

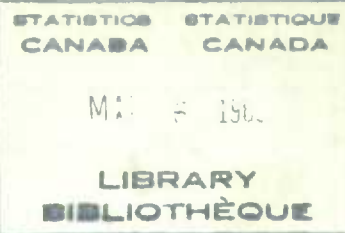
CATALOGUE No.

13-001

QUARTERLY



CANADA



NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
SECOND QUARTER

1959

1954-57

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Published by Authority of

The Honourable Gordon Churchill, Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS

Research and Development Division

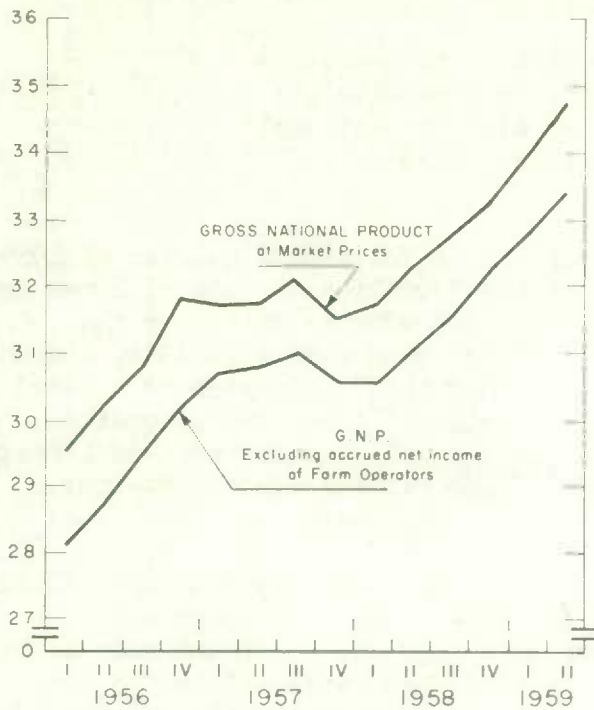
National Income Section

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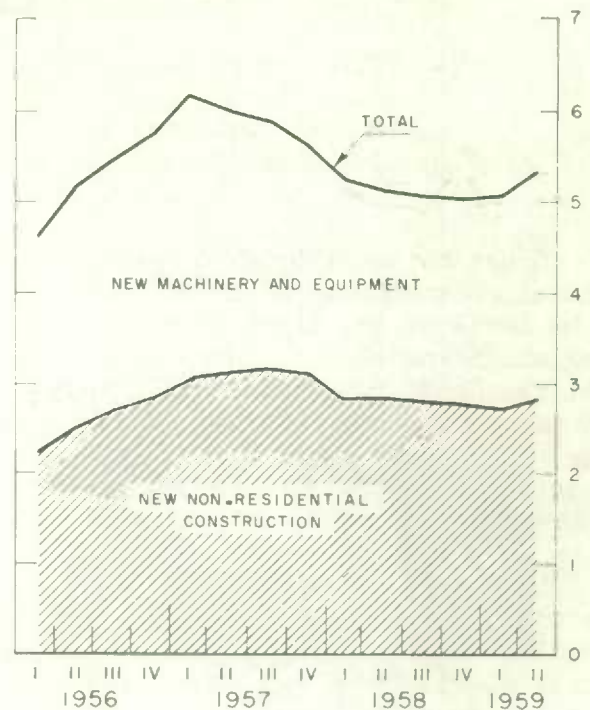
Prices \$2.00 per year

The Queen's Printer and Controller of Stationery, Ottawa. 1959

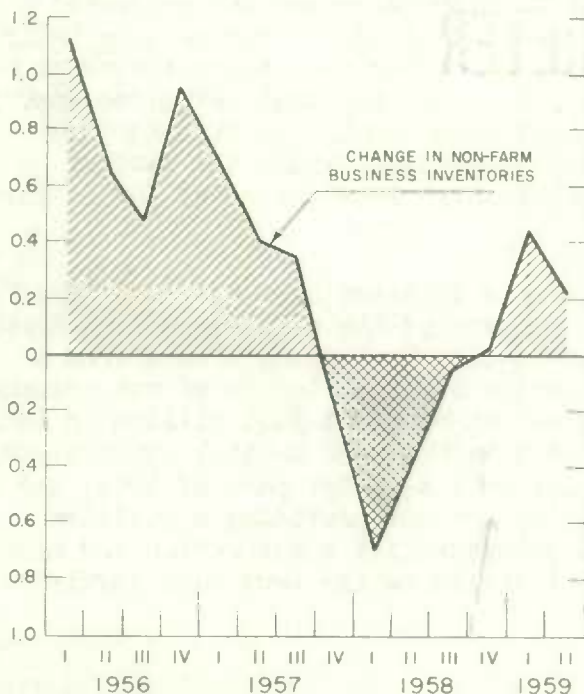
GROSS NATIONAL PRODUCT SHOWED A FURTHER
SUBSTANTIAL GAIN IN THE SECOND QUARTER
BILLIONS OF DOLLARS



