusted. However, the level of corporation profits was approximately 25 per cent above that of the first quarter one year ago and about 10 per cent above the level of the year 1955 as a whole. Other elements of investment income, including interest and net rental income of persons rose further in the first quarter. It might be noted that the decline in farm net income from the fourth to the first quarters is attributable to the difference between the realized 1955 grain crop and a 1956 crop estimate based on 10-year average yields (see footnote page 1). Net income of non-farm unincorporated business continued to move upward in the first quarter.

Non-agricultural employment, seasonally adjusted, has continued to move upward in response to the generally rising level of economic activity. The continued advance has brought the number of persons with jobs in the non-agricultural sector of the economy to a point approximately 7 per cent above the first quarter of 1955. The number of persons without jobs and seeking work, seasonally adjusted, has shown a steady downward trend for the past year-and-a-half, and in the first quarter of 1956 the seasonally adjusted total was at a rate amounting to about 3.5 per cent of the total labour force.

COMPONENTS OF GROSS NATIONAL PRODUCT

Labour Income

Wages, salaries and supplementary labour income, seasonally adjusted, rose by 2 per cent from the fourth to the first quarter, and was at a rate approximately 10 per cent above the first quarter one year ago. The most recent gains were spread throughout almost all industrial groups, including mining, construction, transportation, storage and communication, manufacturing, public utilities, and other service groups. The 10 per cent increase over a year ago is assignable to two factors — the rise in the number of paid workers with jobs amounting to about 7 per cent, and an increase in average weekly earnings in the main non-agricultural industries amounting to more than 3 per cent. The latter increase reflects almost entirely an increase in rates of pay¹, as average hours worked per week in manufacturing showed little change from a year ago.

Investment Income

Investment income rose by 2 per cent between the fourth and first quarters, and was at a level about 24 per cent above the same period one year ago. The sharp quarter-to-quarter increases in corporation profits which occurred in 1955 were no longer evident in the first quarter, with profits as a whole remaining relatively unchanged. Movements by industry, however, were rather mixed, with gains in mining, transportation, storage and communication offset by a fall-off of profits in manufacturing and retail trade. Within manufacturing, there were

-
1. For example, average hourly earnings in manufacturing rose by 3.3 per cent from the first quarter of 1955.

declines in iron and steel products, non-ferrous metals, non-metallic minerals, and foods and beverages. The over-all affect of these changes in the profits pattern, as indicated above, was to leave profits at the total level relatively unchanged, from the fourth to the first quarter, but still some 25 per cent above the first quarter one year ago. Almost all industrial groups are much above last year's first quarter level, with the most marked increases being shown by mining (32 per cent), wholesale trade (51 per cent), and the manufacture of iron and steel (68 per cent), non-ferrous metals (59 per cent), wood products (20 per cent), and non-metallic minerals (32 per cent).

Other elements of investment income including interest, rents, and the income components of the government sector advanced further in the first quarter. Compared with the first quarter one year ago, the total of rents and interest have risen by approximately 7 per cent.

Indirect Taxes less Subsidies

Indirect taxes less subsidies, seasonally adjusted, were at a rate of \$3.5 billion in the first quarter of 1956, an increase of 5 per cent from the fourth quarter of 1955. Almost all indirect taxes at the three levels of government rose in the first quarter. Most of these increases can be ascribed to the generally rising level of economic activity. Federal subsidies rose sharply from the fourth quarter of last year, associated with payments made for carrying costs of temporary wheat reserves owned by the Canadian Wheat Board.

COMPONENTS OF GROSS NATIONAL EXPENDITURE

Consumer Expenditure

Personal expenditure on consumer goods and services, seasonally adjusted, rose by 2 per cent from the fourth to the first quarter, and was at a rate about 8 per cent above the first quarter level one year ago. The advance in total consumer outlays since a year ago has been approximately paralleled by a proportionate increase in personal disposable income. While consumer expenditure for non-durable goods and for services continued to expand between the fourth and first quarters, there was a slight fall-off in purchases of consumer durable goods.

In the non-durable goods group, the increase in the first quarter was spread widely throughout almost all of the component items; large gains were registered in sales of clothing and in alcohol and tobacco products. It may be noted that Easter occurred in March of this year, and Easter sales are included in the first quarter figures. The drop in purchases of durable goods was a reflection of lower sales of new passenger automobiles and television sets; increases occurred in sales of furniture and home furnishings. Consumer outlays for services, which have been rising steadily for several years, advanced further in the first quarter in line with previous trends.

Recent over-all price movements in the consumer sector have been small, with an increase from a year ago of less than one-half of one per cent. Prices of durable goods have declined by about 2 per cent from a year ago, but prices of services have risen by about 2 per cent; there has been almost no change in the price of non-durable goods at the total level.

