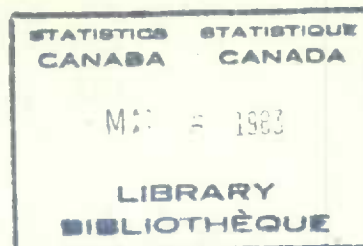


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B. Mc Cormick



CANADA



**NATIONAL ACCOUNTS  
INCOME AND EXPENDITURE  
FIRST QUARTER  
1957**

**DOES NOT CIRCULATE  
NE PAS PRÊTER**

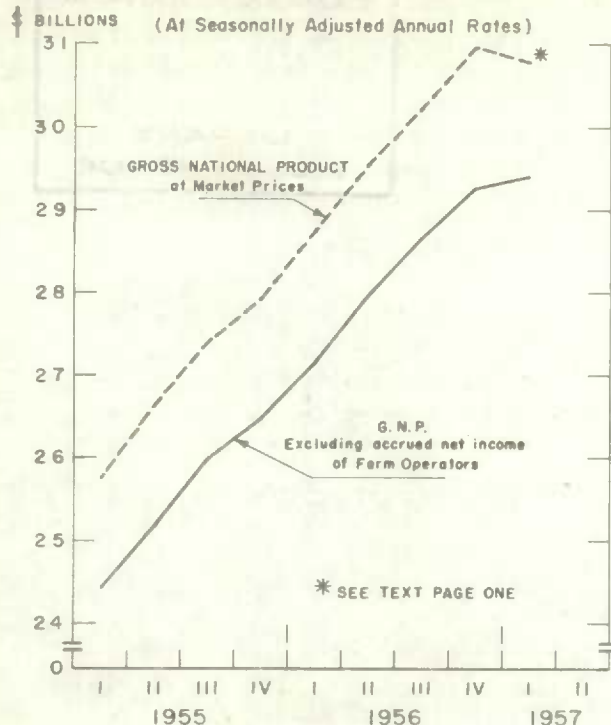
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**DOMINION BUREAU OF STATISTICS**  
Research and Development Division  
National Income Section

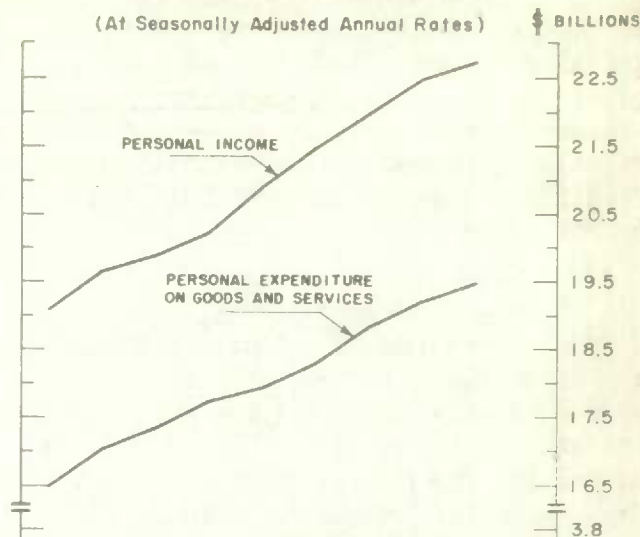
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Price \$1.00 per year

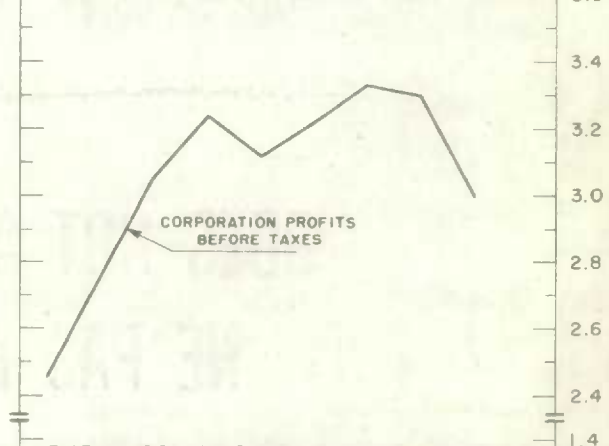
**G.N.P. REMAINED AT A HIGH LEVEL  
IN THE FIRST QUARTER. A SLIGHT  
GAIN IN NON-FARM G.N.P. REFLECTED  
MAINLY PRICE INCREASES**