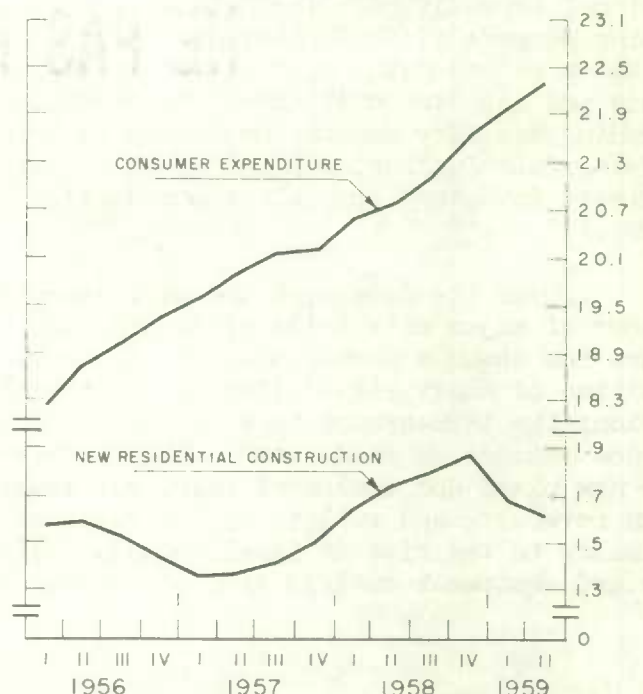
BUSINESS OUTLAYS FOR PLANT AND
EQUIPMENT TURNED UPWARD AFTER
AN EXTENDED PERIOD OF DECLINE
BILLIONS OF DOLLARS



STOCK—PILING OF BUSINESS INVENTORIES
CONTINUED, BUT AT A REDUCED RATE
BILLIONS OF DOLLARS



CONSUMER EXPENDITURES SHOWED A SMALL
ADVANCE, BUT OUTLAYS FOR NEW HOUSING
CONTINUED TO DECLINE
BILLIONS OF DOLLARS



(IN ALL CHARTS DATA ARE SEASONALLY ADJUSTED AT ANNUAL RATES)

INTRODUCTORY REVIEW

(This report incorporates revisions to quarterly data for the years 1955-1958, in line with the annual revisions published earlier in "National Accounts, Income and Expenditure, 1958").

Gross National Product continued to advance in the second quarter of 1959, and was at a seasonally adjusted annual rate of \$34.7 billion, a gain of 2 per cent over the level of the first quarter. This most recent advance continues the upswing which was showing increasing vigour in the closing months of 1958, and has brought the Gross National Product in the second quarter of this year to a level some 7 per cent above the same quarter one year earlier. As in the preceding quarter, the second quarter gain in Gross National Product was represented largely by an increase in the physical volume of goods and services produced; however, final product prices were fractionally higher during the quarter.

Business outlays for new plant and equipment made an important contribution to the rise in Gross National Product during the second quarter. Both non-residential construction and investment in new machinery and equipment rose above the first quarter by 5 per cent, on a seasonally adjusted basis. This was the first significant increase in business capital expenditures since the two-year decline which began in the early part of 1957. (See chart at left.) The reversal in trend in this important component of final demand represents a new expansionary element in the current business upswing. Partly as a result of special factors, exports of goods and services, which were down in the first quarter, rose sharply in the second quarter, accounting for more than half of the rise in total Gross National Expenditure. The gain in exports was fairly widespread and reflected rising demands of the United States economy for Canadian export goods, especially in the wood and metal products groups. Personal and government expenditures on goods and services continued to rise in the quarter, but the advance in consumer spending was very modest, amounting to only about 1 per cent. Outlays for new housing fell further, continuing the first quarter decline, while the rate of business inventory accumulation moderated from the high level recorded in the first quarter.

Over the course of the past year, reversals in trend have occurred in a number of major categories of demand, and the pattern of the nation's total expenditure has shown a marked change. Business inventories have swung around from a position of heavy liquidation in the second quarter of 1958, to one of net accumulation; the turn-around here has been the equivalent of about \$0.6 billion in terms of new demands on production. The downward drift in business capital expenditure for new plant and equipment which was moderating in the latter part of 1958, has been reversed, and outlays by the business sector are now providing a positive stimulus to the rise in final demand. Both non-residential construction and machinery and equipment outlays are, of course, still far below the very high levels

reached at the peak of the capital investment boom in 1957; but machinery and equipment outlays in the second quarter were running 10 per cent above year-ago levels, while non-residential construction outlays were only a little below the second quarter of last year. Recovery in the general pace of business activity has been accompanied, as in the past, by a reversal in the trend of imports; after declining by 10 per cent from early in 1957 to a low point in early 1958, imports of goods and services have turned sharply upward in the past twelve months, and are now running 9 per cent above year-ago levels. Outlays for new housing, which rose by 40 per cent from the first quarter of 1957 to the end of 1958 and provided a strong sustaining force throughout the recession period, have now been moving downward for two quarters. These reversals in trend in major categories of Gross National Expenditure during the past twelve months have produced a pattern in the over-the-year comparisons 1958 to 1959 which differs sharply from that of the preceding 12-month period. The following table provides some perspective of the nature and magnitude of these shifts in the nation's spending pattern:-

	Change, 2Q 1957 to 2Q 1958 %	Change, 2Q 1958 to 2Q 1959 %	Annual Averages 6 mos. 1959 Compared With Full Year, 1958 %
Personal Expenditure.....	4.3%	6.6%	4.8%
Government Expenditure.....	7.5%	7.2%	5.7%
Residential Construction.....	27.3%	-6.9%	-6.2%
Non-Residential Construction..	-8.1%	-0.4%	-0.6%
Machinery and Equipment.....	-22.8%	9.9%	4.0%
Exports.....	1.6%	5.7%	3.3%
Total Final Demand.....	2.1%	5.6%	3.8%
Inventories.....	(\$-0.9 b.)	(\$+0.7 b.)	(\$+0.7 b.)
(Business Only).....	(\$-0.8 b.)	(\$+0.6 b.)	(\$+0.6 b.)
Imports.....	-8.5%	9.3%	6.2%
Gross National Product....	1.7%	7.5%	5.7%
GNP - 1949 Constant Dollars..	-0.7%	5.5%	n.a.
Price Component of G.N.P.....	2.4%	1.9%	n.a.