Government Expenditure on Goods and Services

Government expenditures on goods and services, seasonally adjusted, showed little change in the first quarter but were about 4 per cent higher than in the first quarter one year ago. Defence expenditures were running at a level about 4 per cent below 1955's first quarter. The greater part of the growth in government expenditure over the past year has been at the provincial and municipal levels where it has been associated with the expansion of services and capital facilities.

Gross Domestic Investment (excluding change in inventories)

Gross domestic investment in fixed durable assets in the first quarter of 1956 was at a rate of \$5.9 billion, compared with \$5.7 billion in the fourth quarter and \$4.8 billion in the first quarter one year ago. Within the totals, movements from the fourth to the first quarter were mixed, with sharp increases in non-residential construction and in new machinery and equipment more than offsetting a decline in new residential construction. Compared with the first quarter of last year, new residential construction has risen by about 7 per cent, while non-residential construction and new machinery and equipment investment have risen by 29 per cent and 35 per cent respectively. It should be noted that prices of investment type goods have recently shown a marked rise; compared with a year ago, price increases in the non-residential construction and machinery and equipment sectors have amounted to about 7 per cent, while housing costs have risen by about 4 per cent. Thus, in volume terms, the year-over-year increases in investment were somewhat smaller than percentage changes noted above would indicate.

(a) New Residential Construction

New investment in housing amounted to about \$1.4 billion in the first quarter, a decline of about 10 per cent from the fourth quarter rate. Housing completions showed a drop in the first quarter, after allowing for seasonal factors. Competing demands on the available supply of credit for business investment have likely been a factor in the first quarter fall-off in housing activity but shortages of service land have also apparently affected the level of building. The first quarter rate of residential construction was at a level slightly below the 1955 annual average.

(b) Non-residential Construction and Machinery and Equipment

Gross domestic investment in plant, machinery and equipment provided a major part of the increase in final demand in the first quarter, continuing the trend which became apparent in the last half of 1955. Non-residential construction was at a rate of \$2.1 billion in the first quarter, 12 per cent above the fourth quarter of 1955 and 20 per cent above last year's annual average. Accompanying this rise was a substantial increase in both employment and average hours worked in the construction industry. It is of interest to note that the survey of investment intentions carried out earlier this year indicated possible limits to the realization of the programme due to potential shortages of basic construction materials, particularly steel and cement. Selected indicators suggest that the sharp advance in shipments of some of these materials, particularly iron and associated products, was being met to a large extent through large increases in imports in the first quarter.

Investment in new machinery and equipment in the first quarter attained a new peak of \$2.4 billion, 6 per cent above the fourth quarter rate and 18 per cent above the annual average for the year 1955 as a whole. Presently available data suggest that the bulk of the increase from the fourth quarter was made available from external sources of supply.

Investment in Business Inventories

The largest single increase on the expenditure side in the first quarter occurred in business inventory investment, which rose from a rate of accumulation of \$0.5 billion in the fourth quarter to \$1.2 billion in the first quarter. This is the heaviest rate of business inventory buildup since the second quarter of 1951. Most of the gain occurred within the manufacturing, retail and wholesale trade groups, and was concentrated chiefly in durable and investment-type materials such as basic metal shapes, components of machinery and equipment items, and motor vehicles. The composition of the inventory buildup undoubtedly reflects both the substantial advances in imports of iron and steel and other metal products, and the needs of the growing capital investment programme noted previously.