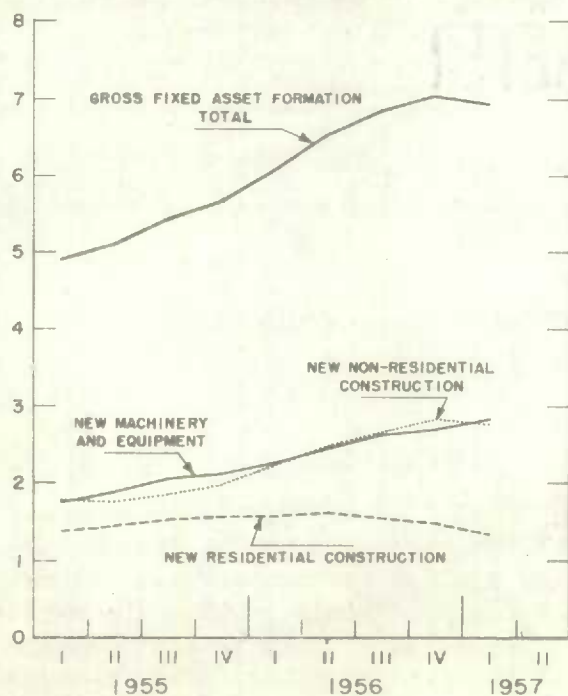
**BOTH PERSONAL INCOME AND  
EXPENDITURE INCREASED  
IN THE FIRST QUARTER**



**CORPORATION PROFITS DECLINED IN  
THE FIRST QUARTER OF THIS YEAR**



**HOUSING CONSTRUCTION CONTINUED TO  
DECLINE AND NON-RESIDENTIAL CON-  
STRUCTION WAS SLIGHTLY LOWER THAN THE  
HIGH FOURTH QUARTER RATE INVESTMENT  
IN MACHINERY CONTINUED TO INCREASE**



**BUSINESS INVENTORY ACCUMULATION  
WAS LOWER THAN IN THE  
FOURTH QUARTER OF 1956**



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# INTRODUCTORY REVIEW

The nation's total output of goods and services in the first quarter of 1957 showed little change from the fourth quarter of 1956, after allowance for seasonal factors. There was an increase of .9 per cent in non-farm Gross National Product and it is estimated that this was largely accounted for by price increases. In volume terms, non-farm output of goods and services in the first quarter was virtually unchanged. This relative stability in the volume of non-farm output in the first quarter follows successive quarter to quarter increases since mid-1954.

The quarterly estimates of total Gross National Product -- farm and non-farm -- include an arbitrary figure for farm output which is based on the assumption that a normal crop will be realized this year compared with the large crop realized in 1956<sup>1</sup>. Accordingly, the total Gross National Product for the first quarter is somewhat lower than that of the preceding quarter, allowing for seasonal factors, as is indicated in the table below.

## Components of Income and Expenditure\* (Per cent changes from 4th to 1st Quarter)

<u>Income</u>		<u>Expenditure</u>	
Wages, salaries, etc. ....	+1.6	Personal goods and services.....	+1.5
Investment income.....	-1.5	Government goods and services.....	-0.7
Farm net income <sup>1</sup> .....	-18.5	Residential construction.....	-4.1
Other unincorporated business....	+2.7	Non-residential construction.....	-2.3
<hr/>		Machinery and equipment.....	+4.6
National Income.....	-0.5	Inventory change, total <sup>1</sup> : \$1,108 to \$608	
Indirect taxes, etc. ....	+5.1	(Inventory change, business \$724 to \$560)	
Depreciation, etc. ....	+2.2	Exports, goods and services.....	+1.1
<hr/>		Imports, goods and services.....	+1.1
<hr/>		<hr/>	
Gross National Product <sup>1</sup> .....	-0.2	Gross National Expenditure <sup>1</sup> ..	-0.2
<hr/>		<hr/>	
Gross National Product			
ex farm net income .....	+0.9		

\* Seasonally adjusted at annual rates.

1. The value of crop production for the first quarter of 1957 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 \$244 million between 1956 and 1957 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.



The levelling off in Gross National Product is the net result of a number of divergent movements among major components. The major aggregates of labour income and consumer expenditure both increased by 1 1/2 per cent between the fourth and first quarter. Exports and imports of goods and services both increased by 1 per cent. Corporation profits were lower, after seasonal adjustment. Housing showed a smaller decline than in preceding quarters; and non-residential construction appears to have been slightly lower. There was however a further expansion in expenditures for machinery and equipment. Moreover, business inventories continued to accumulate, although on a smaller scale than in the preceding quarter.

### Related Production Indicators

In general, the major gains in production, employment and income are to be found in the service and distributive trades rather than in the commodity-producing industries. Both production and employment were above the high fourth quarter level in the non-durable segment of manufacturing, though hours of work were reduced. Gains in some non-durables, such as food and beverages and paper products were partially offset by losses in others, such as rubber and clothing, but the net balance showed an overall increase in non-durable output.

In the durable segment of manufacturing, production fell nearly three per cent from the fourth to the first quarter, with the fall in output concentrated in non-metallic minerals, wood products, transportation equipment and non-ferrous metals. These developments were related in part to the reduced expenditure for some investment goods. In some instances, for example wood products, a fall in exports was a further factor in the trend of durable goods output. Employment was somewhat lower from quarter to quarter and hours of work appreciably reduced. Profits and labour income likewise registered some decline in the durable group.

The trends in output noted above were accompanied by corresponding trends in employment. While the total number of persons with jobs was substantially higher than a year ago, there was very little change in the seasonally adjusted total from the fourth to the first quarter. The number without jobs and seeking work, expressed as a per cent of the labour force, was 5.7 per cent in the first quarter of 1957, compared with 5.4 per cent a year earlier.