The flow of income to the personal, business, and government sectors during the past twelve months has also been marked by changes in the trend of important income components, and by shifts in the compositional pattern of the income aggregates. There has been a sharp change in the composition of personal income as between the proportion derived from productive activity (notably wages and salaries), and the proportion arising through transfer payments from government. From the second quarter of 1957 to the second quarter of 1958, transfer payments accounted for more than 49 per cent of the rise in total personal income. However, between the second quarter of 1958 and the second quarter of 1959, transfer payments accounted for only 11 per cent of the rise in total personal income, with the remainder of the increase coming from gains in those income components which are linked directly to productive activity. Labour income, for example, has shown an over-the-year gain of 8 per cent in 1959, compared with a much smaller gain of less than 3 per cent in the preceding 12-month period. Turning to the business sector, corporation profits have shown a sharp reversal in trend during the past twelve months; having declined steadily from a peak early in 1956, they turned sharply upward in the third and fourth quarters of

1958, and have shown little change in either direction in the first half of 1959. In the second quarter of this year they were running 23 per cent above year-ago levels, compared with a decline of 14 per cent in the same comparison made one year earlier. The sharp rise in profits during the past year, and the lesser role of transfer payments as a component of personal income, has altered the relationship between national income and personal income. Whereas a year ago, personal income was rising at a much more rapid rate than national income, in the current period personal income has lagged slightly behind the advance in national income.

Selected Personal and Business Income Components	Change, 2Q 1957 to 2Q 1958 %	Change, 2Q 1958 to 2Q 1959 %	Annual Averages 6 mos. 1959 Compared With Full Year, 1958 %
1. Wages and Salaries.....	2.5%	8.0%	6.8%
2. Transfer Payments.....	37.0%	7.8%	4.3%
3. Personal Income.....	6.3%	7.5%	6.1%
4. Corporation Profits Before Taxes.....	-13.8%	23.2%	13.1%
5. Rent, Interest, & Miscellaneous Investment Income.....	1.9%	11.0%	4.7%
6. Net Income, Non-Farm Unincor- porated Business.....	2.8%	4.5%	1.5%
7. National Income.....	2.4%	8.1%	6.3%
Selected Government Revenues (All Levels of Government)			
8. Direct Personal Taxes.....	-13.6%	22.2%	
9. Corporation Tax Liabilities....	-13.0%	25.1%	
10. Indirect Taxes.....	-0.9%	10.0%	
Total.....	-6.7%	15.8%	

One of the striking developments of the current period of expansion has been the sharp recovery in the flow of tax revenues to the government sector. From the second quarter of 1957 through to the second quarter of 1958, the decline in tax revenues from the three major tax sources amounted to almost 7 per cent, for all levels of government combined. From the second quarter of 1958 through to the second quarter of 1959, the rise in revenues from these three sources has amounted to about 16 per cent, reflecting the recovery in profits, higher employment and earnings, a higher level of imports, sales and shipments, and increases in tax rates. About three-fourths of the rise in revenues during the past twelve months represents higher revenues collected by, or accruing to the Federal government.

Production and Employment

Unlike the first quarter when a large part of the rise in production was concentrated in mining and durable manufacturing, the expansion in output in the second quarter (seasonally adjusted), was registered on a broad front. As in the past, support continued to come from the service industries but the major part of the over-all gain in real output originated in the goods-producing industries. Output in construction rose fractionally, reflecting the increase in non-residential construction.

Although the changes in production in the individual manufacturing industries were quite varied, both durables and non-durables recorded gains in excess of 2 per

cent. Small losses were recorded in tobacco products, products of petroleum and coal, chemicals, transportation equipment and electrical apparatus and supplies. Advances in production ranging from 2 to 9 per cent occurred in the food, rubber, wood products, paper products, printing and publishing, iron and steel, textiles, clothing, beverages, leather and non-ferrous metals industries.

Trends in output of the various metals and minerals were extremely mixed, making for a rate of increase in mining output as a whole which was small compared with that of the first quarter when the settlement of industrial disputes contributed to a substantial increase. Production in forestry continued to rise moderately.

The increase in real output in the first half of the year compared with the first half of 1958 amounted to 5 per cent, with the goods-producing industries and the service-producing industries showing about the same rate of gain. Output in construction was lower, but all other industries increased their output. Among the gains recorded are 6 per cent in trade, 9 per cent in forestry, and 7 per cent in both mining and manufacturing.

The 5 per cent advance in the physical volume of goods and services produced in the first half of 1959 was accompanied by a rise in employment amounting to about 2.5 per cent. Thus, production has risen at about twice the rate of employment over the course of the past year. A significant advance in output per worker is not unusual in the early stages of an expansion, and a similar development has characterized the recovery in the United States. This same phenomenon was noted in Canada in the early phases of the 1954-1955 recovery.