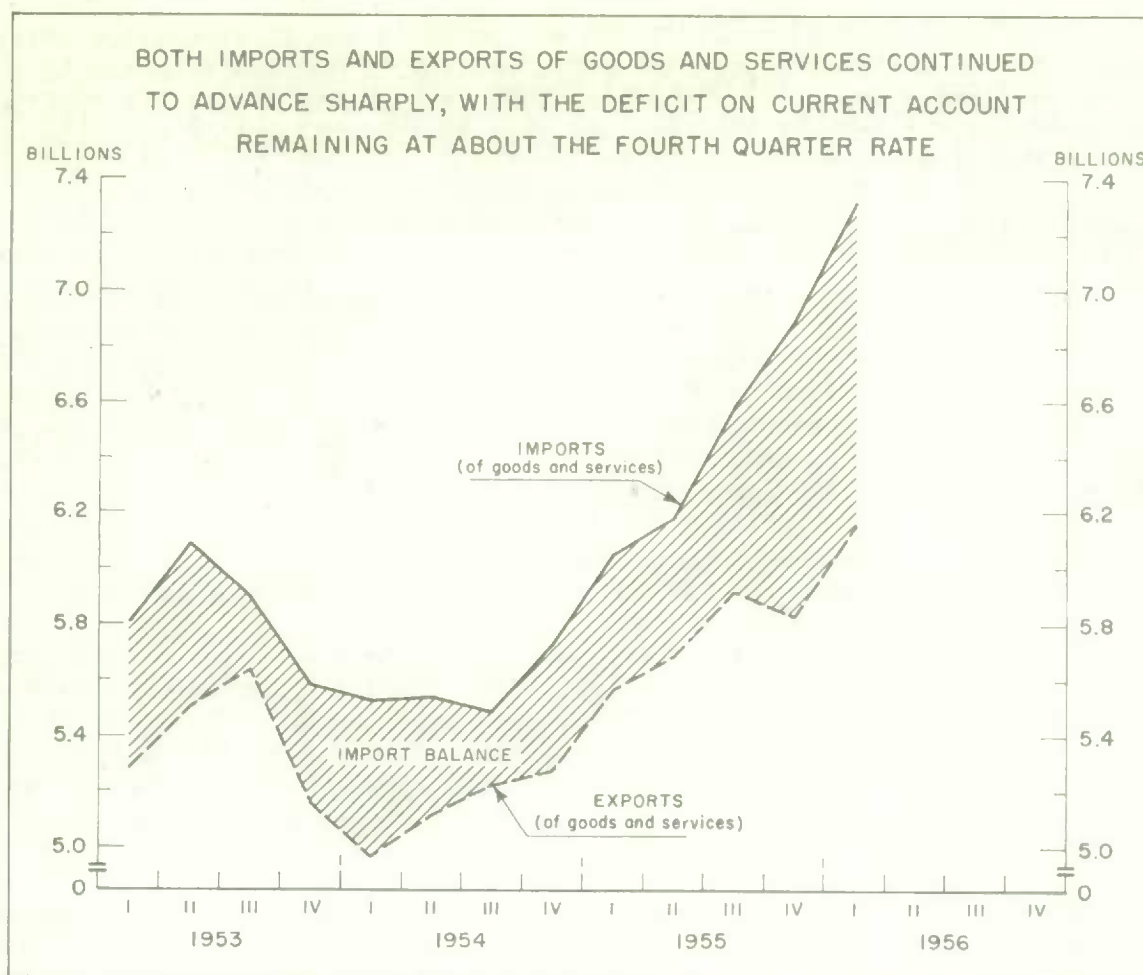
The recent gains appear to represent, for the most part, a real increase in the volume of inventory holdings, as gains represented by price factors were relatively small in proportion to the total book value change. In spite of the stepped-up rate of business inventory accumulation in the past two quarters, stock-sales ratios in manufacturing, wholesale and retail trade were, in general, lower at the close of the first quarter than at the end of the corresponding periods of both 1954 and 1955.

At the industry level, most of the buildup in manufacturing occurred in the metal-using industries, and at the wholesale level in outlets handling machinery and durable household items. In retail trade a more than seasonal rise occurred in holdings of automobiles, with some investment also in food and beverage inventories of a more than seasonal nature in the first quarter.

Exports and Imports of Goods and Services

Exports and imports of goods and services, seasonally adjusted, each rose by 6 per cent from the fourth to the first quarter to rates of \$6.2 billion and \$7.3 billion, respectively. The recent increases have brought the level of exports to a point 10 per cent above last year's first quarter, and the level of imports to a point 21 per cent above last year's first quarter. The deficit on current account in the first quarter of this year was at a seasonally adjusted annual rate of approximately \$1.2 billion.

The major factor in the rise in exports in the first quarter, seasonally adjusted, was a sharp increase in the agricultural products group. It may be noted that exports of agricultural products have remained at relatively low levels for some time and the recent increase is the largest single quarter-to-quarter gain to have occurred in a two-year period, when adjustment is made for seasonal factors. Changes in other groups were relatively much smaller. In comparison with the first quarter of a year ago, the most notable increases in merchandise exports have been in such commodities as metals and metal products, pulp and paper, and petroleum.



NOTE: ALL DATA SEASONALLY ADJUSTED AT ANNUAL RATES

On the import side, the major increase occurred in imports of iron and steel products, though most other groups also rose, particularly non-ferrous metals and non-metallic minerals. These gains reflected increased demand for types of imported products associated with the plant, machinery and equipment investment programme, and the business inventory buildup. It may be noted that merchandise imports, seasonally adjusted, have continued to rise sharply throughout March and April of this year and the most recent figure (for April) shows a gain more than one-third over the same period one year ago. Imports of services also increased over the fourth quarter of 1955, with the greater part of the gain occurring in freight and shipping payments which were higher as a result of the increased inflow of merchandise imports.

Prices of exports and imports of goods and services remained relatively stable between the fourth and first quarters, but relative to one year ago, both groups have shown an increase of close to 5 per cent.