## COMPONENTS OF GROSS NATIONAL PRODUCT

### Wages, Salaries and Supplementary Labour Income

Labour income was at a seasonally adjusted annual rate of \$15,076 million in the first quarter of 1957, 1.6 per cent higher than in the fourth quarter of 1956 and nearly 11 per cent higher than a year earlier. After seasonal adjustment, the number of employed paid workers was unchanged in the first quarter and hours of work were lower in those industries for which information is available. Higher wage rates account for the gain in labour income.

The industrial distribution of labour income reflects the mixed trends in production and employment. After seasonal adjustment, labour income in manufacturing was fractionally higher, as gains in some non-durables more than offset losses in durables. Labour income in construction, which had registered conspicuously large gains in 1956, was unchanged. The major gains occurred in the distributive and service trades and there was also higher labour income in mining and forestry, among the primary industries.



### Net Income of Unincorporated Business

Net income of unincorporated business, non-farm, at a seasonally adjusted annual rate of \$2,008 million in the first quarter of 1957, was 2.7 per cent higher than in the last quarter of 1956. Gains in trade and manufacturing more than offset a decline in incomes in the construction industry.

The estimate of seasonally adjusted accrued net farm income shows a substantial drop in the first quarter by reason of the assumption of an average crop, as explained in Footnote 1, Page 1. However, farm cash income, also seasonally adjusted, rose 7 per cent from the fourth quarter to the first.

### Investment Income

Investment income in the first quarter of 1957 is estimated at \$4,788 million, at a seasonally adjusted annual rate, compared with \$4,860 million in the fourth quarter of 1956. This decline of 1.5 per cent is largely the result of the fall in corporate profits which were lower by 6 per cent before adjustment for dividends paid abroad. The fall in profits is related to lower prices for some products, such as lumber and some base metals, to a reduced level of activity in some industries, such as non-metallic minerals and electrical apparatus and supplies, and to more pervasive influences tending to raise the level of unit costs. With dividends paid abroad considerably higher, corporate profits entering into national income were reduced somewhat more than the percentage mentioned above.

Most other elements of investment income were higher: net rents reflected higher rents and the larger stock of dwellings; deposit interest received by individuals from the banks reflected the higher interest rates paid on deposits, while dividends were also higher.

### Indirect Taxes less Subsidies

Indirect taxes less subsidies, \$3,880 million at a seasonally adjusted annual rate in the first quarter of 1957, were 5 per cent higher than in the closing quarter of last year. Increased yields of 10 per cent by comparison with a year ago reflect enhanced sales of goods subject to tax, such as consumer durables and gasoline, larger receipts from customs duties in keeping with the rise in imports, and higher revenues from real property taxes.

## COMPONENTS OF GROSS NATIONAL EXPENDITURE

### Consumer Expenditure

Personal expenditure on consumer goods and services was \$19,492 million; that is 1.5 per cent higher than in the last quarter of 1956 and 8.7 per cent higher than a year ago. Personal disposable income increased by .6 per cent.

The advance in consumer purchases was in the non-durable and service categories, with a partially offsetting reduction in purchases of durables.

Among the non-durable items, advances were widespread, with the important exception of clothing, which may have been affected by the late date of Easter, for

which no special adjustment is made in quarterly estimates. Major gains occurred in the categories related to automobiles, that is gasoline, etc., and automobile accessories.

Sales of new passenger cars were higher, but when adjustment is made for larger trade-in allowances and for the building-up of stocks of used cars in the hands of dealers, there was no increase in net purchases of cars of all types from the fourth quarter of 1956 to the first quarter of 1957. Purchases of other major durables were moderately lower as reductions in appliances and television sets were only partially offset by larger shipments of radios.

The continued advance in expenditure on services, 1.9 per cent, compares with 2 per cent increase in expenditure on non-durables and a 1.7 per cent decline in expenditure on durables. With consumer prices continuing to show some further advance, the gain in consumption in real terms was less than the 1.5 per cent increase in expenditure.

#### Government Expenditure on Goods and Services

Government expenditure on goods and services, estimated at \$1,340 million in the first quarter, was approximately level with the fourth quarter, after seasonal adjustment. Federal outlays for defence were higher but non-defence outlays unchanged, by comparison with a year ago. The growth in government expenditure continues to be accounted for mainly by higher provincial and municipal outlays, with the expenditures of provincial governments particularly important in the quarter under review.

#### Investment in Business Inventories

Investment in business inventories in the first quarter of 1957 amounted to \$560 million at seasonally adjusted annual rates, which compares with \$724 million in the preceding quarter and \$992 million in the first quarter of 1956. The price factor in inventories continues to be important but is a somewhat smaller proportion than in most of 1956.

Accumulation of inventories took place principally in manufacturing, wholesale, and retail trade. Within manufacturing, the industrial pattern of accumulation differed considerably from that of a year ago. After seasonal adjustment, certain groups, chief among them food and beverages, tobacco and non-metallic minerals, were experiencing accumulation this year as opposed to more moderate build-up in the first quarter of 1956. On the other hand, certain other manufacturing industries, particularly heavy industries, whose investment in stocks was substantial early in 1956, were adding to stocks at a much lower rate this year. This trend is evident in transportation equipment, iron and steel, electrical apparatus, non-ferrous metals, and textiles. The most pronounced shift took place in the automotive industry where virtually no additions were made to stocks at the manufacturing level in the first quarter of this year.