The survey of establishments, while not comprehensive in coverage as is the Labour Force Survey, provides some interesting detail on the changes in employment by industry between the two years. Compared with the same period a year ago, in the first six months of 1959 the industrial composite index was higher by close to 1 per cent, the changes in both directions being small in all the industrial divisions. Trade, finance, insurance and real estate, and the service group show gains in employment of around 2 per cent, as does the non-durable segment of manufacturing. Employment in durable manufacturing and transportation, communication and storage was down about 1 per cent while employment in mining shows the largest change of all, a decline of 3 per cent. In spite of the extent of the improvement in the employment situation, by June of this year, the mining and manufacturing indexes, seasonally adjusted, had not regained their pre-recession levels.

On a seasonally adjusted basis, the rise in employment from the first to second quarter of this year amounted to about 1 per cent, still somewhat short of the rise in output. The number of persons without jobs and seeking work continued to show a more than seasonal decline.

Gross Fixed Capital Formation

Renewed expansion in business expenditures on plant and equipment gave an impetus to economic activity in the second quarter. Rising to a seasonally adjusted annual rate of \$5,344 million, they were 5 per cent higher than in the first quarter; both components showed about the same rate of increase. The expansion in outlays for machinery and equipment coincided with and was supported by a rise in imports. Outlays for non-residential construction and for machinery and equipment, particularly the latter, were still far short of the levels reached during the investment boom of 1957.

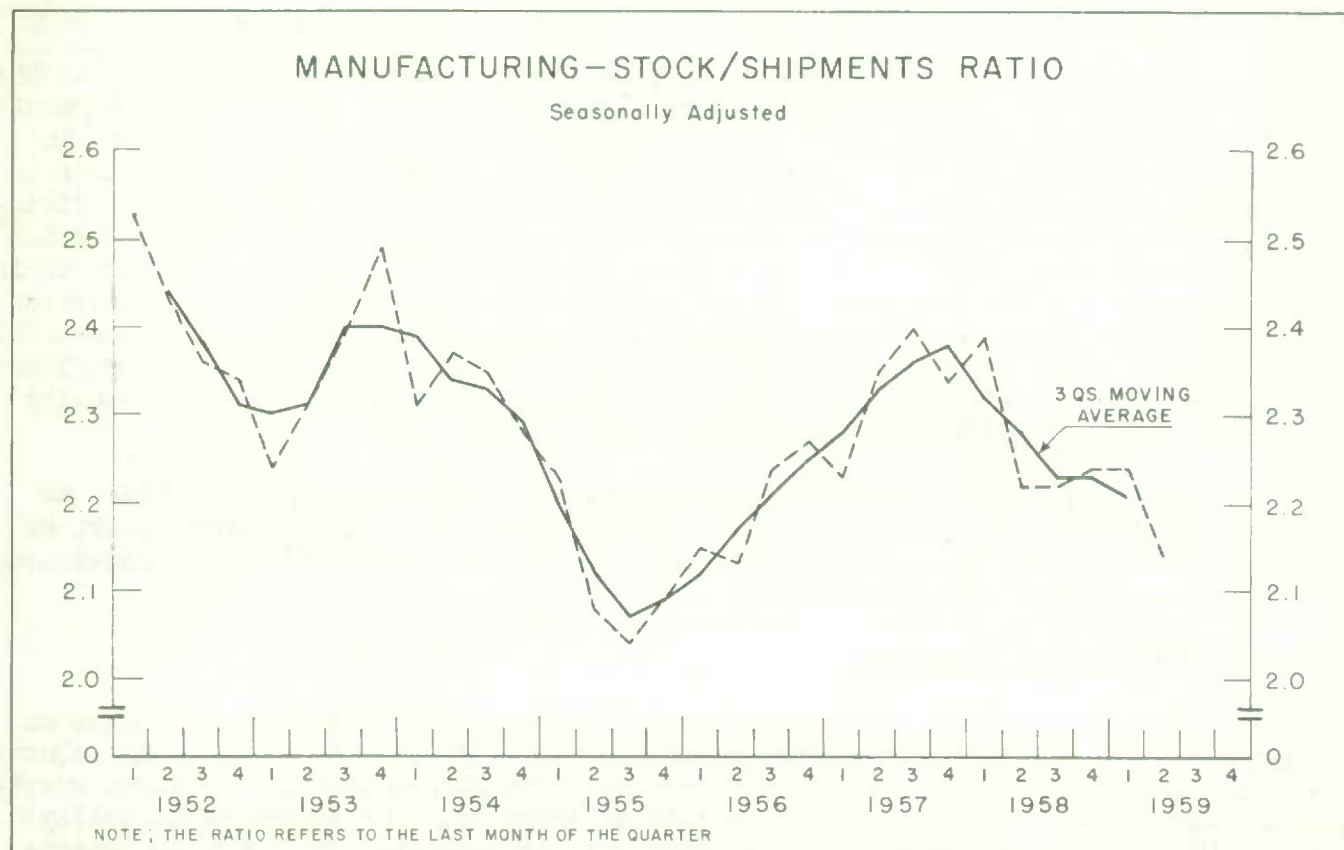
The over-all rise in expenditures on fixed investment was dampened by a further drop in outlays for housing. Housing starts continued to decline from the record rate of 1958 and outlays in the second quarter were 4 per cent below those of the first quarter and 8 per cent below the 1958 average.^{1/}

While expenditures on gross fixed capital formation in the first half of 1959 were almost at the level of the same period a year earlier, the composition of the total had changed appreciably. The upswing in outlays for machinery and equipment had raised this component 4 per cent; both residential construction and non-residential construction were running 2 to 3 per cent lower.