Personal Income and Expenditure

Personal income in the first quarter of 1956, seasonally adjusted, amounted to \$20.4 billion. The increase in personal income from \$20.2 billion in the fourth quarter of last year was 1 per cent, about the same percentage increase

as the rise in National Income. Compared with the same quarter of 1955, personal income rose 9 per cent, while National Income rose 13 per cent. The smaller increase in personal income can be attributed to the fact that corporation profits rose at a much faster rate than dividends paid to persons, and that government transfer payments to persons declined somewhat from the first quarter of 1955 to the first quarter of 1956. In the latter component decreases in Prairie Farm Assistance Payments and unemployment insurance benefits, out-weighted increases in old age security payments, family allowances and grants to various institutions.

Total consumer expenditure rose 2 per cent from the fourth quarter of last year to the first quarter of this year, and personal direct taxes rose by 4 per cent. With personal income only higher by 1 per cent, personal saving declined between the fourth and the first quarters, from \$1.4 billion to \$1.2 billion. As a proportion of personal income, personal saving was 5.9 per cent in the first quarter and 6.9 per cent in the fourth quarter.

TABLE 1. NATIONAL INCOME AND GROSS
(millions)

	1953				Year
	I	II	III	IV	
1. Wages, Salaries and Supplementary Labour Income.....	2,795	2,904	3,004	3,012	11,715
2. Military Pay and Allowances.....	70	77	79	83	309
3. Investment Income.....	885	1,019	1,014	864	3,782
Net Income of Unincorporated Business:					
4. Accrued Net Income of Farm Operators from Farm Production ¹	19	113	1,374	146	1,652
5. Net Income of Non-Farm Unincorporated Business ²	345	448	440	442	1,675
6. NET NATIONAL INCOME AT FACTOR COST.....	4,114	4,561	5,911	4,547	19,133
7. Indirect Taxes less Subsidies.....	690	733	744	740	2,907
8. Depreciation Allowances and Similar Business Costs.....	547	600	607	664	2,418
9. Residual Error of Estimate.....	-6	-75	25	71	15
10. GROSS NATIONAL PRODUCT AT MARKET PRICES.....	5,345	5,819	7,287	6,022	24,473
11. (Gross National Product at Market Prices excluding Accrued Net Income of Farm Operators).....	5,326	5,706	5,913	5,876	22,821

1. Includes change in farm inventories as shown in line 10, Table 4. Also 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
(millions)

	1953				Year
	I	II	III	IV	
1. Personal Expenditure on Consumer Goods and Services.....	3,461	3,792	3,666	4,193	15,112
2. Government Expenditure on Goods and Services ^{1,4}	1,177	883	1,190	1,138	4,388
Gross Domestic Investment: ²					
3. New Residential Construction ⁵	190	273	302	296	1,061
4. New Non-Residential Construction.....	311	412	523	460	1,706
5. New Machinery and Equipment ⁶	522	592	520	439	2,073
6. Change in Inventories.....	-141	-11	1,130	-387	591
7. (Business Inventories only) ³	(104)	(221)	(146)	(-76)	(395)
8. Exports of Goods and Services.....	1,154	1,399	1,478	1,369	5,400
9. Deduct: Imports of Goods and Services.....	-1,335	-1,597	-1,496	-1,415	-5,843
10. Residual Error of Estimate.....	6	76	-26	-71	-15
11. GROSS NATIONAL EXPENDITURE AT MARKET PRICES.....	5,345	5,819	7,287	6,022	24,473

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					1955					1956	
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	
590	401	452	464	1,907	528	360	399	440	1,727	520	390	413	433	1,756	499	

5. In 1955, data were based on a redesigned and enlarged sample and some discontinuity with previous years may exist.

6. The 1955 total has been revised upward from that shown in "Public and Private Investment in Canada, Outlook 1956" to take account of later available information. The entire adjustment is in the non-government machinery and equipment item.

NATIONAL PRODUCT, BY QUARTERS, 1953-1956
(of dollars)

1954					1955					1956
I	II	III	IV	Year	I	II	III	IV	Year	I
2,856	2,948	3,075	3,115	11,994	2,969	3,150	3,315	3,376	12,810	3,260
83	92	95	97	367	93	100	101	100	394	93
848	952	991	863	3,654	878	1,137	1,244	1,096	4,355	1,090
61	147	741	198	1,147	-7	197	1,099	155	1,404	2
324	425	433	464	1,646	341	455	474	505	1,775	371
4,172	4,564	5,335	4,737	18,808	4,274	5,039	6,193	5,232	20,738	4,816
724	739	732	748	2,943	751	793	822	843	3,209	842
621	673	668	711	2,673	662	713	725	765	2,865	729
-77	-85	-3	58	-107	6	-33	-21	5	-43	-29
5,440	5,891	6,732	6,254	24,317	5,693	6,512	7,719	6,845	26,769	6,358
5,379	5,744	5,991	6,056	23,170	5,700	6,315	6,660	6,690	25,365	6,356

EXPENDITURE, BY QUARTERS, 1953-1956
(of dollars)