Within wholesale trade, after allowing for seasonal variation, the inventory investment in the first quarter of the year took place in certain of the machinery groups, particularly industrial machinery. There were also increases in building materials, coal and coke and textiles. Within retail trade higher inventories were reported in apparel items, foods and for variety stores. The accumulation of stocks by automotive dealers was lower than a year earlier.



### Gross Domestic Investment (excluding change in inventories)

Investment in durable physical assets in the first quarter of 1957, was at a seasonally adjusted annual rate of \$7,012 million, unchanged from the last quarter of 1956. The continued rise in expenditure on machinery and equipment offset some further decline in housing and a somewhat lower level of non-residential construction. The survey of capital expenditures for the calendar year 1957 indicated an increase of 8 per cent over the peak level of 1956. An increase in investment in durable physical assets in subsequent quarters is implied, if the forecast is to be realized.

While non-residential construction at \$2,764 million was somewhat lower in the first quarter, it should be noted that non-residential construction had been rising sharply for eighteen months so that the rate in the last quarter of 1956 was exceptionally high.

Residential construction, estimated at \$1,420 million at a seasonally adjusted annual rate, was down 4 per cent from the last quarter of 1956. Housing starts, which have been falling steadily since the third quarter of 1955, were 73,000 in the first quarter compared with 106,000 in the last quarter of 1956, and completions 119,000 compared with 139,000, both seasonally adjusted. There was a distinct pick-up in starts in March but completions fell sharply, reflecting the earlier decline in starts.

A further slight increase in prices is an element in the estimate of construction in the first quarter, particularly in the non-residential segment.

First quarter expenditures for machinery and equipment were \$2,828 million, that is 4.6 per cent higher than in the fourth quarter of 1956. The first quarter's rate of increase over 1956 as a whole closely approximates the 13 per cent indicated in the survey of investment intentions. A price factor of one per cent is involved in the recent quarterly change.

### Exports and Imports of Goods and Services<sup>1</sup>

Exports of goods and services in the first quarter of 1957 were at a seasonally adjusted annual rate of \$6,416 million, about one per cent higher than in the last quarter of 1956. Exports of goods were substantially unchanged so that services are the source of the whole of the increase, with receipts from tourists, freight and shipping and interest and dividends all higher.

The sustained level of exports reflected varied trends in individual groups. Those showing weakness in the first quarter were animal products, wood products, iron and its products, chemicals and some base metals such as copper and nickel. Iron ore accounts for the falling off in iron and its products.

Imports of goods and services in the first quarter of 1957 were \$6,416 million at a seasonally adjusted annual rate. The increase from quarter to quarter was also one per cent and, as in the case of exports, the service elements account for the increase.

There was virtually no change in export prices from quarter to quarter but import prices continued to show some increase, causing a slight deterioration in the terms of trade.

1. For further detail, see the report on the "Canadian Balance of International Payments, First Quarter, 1957" (Balance of Payments Section, Dominion Bureau of Statistics).

EXPORTS AND IMPORTS OF GOODS AND SERVICES ROSE BY ABOUT  
THE SAME AMOUNT FROM THE FOURTH TO THE FIRST QUARTER

(At Seasonally Adjusted Annual Rates)