The mid-year survey of investment intentions provided evidence of an improvement in the state of business confidence. Where investment plans had been revised, revisions for the most part were in an upward direction and more new projects were being initiated than had been the case a year earlier. Recent figures on employment, value of industrial and commercial building permits, and new orders and shipments all point to renewed strength in the business investment sector.

Change in Business Inventories

The trend toward restocking of business inventories, which began in the closing quarter of 1958, continued in the second quarter of 1959. However, the rate of accumulation was considerably lower than in the first quarter, largely as a result of the behaviour of stocks of automobiles; sales of motor vehicle dealers kept



1. In 1959, a new sample survey of housing starts and completions was instituted in areas outside the centres of 5,000 population and over. It is possible that the decline indicated in the present value figures may be somewhat over-stated because of the change to the new sample survey.

pace with deliveries in contrast to a substantial accumulation of stocks in the first quarter. Manufacturers' shipments and wholesalers' sales both rose in the second quarter, and the further build-up of stocks in these industries presumably reflects an effort by businessmen to maintain appropriate stock sales ratios. However, stocks sales ratios continued to decline in the second quarter in manufacturing and in retail trade but remained unchanged in wholesale trade.

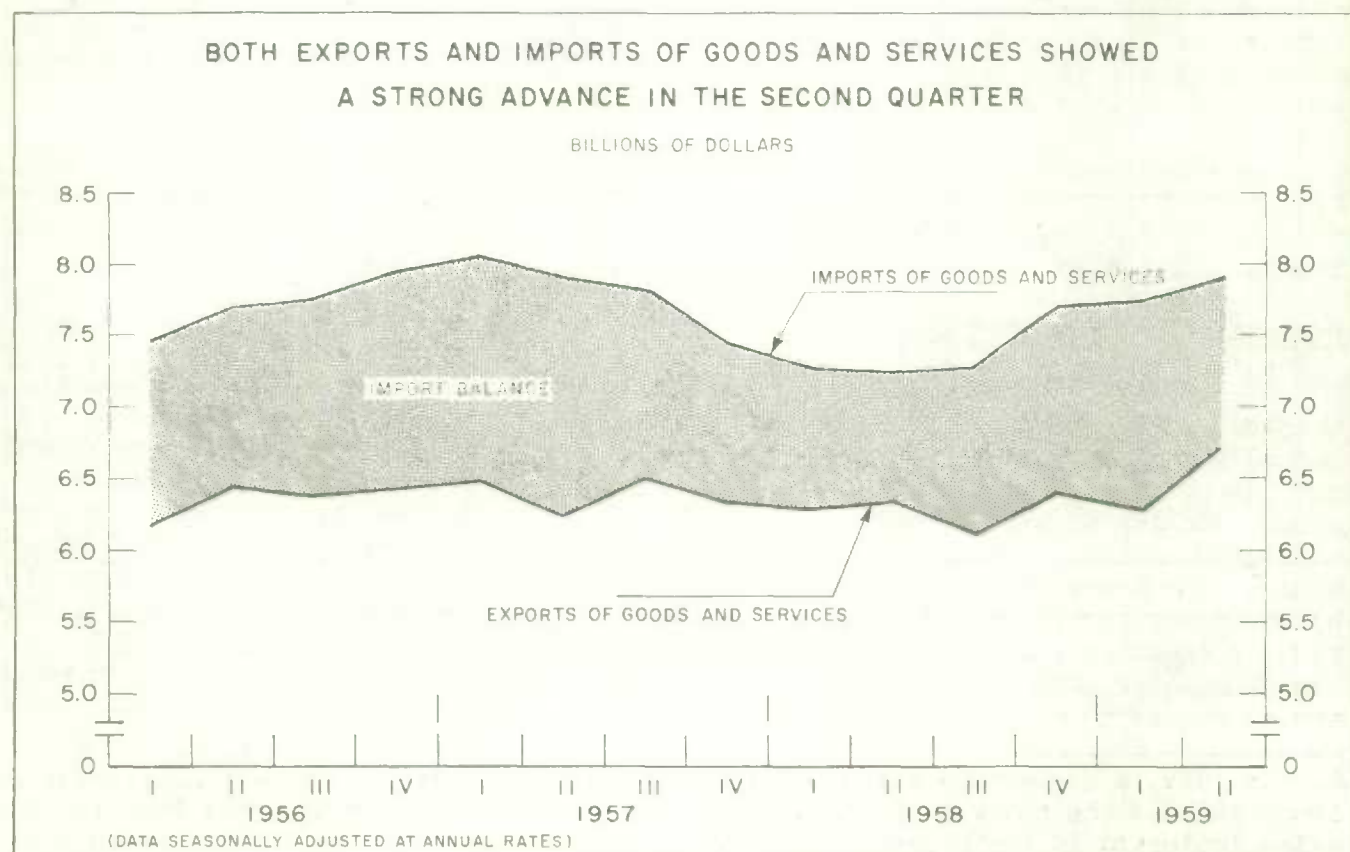
Manufacturers' inventories continued to accumulate in the second quarter but at a lower rate. The build-up was the result of small but widespread increases in the durable goods industries. In the non-durable lines manufacturers on balance liquidated stocks, the most pronounced liquidation being in the leather, paper products and clothing industries.