1954					1955					1956
I	II	III	IV	Year	I	II	III	IV	Year	I
3,547	3,965	3,887	4,424	15,823	3,760	4,270	4,142	4,716	16,888	4,039
1,139	877	1,196	1,206	4,418	1,242	948	1,271	1,277	4,738	1,297
206	283	334	343	1,166	254	374	427	421	1,476	273
332	410	486	431	1,659	327	419	534	495	1,775	421
460	544	434	403	1,841	417	568	525	507	2,017	563
-137	-103	382	-412	-270	-133	74	884	-317	508	77
(99)	(-3)	(-97)	(-139)	(-140)	(152)	(87)	(71)	(7)	(317)	(351)
1,090	1,278	1,400	1,379	5,147	1,217	1,437	1,581	1,518	5,753	1,340
-1,274	-1,448	-1,389	-1,463	-5,574	-1,385	-1,612	-1,666	-1,767	-6,430	-1,681
77	85	2	-57	107	-6	34	21	-5	44	29
5,440	5,891	6,732	6,254	24,317	5,693	6,512	7,719	6,845	26,769	6,358

TABLE 3. SOURCES OF PERSONAL
(millions)

	1953				Year
	I	II	III	IV	
1. Wages, Salaries and Supplementary Labour Income.....	2,795	2,904	3,004	3,012	11,715
2. Deducts: Employer and Employee Contributions to Social Insurance and Government Pension Funds.....	-95	-97	-98	-100	-390
3. Military Pay and Allowances.....	70	77	79	83	309
4. Net Income Received by Farm Operators from Farm Production ¹ ..	-1	150	1,296	212	1,657
5. Net Income of Non-Farm Unincorporated Business.....	345	448	440	442	1,675
6. Interest, Dividends and Net Rental Income of Persons ²	385	426	413	425	1,649
Transfer Payments to Persons:					
7. From Government (Excluding Interest).....	423	344	346	351	1,464
8. Charitable Contributions by Corporations.....	7	8	7	6	28
9. Net Bad Debt Losses of Corporations.....	6	6	6	7	25
10. PERSONAL INCOME.....	3,935	4,266	5,493	4,438	18,132

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.

2. Includes all government debt interest paid to persons.

TABLE 4. DISPOSITION OF PERSONAL
(millions)

	1953				Year
	I	II	III	IV	
Personal Direct Taxes:					
1. Income Taxes.....	312	381	291	303	1,287
2. Succession Duties.....	19	17	20	17	73
3. Miscellaneous.....	27	17	12	16	72
4. Total Personal Direct Taxes.....	358	415	323	336	1,432
Personal Expenditure on Consumer Goods and Services:					
5. Non-Durable Goods.....	1,872	2,105	2,109	2,495	8,581
6. Durable Goods.....	424	495	419	452	1,790
7. Services ¹	1,165	1,192	1,138	1,246	4,741
8. Total Personal Expenditure on Consumer Goods and Services....	3,461	3,792	3,666	4,193	15,112
Personal Savings:					
9. Personal Saving Excluding Farm Inventory Change.....	385	212	633	308	1,538
10. Farm Inventory Change.....	-269	-153	871	-399	50
11. Total Personal Saving.....	116	59	1,504	-91	1,588
12. PERSONAL INCOME.....	3,935	4,266	5,493	4,438	18,132
13. (Personal Disposable Income) ²	(3,577)	(3,851)	(5,170)	(4,102)	(16,700)

1. Includes net expenditure abroad.

2. Personal Income less Total Personal Direct Taxes.

INCOME, BY QUARTERS, 1953-1956
of dollars)

1954					1955					1956
I	II	III	IV	Year	I	II	III	IV	Year	I
2,856	2,948	3,075	3,115	11,994	2,969	3,150	3,315	3,376	12,810	3,260
-95	-98	-100	-103	-396	-100	-103	-106	-111	-420	-110
83	52	95	97	367	93	100	101	100	394	93
66	156	720	209	1,151	-28	214	1,046	150	1,382	5
324	425	433	464	1,646	341	455	474	505	1,775	371
403	461	441	474	1,779	453	491	488	528	1,960	486
476	386	378	390	1,630	537	415	390	383	1,725	527
6	7	7	5	25	6	8	9	8	31	7
6	6	7	7	26	6	6	7	7	26	6
4,125	4,383	5,056	4,658	18,222	4,277	4,736	5,724	4,946	19,683	4,645

INCOME, BY QUARTERS, 1953-1956
of dollars)