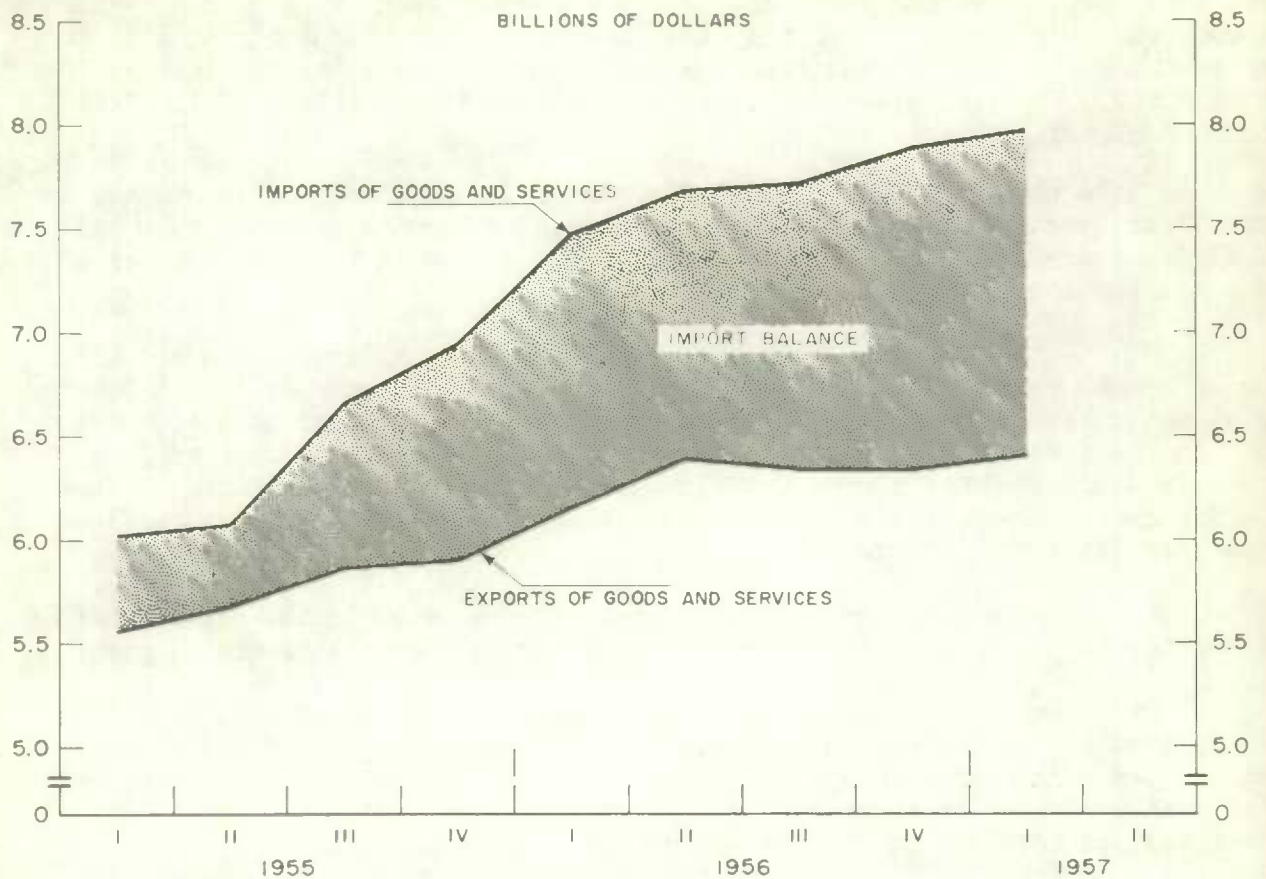






TABLE 1. NATIONAL INCOME AND GROSS  
(millions)

1955					
	I	II	III	IV	Year
1. Wages, Salaries and Supplementary Labour Income.....	2,969	3,150	3,315	3,376	12,810
2. Military Pay and Allowances.....	93	100	101	100	394
3. Investment Income.....	876	1,123	1,229	1,111	4,339
Net Income of Unincorporated Business:					
4. Accrued Net Income of Farm Operators from Farm Production <sup>1</sup> ..	-17	198	1,063	160	1,404
5. Net Income of Non-Farm Unincorporated Business <sup>2</sup> .....	347	460	478	508	1,793
6. NET NATIONAL INCOME AT FACTOR COST.....	4,268	5,031	6,186	5,255	20,740
7. Indirect Taxes less Subsidies.....	756	800	831	851	3,238
8. Depreciation Allowances and Similar Business Costs.....	652	712	744	770	2,878
9. Residual Error of Estimate.....	63	-3	-23	23	60
10. GROSS NATIONAL PRODUCT AT MARKET PRICES.....	5,739	6,540	7,738	6,899	26,916
11. (Gross National Product at Market Prices excluding Accrued Net Income of Farm Operators).....	(5,756)	(6,342)	(6,675)	(6,739)	(25,512)

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)

1955					
	I	II	III	IV	Year
1. Personal Expenditure on Consumer Goods and Services.....	3,862	4,314	4,169	4,794	17,139
2. Government Expenditure on Goods and Services <sup>1,4</sup> .....	1,172	1,038	1,291	1,227	4,728
Gross Domestic Investment: <sup>2</sup>					
3. New Residential Construction .....	255	375	428	423	1,481
4. New Non-Residential Construction.....	366	426	544	511	1,847
5. New Machinery and Equipment .....	401	563	489	494	1,947
6. Change in Inventories.....	-87	-4	879	-278	510
7. (Business Inventories only) <sup>3</sup> .....	(198)	(9)	(66)	(46)	(319)
8. Exports of Goods and Services.....	1,217	1,437	1,581	1,518	5,753
9. Deduct: Imports of Goods and Services.....	-1,385	-1,612	-1,666	-1,767	-6,430
10. Residual Error of Estimate.....	-62	3	23	-23	-59
11. GROSS NATIONAL EXPENDITURE AT MARKET PRICES.....	5,739	6,540	7,738	6,899	26,916

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:

1955					1956					1957
I	II	III	IV	Year	I	II	III	IV	Year	I
520	390	413	433	1,756	490	394	448	468	1,800	511

NATIONAL PRODUCT, BY QUARTERS, 1955-1957  
of dollars)

1956				1957	
I	II	III	IV	Year	I
3,261	3,510	3,727	3,786	14,284	3,607
93	106	113	112	424	108
1,070	1,276	1,290	1,146	4,782	1,083
-2	111	1,267	232	1,608	36
376	497	537	541	1,951	393
4,798	5,500	6,934	5,817	23,049	5,227
855	909	912	925	3,601	956
710	780	819	842	3,151	778
18	-58	-11	116	65	-23
6,381	7,131	8,654	7,700	29,866	6,938
(6,383)	(7,020)	(7,387)	(7,468)	(28,258)	(6,902)