Retailers' inventories remained much the same in the second quarter, after having been built up substantially in the first. This development was mainly the result of the movement of stocks of motor vehicle dealers mentioned earlier.

The heaviest accumulation occurred in the hands of wholesale traders whose stocks, particularly in construction and building materials and in industrial machinery and commercial equipment, showed substantial gains. The accumulations occurring in the above-mentioned durable groups reflect a combination of the higher level of investment in machinery and equipment, sharp increases in imports and the possibility of an interruption in supplies of steel from the United States.

Exports and Imports of Goods and Services

Exports of goods and services, seasonally adjusted, rose by 6 1/2 per cent in the second quarter; while this is one of the largest quarter-to-quarter gains in several years, it reflects an exceptionally high level of commodity exports in the



month of June. Advances were recorded in both the merchandise and service items in the second quarter. Within the merchandise total, increases were fairly general among commodity groups, with the most pronounced gains occurring in wood and wood products, non-ferrous metals, and animal products, when seasonal factors are taken into account. Commodity exports to the United States were at an all-time record.

In the first half of this year, merchandise exports have averaged about 2 per cent above the same period one year ago. Gains in some commodity groups have been partially offset by losses in others. The increases were concentrated in such minerals as uranium, iron ore and asbestos, in such forest products as lumber, wood-pulp, plywood and veneer, and in farm machinery. The declines have occurred in such farm products as wheat and other grains, in such metals and mineral products as nickel, copper and petroleum, and in aircraft and some chemicals. In 1958, exports of wheat and military aircraft in particular had been unusually high by reason of government loans and foreign contracts. The first half-year comparison shows a sharp recovery in shipments to the United States offsetting a decline in sales to most major overseas markets.

Imports of goods and services, seasonally adjusted, continued to rise in the second quarter, advancing by 2 1/2 per cent from the first quarter and attaining the highest level since the first quarter of 1957. All of the increase is attributable to the merchandise items.

Merchandise imports were nearly 4 per cent above the first quarter, on a seasonally adjusted basis, with the increases fairly general among the commodity groups. However, much the largest gain occurred in iron and its products, reflecting not only the rising tempo of economic activity in Canada, but also some stock-piling of steel in anticipation of a work stoppage in the United States.

In the first half of 1959, merchandise imports have been running 10 per cent above the levels of the same period one year ago. The increases have again been fairly widespread among industrial materials, consumer goods, and some types of industrial equipment. Gains in automobiles, farm implements, and machinery and metal products have been prominent among the year-to-year increases.

While the unusually sharp advance in exports of goods and services brought some narrowing of the deficit on current international account in the second quarter, for the first half of 1959, the deficit has averaged more than one-third higher than in the same period a year ago.

Personal Income and Saving

The flow of income to the personal sector continued upward in the second quarter, rising by 2 per cent, on a seasonally adjusted basis. All components showed gains over the first quarter, with the exception of interest, dividends, and net rental income of persons, where a drop in dividend payments brought about a slight decline in the aggregate. The gain in net income received by farm operators reflected in large part higher adjustment payments to farmers by the Canadian Wheat Board. The increase in transfer payments from government reflected higher payments by the provinces to hospitals under the new national hospital insurance scheme. The rise in labour income, the major component of personal income, was substantial, though smaller than in the first quarter; developments in this component of income are discussed in a later section.

In the first two quarters of this year, disposable income has advanced less rapidly than personal income, as payments of direct personal taxes have risen sharply and have absorbed an increasing share of the income flow. At the same time, however, the rise in consumer spending has fallen short of the rise in disposable income, and the rate of personal saving has continued to advance. In the first half of 1959, personal saving has averaged 7.8 per cent of disposable income, compared with 7.4 per cent in the first half of the year 1958, and 7.0 per cent for the year 1958 as a whole.

Labour Income

Labour income, seasonally adjusted, advanced a further 1 1/2 per cent in the second quarter. The rate of increase was small compared with the first quarter when the cyclical upward trend in the wage-bill, reinforced by such special factors as the termination of industrial disputes and retroactive payments to non-operating employees of the railways, made for the largest quarter-to-quarter gain in several years. Whether measured by the comprehensive labour force survey or the more restricted industrial composite index, employment increased by about 1 per cent between the two quarters, on a seasonally adjusted basis. Thus the gain in labour income continues to reflect some advance in average earnings.

In the second quarter, trends in labour income in the individual industries coincided fairly closely with the trend of labour income as a whole, in contrast to several recent quarters of conflicting and divergent movements. There were gains of 1 to 2 per cent in all industries except forestry and transportation, communication and storage. Labour income in forestry was unchanged and it declined moderately in transportation, communication and storage, reflecting the retroactive wage increase which had swollen first quarter earnings in that industry.

By comparison with the first half of 1958, labour income in the same period of this year advanced 8 per cent. The gains were fairly substantial in almost all industries. Mining is an important exception; as a result of the lower level of employment the wage-bill in this industry showed little change from a year earlier. Labour income in manufacturing was higher by 5 per cent, reflecting a slight gain in employment, some increase in hours of work and higher average earnings. Relatively large gains occurred in the service industries.

Personal Expenditure on Consumer Goods and Services

Personal expenditure on consumer goods and services showed a modest gain in the second quarter, advancing by about 1 per cent over the level of the first quarter, on a seasonally adjusted basis. Since consumer prices on the whole were unchanged, this increase represents an equivalent gain in real consumption.

Most of the advance in personal spending is attributable to durables which were up about 2 per cent, that is, much the same rate of increase as in the first quarter. Almost all categories of durables recorded small gains.