1954					1955					1956
I	II	III	IV	Year	I	II	III	IV	Year	I
298	359	314	325	1,296	310	336	322	328	1,296	329
17	17	18	26	78	24	22	37	37	120	36
23	15	9	13	60	25	18	9	15	67	32
338	391	341	364	1,434	359	376	368	380	1,483	397
1,902	2,197	2,239	2,653	8,991	2,019	2,343	2,327	2,780	9,469	2,191
396	468	406	424	1,694	385	537	478	501	1,901	424
1,249	1,300	1,242	1,347	5,138	1,356	1,390	1,337	1,435	5,518	1,424
3,547	3,965	3,887	4,424	15,823	3,760	4,270	4,142	4,716	16,888	4,039
432	94	366	188	1,080	385	99	449	168	1,101	446
-192	-67	462	-318	-115	-227	-9	765	-318	211	-237
240	27	828	-130	965	158	90	1,214	-150	1,312	209
4,125	4,383	5,056	4,658	18,222	4,277	4,736	5,724	4,946	19,683	4,645
(3,787)	(3,992)	(4,715)	(4,294)	(16,788)	(3,918)	(4,360)	(5,356)	(4,566)	(18,200)	(4,248)

TABLE 5. NATIONAL INCOME AND GROSS NATIONAL
SEASONALLY ADJUSTED
(millions)

	1953				Year
	I	II	III	IV	
1. Wages, Salaries and Supplementary Labour Income.....	11,520	11,744	11,804	11,792	11,715
2. Military Pay and Allowances.....	280	308	316	332	309
3. Investment Income.....	3,844	3,880	3,700	3,704	3,782
Net Income of Unincorporated Business:					
4. Accrued Net Income of Farm Operators from Farm Production ¹	1,640	1,572	1,660	1,736	1,652
5. Net Income of Non-Farm Unincorporated Business ²	1,696	1,700	1,668	1,636	1,675
6. NET NATIONAL INCOME AT FACTOR COST.....	18,980	19,204	19,148	19,200	19,133
7. Indirect Taxes less Subsidies.....	2,880	2,952	2,928	2,868	2,907
8. Depreciation Allowances and Similar Business Costs.....	2,296	2,380	2,440	2,556	2,418
9. Residual Error of Estimate.....	-12	-204	184	92	15
10. GROSS NATIONAL PRODUCT AT MARKET PRICES.....	24,144	24,332	24,700	24,716	24,473
11. (Gross National Product at Market Prices excluding Accrued Net Income of Farm Operators).....	(22,504)	(22,760)	(23,040)	(22,980)	(22,821)

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 practitioners.

TABLE 6. GROSS NATIONAL EXPENDITURE,
SEASONALLY ADJUSTED
(millions)

	1953				Year
	I	II	III	IV	
1. Personal Expenditure on Consumer Goods and Services.....	14,992	15,040	15,120	15,296	15,112
2. Government Expenditure on Goods and Services ¹	4,288	4,436	4,504	4,324	4,388
Gross Domestic Investment: ²					
3. New Residential Construction ⁴	1,000	1,056	1,080	1,108	1,061
4. New Non-Residential Construction.....	1,600	1,688	1,776	1,760	1,706
5. New Machinery and Equipment ⁵	2,188	2,088	2,128	1,888	2,073
6. Change in Inventories.....	580	400	532	852	591
7. (Business Inventories only) ³	(348)	(500)	(420)	(312)	(395)
8. Exports of Goods and Services.....	5,292	5,512	5,636	5,160	5,400
9. Deduct: Imports of Goods and Services.....	-5,808	-6,092	-5,896	-5,576	-5,843
10. Residual Error of Estimate.....	12	204	-180	-96	-15
11. GROSS NATIONAL EXPENDITURE AT MARKET PRICES.....	24,144	24,332	24,700	24,716	24,473

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.

4. In 1955 data were based on a redesigned and enlarged sample and some discontinuity with previous years may exist.

5. The 1955 total has been revised upward from that shown in "Public and Private Investment in Canada, Outlook 1956" to take account of later available information. The entire adjustment is in the non-government machinery and equipment item.

PRODUCT, BY QUARTERS, 1953-1956
AT ANNUAL RATES
of dollars)

1954					1955					1956	
I	II	III	IV	Year	I	II	III	IV	Year	I	
11,772	11,908	12,108	12,188	11,994	12,240	12,728	13,064	13,208	12,810	13,440	
332	368	380	388	367	372	400	404	400	394	372	
3,640	3,740	3,600	3,636	3,654	3,816	4,404	4,564	4,636	4,355	4,728	
1,208	1,120	1,080	1,180	1,147	1,328	1,476	1,396	1,416	1,404	1,344	
1,668	1,604	1,632	1,680	1,646	1,712	1,744	1,816	1,828	1,775	1,876	
18,620	18,740	18,800	19,072	18,808	19,468	20,752	21,244	21,488	20,738	21,760	
2,984	2,972	2,888	2,928	2,943	3,100	3,204	3,232	3,300	3,209	3,456	
2,604	2,668	2,684	2,736	2,673	2,776	2,828	2,912	2,944	2,865	3,052	
-184	-308	-	64	-107	144	-156	-68	-92	-43	64	
24,024	24,072	24,372	24,800	24,317	25,488	26,628	27,320	27,640	26,769	28,332	
(22,816)	(22,952)	(23,292)	(23,620)	(23,170)	(24,160)	(25,152)	(25,924)	(26,224)	(25,365)	(26,988)	