EXPENDITURE, BY QUARTERS, 1955-1957  
of dollars)

1956				1957	
I	II	III	IV	Year	I
4,202	4,617	4,518	5,219	18,556	4,520
1,189	1,138	1,502	1,380	5,209	1,305
296	422	436	402	1,556	265
436	589	789	735	2,549	540
519	729	629	635	2,512	640
110	24	986	-181	939	58
(377)	(227)	(33)	(105)	(742)	(323)
1,342	1,627	1,719	1,622	6,310	1,398
-1,695	-2,072	-1,935	-1,997	-7,699	-1,811
-18	57	10	-115	-66	23
6,381	7,131	8,654	7,700	29,866	6,938

TABLE 3. SOURCES OF PERSONAL  
(millions)

		1955				Year
		I	II	III	IV	
1.	Wages, Salaries and Supplementary Labour Income.....	2,969	3,150	3,315	3,376	12,810
2.	Deduct: Employer and Employee Contributions to Social Insurance and Government Pension Funds.....	-100	-103	-107	-113	-423
3.	Military Pay and Allowances.....	93	100	101	100	394
4.	Net Income Received by Farm Operators from Farm Production <sup>1</sup> ..	-38	215	1,050	155	1,382
5.	Net Income of Non-Farm Unincorporated Business.....	347	460	478	508	1,793
6.	Interest, Dividends and Net Rental Income of Persons <sup>2</sup> .....	463	489	484	521	1,957
Transfer Payments to Persons:						
7.	From Government (Excluding Interest).....	536	419	391	365	1,731
8.	Charitable Contributions by Corporations.....	6	8	9	8	31
9.	Net Bad Debts Losses of Corporations.....	6	6	7	7	26
10.	PERSONAL INCOME.....	4,282	4,744	5,728	4,947	19,701

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)

		1955				Year
		I	II	III	IV	
Personal Direct Taxes:						
1.	Income Taxes.....	310	336	322	329	1,297
2.	Succession Duties.....	25	25	39	38	127
3.	Miscellaneous.....	25	16	10	16	67
4.	Total Personal Direct Taxes.....	360	377	371	383	1,491
Personal Expenditure on Consumer Goods and Services:						
5.	Non-Durable Goods.....	2,111	2,367	2,348	2,847	9,673
6.	Durable Goods.....	381	545	487	506	1,919
7.	Services <sup>1</sup> .....	1,370	1,402	1,334	1,441	5,547
8.	Total Personal Expenditure on Consumer Goods and Services.....	3,862	4,314	4,169	4,794	17,139
Personal Savings:						
9.	Personal Saving Excluding Farm Inventory Change.....	287	62	423	88	860
10.	Farm Inventory Change.....	-227	-9	765	-318	211
11.	Total Personal Saving.....	60	53	1,188	-230	1,071
12.	PERSONAL INCOME.....	4,282	4,744	5,728	4,947	19,701
13.	(Personal Disposable Income) <sup>2</sup> .....	3,922	4,367	5,357	4,564	18,210

1. Includes net expenditure abroad.

2. Personal Income less Total Personal Direct Taxes.



INCOME, BY QUARTERS, 1955-1957  
of dollars)

1956				Year	1957	
I	II	III	IV		I	
3,261	3,510	3,727	3,786	14,284	3,607	1.
-111	-115	-119	-119	-464	-123	2.
93	106	113	112	424	108	3.
-6	117	1,247	230	1,588	56	4.
376	497	537	541	1,951	393	5.
480	534	517	566	2,097	526	6.
541	419	404	401	1,765	592	7.
7	10	10	8	35	7	8.
6	6	7	7	26	6	9.
4,647	5,084	6,443	5,532	21,706	5,172	10.

INCOME, BY QUARTERS, 1955-1957  
of dollars)

1956				Year	1957	
I	II	III	IV		I	
331	390	382	392	1,495	394	1.
37	49	31	29	146	31	2.
32	20	13	14	79	41	3.
400	499	426	435	1,720	466	4.
2,310	2,506	2,550	3,147	10,513	2,476	5.
428	605	516	512	2,061	457	6.
1,464	1,506	1,452	1,560	5,982	1,587	7.
4,202	4,617	4,518	5,219	18,556	4,520	8.
274	203	573	211	1,261	444	9.
-229	-195	926	-333	169	-258	10.
45	8	1,499	-122	1,430	186	11.
4,647	5,084	6,443	5,532	21,706	5,172	12.
4,247	4,625	6,017	5,097	19,986	4,706	13.