Purchases of non-durables rose rather less than 1 per cent, reflecting mixed and largely offsetting changes in the various groups; tobacco and alcoholic beverages and footwear were the principal items where purchasing increased, and fuel and clothing the principal items where declines were registered.

Expenditure on services in the second quarter was virtually unchanged. This stability reflected a large decline in net expenditures abroad offsetting gains in other service items.

By comparison with the first half of 1958, the first half of 1959 shows a distinct shift in the pattern of consumer spending. The rate of increase in purchases of durables (11 1/2 per cent), is large relative to the 6 1/2 per cent increase in total spending. Purchases of automobiles account for the major part of the increase in durables. Spending for services rose nearly 8 per cent, but spending on non-durables was only 4 1/2 per cent higher. The major categories such as food, clothing and tobacco and alcoholic beverages show rates of increase that range from 3 to 5 1/2 per cent.

In the first half of 1959, total per capita consumption in real terms was close to 3 per cent higher than in the same period of 1958; real per capita consumption of durables was higher by 5 per cent and on non-durables and services rather more than 2 per cent.

Corporation Profits and Other Investment Income

In the second quarter of 1959, as in the first, corporate profits, seasonally adjusted, showed very little change from the high level reached at the end of 1958. Most manufacturing industries earned larger profits, the most pronounced gains being in iron and steel and in wood, paper, printing, and publishing and allied industries. Two groups of industries -- mining, quarrying and oil wells, and transportation, communication and storage -- both reported higher capital cost allowances with the result that their net profits were down substantially. In other industries, changes in profits were mixed and offsetting.

In the first half of 1959, corporation profits have been running at a level about 22 per cent above the same period a year ago. The stepped-up pace of economic activity has brought about a striking rise in profits in almost all industries, including manufacturing, 21 per cent; mining, quarrying and oil wells, 32 per cent; wholesale trade, 32 per cent; retail trade, 8 per cent. The level of corporation profits in the second quarter, at a seasonally adjusted annual rate of \$2.8 billion, was not far below the peak of \$2.9 billion reached in the first half of 1956.

Rents, interest, and miscellaneous investment income, seasonally adjusted, rose by about 2 per cent in the second quarter, reflecting advances in rental incomes and in the trading profits of government business enterprises. In the first half of 1959, this component of national income has been running about 12 per cent above the level of the previous year.

TABLE 1. NATIONAL INCOME AND
millions

	1954				Year
	I	II	III	IV	
1. Wages, Salaries, and Supplementary Labour Income	2,965	3,076	3,201	3,190	12,432
2. Military Pay and Allowances	83	92	95	97	367
3. Corporation Profits before Taxes ¹	411	538	563	451	1,963
4. Rent, Interest, and Miscellaneous Investment Income ..	345	351	398	417	1,511
5. Accrued Net Income of Farm Operators from Farm Production ²	40	111	735	131	1,017
6. Net Income of Non-Farm Unincorporated Business ³	329	423	427	477	1,656
7. Inventory Valuation Adjustment ⁴	38	15	27	6	86
8. NET NATIONAL INCOME AT FACTOR COST	4,211	4,606	5,446	4,769	19,032
9. Indirect Taxes less Subsidies	724	741	734	748	2,947
10. Capital Consumption Allowances and Miscellaneous Valuation Adjustments	671	732	734	768	2,905
11. Residual Error of Estimate	-80	3	25	39	-13
12. GROSS NATIONAL PRODUCT AT MARKET PRICES	5,526	6,082	6,939	6,324	24,871
13. (Gross National Product at Market Prices excluding Accrued Net Income of Farm Operators)	(5,486)	(5,971)	(6,204)	(6,193)	(23,854)

	1957				Year
	I	II	III	IV	
1. Wages, Salaries, and Supplementary Labour Income	3,782	4,004	4,174	4,036	15,996
2. Military Pay and Allowances	108	116	131	121	476
3. Corporation Profits before Taxes ¹	559	754	700	534	2,547
4. Rent, Interest, and Miscellaneous Investment Income ..	469	465	483	488	1,905
5. Accrued Net Income of Farm Operators from Farm Production ²	1	86	784	125	996
6. Net Income of Non-Farm Unincorporated Business ³	425	519	524	543	2,011
7. Inventory Valuation Adjustment ⁴	-39	-26	-9	3	-71
8. NET NATIONAL INCOME AT FACTOR COST	5,305	5,918	6,787	5,850	23,860
9. Indirect Taxes less Subsidies	962	972	976	938	3,848
10. Capital Consumption Allowances and Miscellaneous Valuation Adjustments	960	1,021	1,011	1,002	3,994
11. Residual Error of Estimate	-80	-81	80	152	71
12. GROSS NATIONAL PRODUCT AT MARKET PRICES	7,147	7,830	8,854	7,942	31,773
13. (Gross National Product at Market Prices excluding Accrued Net Income of Farm Operators)	(7,146)	(7,744)	(8,070)	(7,817)	(30,777)

1. Excludes dividends paid to non-residents.

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

3. Includes net income of independent professional practitioners.

4. See footnote 3, Table 2.

GROSS NATIONAL PRODUCT, BY QUARTERS, 1954-1959
of dollars)