BY QUARTERS, 1953-1956
AT ANNUAL RATES
of dollars)

1954					1955					1956	
I	II	III	IV	Year	I	II	III	IV	Year	I	
15,368	15,784	16,040	16,100	15,823	16,264	16,880	17,152	17,256	16,888	17,596	
4,292	4,296	4,504	4,580	4,418	4,572	4,768	4,780	4,832	4,738	4,900	
1,084	1,096	1,196	1,288	1,166	1,340	1,448	1,532	1,584	1,476	1,428	
1,688	1,672	1,640	1,636	1,699	1,676	1,716	1,812	1,896	1,775	2,124	
1,936	1,892	1,780	1,756	1,841	1,748	1,940	2,132	2,248	2,017	2,372	
24	-544	-520	-40	-270	512	216	508	796	508	1,140	
(292)	(-388)	(-392)	(-72)	(-140)	(480)	(-24)	(300)	(512)	(317)	(1,224)	
4,972	5,116	5,220	5,280	5,147	5,568	5,688	5,924	5,832	5,753	6,160	
-5,528	-5,544	-5,492	-5,732	-5,574	-6,048	-6,184	-6,588	-6,900	-6,430	-7,324	
188	304	4	-68	107	-144	156	68	96	44	-64	
24,024	24,072	24,372	24,800	24,317	25,488	26,628	27,320	27,640	26,769	28,332	

TABLE 7. SOURCES OF PERSONAL
SEASONALLY ADJUSTED
(millions)

	1953				Year
	I	II	III	IV	
1. Wages, Salaries and Supplementary Labour Income.....	11,520	11,744	11,804	11,792	11,715
2. Deducts: Employer and Employee Contributions to Social Insurance and Government Pension Funds.....	-388	-392	-392	-388	-390
3. Military Pay and Allowances.....	280	308	316	332	309
4. Net Income Received by Farm Operators from Farm Production ¹ ..	1,488	1,696	1,528	1,916	1,657
5. Net Income of Non-Farm Unincorporated Business.....	1,696	1,700	1,668	1,636	1,675
6. Interest, Dividends and Net Rental Income of Persons ²	1,620	1,656	1,668	1,652	1,649
Transfer Payments to Persons:					
7. From Government (Excluding Interest).....	1,380	1,432	1,500	1,544	1,464
8. Charitable Contributions by Corporations.....	28	32	28	24	28
9. Net Bad Debt Losses of Corporations.....	24	24	24	28	25
10. PERSONAL INCOME.....	17,648	18,200	18,144	18,536	18,132

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
SEASONALLY ADJUSTED
(millions)

	1953				Year
	I	II	III	IV	
Personal Direct Taxes:					
1. Income Taxes.....	1,236	1,352	1,296	1,264	1,287
2. Succession Duties.....	76	68	80	68	73
3. Miscellaneous.....	72	64	76	76	72
4. Total Personal Direct Taxes.....	1,384	1,484	1,452	1,408	1,432
Personal Expenditure on Consumer Goods and Services:					
5. Non-Durable Goods.....	8,556	8,568	8,596	8,604	8,581
6. Durable Goods.....	1,836	1,788	1,760	1,776	1,790
7. Services ¹	4,600	4,684	4,764	4,916	4,741
8. Total Personal Expenditure on Consumer Goods and Services....	14,992	15,040	15,120	15,296	15,112
Personal Savings:					
9. Personal Saving Excluding Farm Inventory Change.....	1,280	1,568	1,788	1,516	1,538
10. Farm Inventory Change.....	-8	108	-216	316	50
11. Total Personal Saving.....	1,272	1,676	1,572	1,832	1,588
12. PERSONAL INCOME.....	17,648	18,200	18,144	18,536	18,132
13. (Personal Disposable Income) ²	(16,264)	(16,716)	(16,692)	(17,128)	(16,700)

1. Includes net expenditure abroad.

2. Personal Income less Total Personal Direct Taxes.

INCOME, BY QUARTERS, 1953-1956
AT ANNUAL RATES
(of dollars)

1954					1955					1956	
I	II	III	IV	Year	I	II	III	IV	Year	I	
11,772	11,908	12,108	12,188	11,994	12,240	12,728	13,064	13,208	12,810	13,440	
-388	-396	-400	-400	-396	-408	-416	-424	-432	-420	-448	
332	368	380	388	367	372	400	404	400	394	372	
1,232	1,164	980	1,228	1,151	1,244	1,544	1,344	1,396	1,382	1,356	
1,668	1,604	1,632	1,680	1,646	1,712	1,744	1,816	1,828	1,775	1,876	
1,700	1,792	1,784	1,840	1,779	1,908	1,908	1,972	2,052	1,960	2,048	
1,552	1,612	1,644	1,712	1,630	1,764	1,740	1,704	1,692	1,725	1,728	
24	28	28	20	25	24	32	36	32	31	28	
24	24	28	28	26	24	24	28	28	26	24	
17,916	18,104	18,184	18,684	18,222	18,880	19,704	19,944	20,204	19,683	20,424	