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

	1955				Year
	I	II	III	IV	
1. Wages, Salaries and Supplementary Labour Income.....	12,360	12,672	12,976	13,232	12,810
2. Military Pay and Allowances.....	372	400	404	400	394
3. Investment Income.....	3,864	4,304	4,512	4,676	4,339
Net Income of Unincorporated Business:					
4. Accrued Net Income of Farm Operators from Farm Production <sup>1</sup> ..	1,312	1,448	1,412	1,444	1,404
5. Net Income of Non-Farm Unincorporated Business <sup>2</sup> .....	1,752	1,776	1,812	1,832	1,793
6. NET NATIONAL INCOME AT FACTOR COST.....	19,660	20,600	21,116	21,584	20,740
7. Indirect Taxes less Subsidies.....	3,096	3,192	3,284	3,380	3,238
8. Depreciation Allowances and Similar Business Costs.....	2,772	2,844	2,920	2,976	2,878
9. Residual Error of Estimate.....	204	-12	76	-28	60
10. GROSS NATIONAL PRODUCT AT MARKET PRICES.....	25,732	26,624	27,396	27,912	26,916
11. (Gross National Product at Market Prices excluding Accrued Net Income of Farm Operators).....	(24,420)	(25,176)	(25,984)	(26,468)	(25,512)

1. Includes an arbitrary smoothing of crop production and standard seasonal adjustments for 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.

2. Includes net income of independent professional practitioners.

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

	1955				Year
	I	II	III	IV	
1. Personal Expenditure on Consumer Goods and Services.....	16,488	17,020	17,332	17,716	17,139
2. Government Expenditure on Goods and Services <sup>1</sup> .....	4,632	4,680	4,772	4,828	4,728
Gross Domestic Investments <sup>2</sup>					
3. New Residential Construction .....	1,376	1,444	1,532	1,572	1,481
4. New Non-Residential Construction.....	1,776	1,772	1,856	1,984	1,847
5. New Machinery and Equipment .....	1,748	1,884	2,040	2,116	1,947
6. Change in Inventories.....	380	208	740	712	510
7. (Business Inventories only) <sup>3</sup> .....	(276)	(-16)	(528)	(488)	(319)
8. Exports of Goods and Services.....	5,560	5,680	5,868	5,904	5,753
9. Deduct: Imports of Goods and Services.....	-6,028	-6,080	-6,668	-6,944	-6,430
10. Residual Error of Estimate.....	-200	16	-76	24	-59
11. GROSS NATIONAL EXPENDITURE AT MARKET PRICES.....	25,732	26,624	27,396	27,912	26,916

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 expenditure 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.

NATIONAL PRODUCT, BY QUARTERS, 1955-1957  
AT ANNUAL RATES  
of dollars)

1956				1957		
I	II	III	IV	Year	I	
13,636	14,108	14,560	14,832	14,284	15,076	1.
372	424	452	448	424	432	2.
4,748	4,784	4,736	4,860	4,782	4,788	3.
1,576	1,584	1,568	1,704	1,608	1,388	4.
1,916	1,920	2,012	1,956	1,951	2,008	5.
22,248	22,820	23,328	23,800	23,049	23,692	6.
3,480	3,628	3,604	3,692	3,601	3,880	7.
3,048	3,112	3,176	3,268	3,151	3,340	8.
-50	-10	122	200	65	-2	9.
28,726	29,550	30,230	30,960	29,866	30,910	10.
(27,150)	(27,966)	(28,662)	(29,256)	(28,258)	(29,522)	11.

BY QUARTERS, 1955-1957  
AT ANNUAL RATES  
of dollars)

1956				1957		
I	II	III	IV	Year	I	
17,936	18,284	18,808	19,196	18,556	19,492	1.
4,700	5,192	5,548	5,396	5,209	5,360	2.
1,584	1,612	1,548	1,480	1,556	1,420	3.
2,228	2,476	2,664	2,828	2,549	2,764	4.
2,268	2,452	2,624	2,704	2,512	2,828	5.
1,284	824	540	1,108	939	608	6.
(992)	(856)	(396)	(724)	(742)	(560)	7.
6,156	6,392	6,348	6,344	6,310	6,416	8.
-7,480	-7,692	-7,728	-7,896	-7,699	-7,980	9.
50	10	-122	-200	-66	2	10.
28,726	29,550	30,230	30,960	29,866	30,910	11.



TABLE 7. SOMEONE OF PERSONAL  
SEASONALLY ADJUSTED  
(millions)

		1955				Year
		I	II	III	IV	
1.	Wages, Salaries and Supplementary Labour Income.....	12,360	12,672	12,976	13,232	12,810
2.	Deduct: Employer and Employee Contributions to Social Insurance and Government Pension Funds.....	-408	-416	-428	-440	-423
3.	Military Pay and Allowances.....	372	400	404	400	394
4.	Net Income Received by Farm Operators from Farm Production <sup>1</sup> ..	1,224	1,516	1,360	1,428	1,382
5.	Net Income of Non-Farm Unincorporated Business.....	1,752	1,776	1,812	1,832	1,793
6.	Interest, Dividends and Net Rental Income of Persons <sup>2</sup> .....	1,968	1,880	1,976	2,004	1,957
Transfer Payments to Persons:						
7.	From Government (Excluding Interest).....	1,760	1,756	1,708	1,700	1,731
8.	Charitable Contributions by Corporations.....	24	32	36	32	31
9.	Net Bad Debt Losses of Corporations.....	24	24	28	28	26
10.	PERSONAL INCOME.....	19,076	19,640	19,872	20,216	19,701

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)

		1955				Year
		I	II	III	IV	
Personal Direct Taxes:						
1.	Income Taxes.....	1,308	1,236	1,320	1,324	1,297
2.	Succession Duties.....	100	100	156	152	127
3.	Miscellaneous.....	64	64	64	76	67
4.	Total Personal Direct Taxes.....	1,472	1,400	1,540	1,552	1,491
Personal Expenditure on Consumer Goods and Services:						
5.	Non-Durable Goods.....	9,324	9,612	9,760	9,996	9,673
6.	Durable Goods.....	1,720	1,916	2,008	2,032	1,919
7.	Services <sup>1</sup> .....	5,444	5,492	5,564	5,688	5,547
8.	Total Personal Expenditure on Consumer Goods and Services.....	16,488	17,020	17,332	17,716	17,139
9.	Total Personal Saving.....	1,116	1,220	1,000	948	1,071
10.	PERSONAL INCOME.....	19,076	19,640	19,872	20,216	19,701
11.	(Personal Disposable Income) <sup>2</sup> .....	17,604	18,240	18,332	18,664	18,210

1. Includes net expenditure abroad.

2. Personal Income less Total Personal Direct Taxes.

INCOME, BY QUARTERS, 1955-1957  
AT ANNUAL RATES  
of dollars)

1956				1957	
I	II	III	IV	Year	I
13,636	14,108	14,560	14,832	14,284	15,076
-452	-464	-476	-464	-464	-504
372	424	452	448	424	432
1,560	1,608	1,488	1,696	1,588	1,468
1,916	1,920	2,012	1,956	1,951	2,008
2,044	2,056	2,112	2,176	2,097	2,240
1,772	1,752	1,768	1,768	1,765	1,940
28	40	40	32	35	28
24	24	28	28	26	24
20,900	21,468	21,984	22,472	21,706	22,712

INCOME, BY QUARTERS, 1955-1957  
AT ANNUAL RATES  
of dollars)

1956				1957	
I	II	III	IV	Year	I
1,392	1,432	1,564	1,592	1,495	1,664
148	196	124	116	146	124
76	80	88	72	79	104
1,616	1,708	1,776	1,780	1,720	1,892
10,196	10,272	10,668	10,916	10,513	11,132
1,948	2,100	2,112	2,084	2,061	2,052
5,792	5,912	6,028	6,196	5,982	6,308
17,936	18,284	18,808	19,196	18,556	19,492
1,348	1,476	1,400	1,496	1,430	1,328
20,900	21,468	21,984	22,472	21,706	22,712
19,284	19,760	20,208	20,692	19,986	20,820

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

		1955				Year
		I	II	III	IV	
1.	Personal Expenditure on Consumer Goods and Services.....	3,255	3,663	3,537	4,070	14,525
2.	Non-Durable Goods.....	1,909	2,136	2,114	2,565	8,724
3.	Durable Goods.....	346	506	466	474	1,792
4.	Services.....	1,000	1,021	957	1,031	4,009
5.	Government Expenditure on Goods and Services.....	873	757	951	883	3,464
Gross Domestic Investment:						
6.	New Residential Construction.....	197	287	323	317	1,124
7.	New Non-Residential Construction.....	275	319	402	368	1,364
8.	New Machinery and Equipment.....	324	457	392	382	1,555
9.	Change in Inventories.....	-185	-94	1,057	-392	386
10.	(Business Inventories only).....	(144)	(-13)	(12)	(-33)	(110)
11.	Exports of Goods and Services.....	1,084	1,249	1,366	1,299	4,998
12.	Deduct: Imports of Goods and Services.....	-1,246	-1,443	-1,489	-1,543	-5,721
13.	Residual Error of Estimate.....	-50	2	18	-18	-48
14.	GROSS NATIONAL EXPENDITURE.....	4,527	5,197	6,557	5,366	21,647

1. See footnotes, Table 2.

2. The implicit price deflators of the components of Gross National Expenditure which can be derived by dividing the value figures in Table 2 by the volume figures in Table 9 are not suitable as indicators of quarter-to-quarter price movements. This is because they are currently weighted, and are therefore affected by compositional shifts which occur within the components of the Gross National Expenditure on a quarter-to-quarter basis. Year-over-year comparisons are less subject to the problem of shifting weights at the component levels of Gross National Expenditure. It should be noted that no implicit deflator can be derived for Gross National Expenditure as a whole without first making allowance for the inventory valuation adjustment.



CONSTANT DOLLARS, BY QUARTERS, 1955-1957  
 FOR SEASONALITY 1, 2  
 of dollars)

1956				1957	
I	II	III	IV	Year	I
3,533	3,888	3,764	4,317	15,502	3,666
2,092	2,259	2,268	2,771	9,390	2,169
395	559	483	465	1,902	402
1,046	1,070	1,013	1,081	4,210	1,095
845	781	1,046	945	3,617	862
219	310	318	293	1,140	182
307	412	551	508	1,778	369
396	555	476	463	1,890	463
-49	-141	1,134	-325	619	-70
(259)	(111)	(-28)	(26)	(368)	(239)
1,143	1,377	1,451	1,367	5,338	1,164
-1,455	-1,782	-1,675	-1,725	-6,637	-1,528
-14	44	8	-90	-52	27
4,925	5,444	7,073	5,753	23,195	5,135

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