INCOME, BY QUARTERS, 1953-1956
AT ANNUAL RATES
(of dollars)

1954					1955					1956	
I	II	III	IV	Year	I	II	III	IV	Year	I	
1,260	1,324	1,284	1,316	1,296	1,304	1,232	1,320	1,328	1,296	1,388	
68	68	72	104	78	96	88	148	148	120	144	
60	56	56	68	60	64	68	60	76	67	84	
1,388	1,448	1,412	1,488	1,434	1,464	1,388	1,528	1,552	1,483	1,616	
8,712	8,952	9,148	9,152	8,991	9,168	9,532	9,576	9,600	9,469	9,940	
1,756	1,676	1,696	1,648	1,694	1,744	1,888	1,992	1,980	1,901	1,908	
4,900	5,156	5,196	5,300	5,138	5,352	5,460	5,584	5,676	5,518	5,748	
15,368	15,784	16,040	16,100	15,823	16,264	16,880	17,152	17,256	16,888	17,596	
1,376	968	832	1,144	1,080	1,008	1,228	1,160	1,008	1,101	1,264	
-216	-96	-100	-48	-115	144	208	104	388	211	-52	
1,160	872	732	1,096	965	1,152	1,436	1,264	1,396	1,312	1,212	
17,916	18,104	18,184	18,684	18,222	18,880	19,704	19,944	20,204	19,683	20,424	
(16,528)	(16,656)	(16,772)	(17,196)	(16,788)	(17,416)	(18,316)	(18,416)	(18,652)	(18,200)	(18,808)	

TABLE 9. GROSS NATIONAL EXPENDITURE IN (1949)
UNADJUSTED FOR
(millions)

	1953				Year
	I	II	III	IV	
1. Personal Expenditure on Consumer Goods and Services.....	2,964	3,256	3,113	3,572	12,905
2. Non-Durable Goods.....	1,676	1,896	1,879	2,227	7,678
3. Durable Goods.....	368	428	365	397	1,558
4. Services.....	920	932	869	948	3,669
5. Government Expenditure on Goods and Services.....	941	696	934	881	3,452
Gross Domestic Investments:					
6. New Residential Construction.....	150	215	236	231	832
7. New Non-Residential Construction.....	233	312	396	346	1,287
8. New Machinery and Equipment.....	440	495	429	361	1,725
9. Change in Inventories.....	-169	-90	1,287	-444	584
10. (Business Inventories only).....	(98)	(181)	(90)	(-41)	(328)
11. Exports of Goods and Services.....	1,019	1,254	1,336	1,247	4,856
12. Deduct: Imports of Goods and Services.....	-1,220	-1,443	-1,351	-1,283	-5,297
13. Residual Error of Estimate.....	5	63	-21	-59	-12
14. GROSS NATIONAL EXPENDITURE.....	4,363	4,758	6,359	4,852	20,332

1. See footnotes, Table 2.

CONSTANT DOLLARS, BY QUARTERS, 1953-1956
SEASONALITY I
(of dollars)

1954					1955					1956
I	II	III	IV	Year	I	II	III	IV	Year	I
3,006	3,351	2,268	3,745	13,375	3,162	3,625	3,516	3,997	14,300	3,388
1,710	1,977	2,000	2,383	8,070	1,827	2,117	2,094	2,506	8,544	1,985
347	409	355	378	1,489	347	493	451	463	1,754	390
949	970	913	984	3,816	988	1,015	971	1,028	4,002	1,013
874	659	912	912	3,357	929	692	937	923	3,481	928
162	222	260	266	910	196	287	323	316	1,122	203
244	310	369	327	1,250	242	310	390	352	1,294	289
381	446	399	332	1,518	343	468	426	391	1,628	432
-156	-142	438	-406	-266	-225	-9	1,058	-388	436	-77
(114)	(3)	(-54)	(-123)	(-60)	(104)	(72)	(13)	(-29)	(160)	(244)
992	1,153	1,264	1,262	4,671	1,087	1,248	1,363	1,300	4,998	1,143
-1,162	-1,305	-1,257	-1,334	-5,058	-1,247	-1,441	-1,489	-1,544	-5,721	-1,445
63	69	2	-47	87	-5	27	17	-4	35	23
4,404	4,768	5,615	5,057	19,844	4,482	5,207	6,541	5,343	21,573	4,884

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