1955				1956						
I	II	III	IV	Year	I	II	III	IV	Year	
3,086	3,261	3,429	3,447	13,223	3,402	3,679	3,906	3,903	14,890	1.
92	100	101	101	394	93	106	113	112	424	2.
444	699	776	651	2,570	611	836	798	663	2,908	3.
396	417	425	446	1,684	422	440	439	466	1,767	4.
-5	144	1,035	90	1,264	-18	119	1,202	147	1,450	5.
357	462	471	501	1,791	397	510	511	547	1,965	6.
-38	-34	-55	-62	-189	-48	-89	-50	-51	-238	7.
4,332	5,049	6,182	5,174	20,737	4,859	5,601	6,919	5,787	23,166	8.
755	800	831	851	3,237	865	916	923	932	3,636	9.
754	818	835	859	3,266	827	908	946	961	3,642	10.
-35	-63	-35	25	-108	13	-98	38	188	141	11.
5,806	6,604	7,813	6,909	27,132	6,564	7,327	8,826	7,868	30,585	12.
(5,811)	(6,460)	(6,778)	(6,819)	(25,868)	(6,582)	(7,208)	(7,624)	(7,721)	(29,135)	13.

1958				1959			
I	II	III	IV	Year	I	II	
3,864	4,104	4,252	4,214	16,434	4,170	4,439	1.
117	126	125	123	491	118	129	2.
462	662	685	666	2,475	573	813	3.
465	473	533	555	2,026	525	521	4.
10	133	877	137	1,157	11	166	5.
431	533	551	604	2,119	457	548	6.
-18	10	16	-37	-29	-30	-36	7.
5,331	6,041	7,039	6,262	24,673	5,824	6,580	8.
944	962	963	989	3,858	991	1,049	9.
955	1,002	979	987	3,923	963	1,075	10.
-141	-40	120	116	55	-138	-139	11.
7,089	7,965	9,101	8,354	32,509	7,640	8,565	12.
(7,079)	(7,832)	(8,224)	(8,217)	(31,352)	(7,629)	(8,399)	13.

TABLE 2. GROSS NATIONAL
(millions)

	1954				Year
	I	II	III	IV	
1. Personal Expenditure on Consumer Goods and Services..	3,635	4,047	4,001	4,492	16,175
2. Government Expenditure on Goods and Services ^{1,4}	1,037	1,023	1,232	1,149	4,461
3. Business Gross Fixed Capital Formation ²	1,015	1,291	1,268	1,205	4,779
4. New Residential Construction	218	298	351	360	1,227
5. New Non-Residential Construction	346	403	489	433	1,671
6. New Machinery and Equipment	451	590	428	412	1,881
7. Value of Physical Change in Inventories ³	-86	-76	442	-410	-130
8. Non-Farm Business Inventories	146	15	-60	-141	-40
9. Farm Inventories and Grain in Commercial Channels..	-232	-91	502	-269	-90
10. Exports of Goods and Services	1,090	1,278	1,400	1,379	5,147
11. Deduct: Imports of Goods and Services	-1,264	-1,478	-1,379	-1,453	-5,574
12. Residual Error of Estimate	79	-3	-25	-38	13
13. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	5,526	6,082	6,939	6,324	24,871

	1957				Year
	I	II	III	IV	
1. Personal Expenditure on Consumer Goods and Services..	4,566	4,983	4,949	5,466	19,964
2. Government Expenditure on Goods and Services ^{1,4}	1,277	1,345	1,639	1,477	5,738
3. Business Gross Fixed Capital Formation ²	1,542	1,994	2,002	1,797	7,335
4. New Residential Construction	248	359	393	409	1,409
5. New Non-Residential Construction	579	775	946	803	3,103
6. New Machinery and Equipment	715	860	663	585	2,823
7. Value of Physical Change in Inventories ³	107	-32	541	-406	210
8. Non-Farm Business Inventories	360	46	-8	-87	311
9. Farm Inventories and Grain in Commercial Channels..	-253	-78	549	-319	-101
10. Exports of Goods and Services	1,412	1,579	1,767	1,636	6,394
11. Deduct: Imports of Goods and Services	-1,837	-2,119	-1,964	-1,876	-7,796
12. Residual Error of Estimate	80	80	-80	-152	-72
13. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	7,147	7,830	8,854	7,942	31,773

1. Includes outlays on new durable assets such as building and highway construction by governments, other than government business enterprises. Also includes net purchases of government commodity agencies.
2. Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals and business investors.
3. The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment. (See line 7, Table 1).
4. Includes defence expenditures of:

1954				
I	II	III	IV	Year
528	360	399	440	1,727

1955				
I	II	III	IV	Year
520	391	414	435	1,760

1956				
I	II	III	IV	Year
491	394	448	469	1,802

EXPENDITURE, BY QUARTERS, 1954-1959
of dollars)

1955					1956					
I	II	III	IV	Year	I	II	III	IV	Year	
3,886	4,379	4,283	4,841	17,389	4,255	4,681	4,643	5,254	18,833	1.
1,203	1,062	1,306	1,221	4,792	1,227	1,186	1,548	1,425	5,386	2.
973	1,344	1,473	1,420	5,210	1,267	1,815	1,908	1,784	6,774	3.
236	349	399	394	1,378	291	414	428	393	1,526	4.
338	435	561	514	1,848	425	624	806	734	2,589	5.
399	560	513	512	1,984	551	777	674	657	2,659	6.
-111	-79	794	-293	311	191	-17	976	-66	1,084	7.
166	-44	-13	24	133	452	138	26	192	808	8.
-277	-35	807	-317	178	-261	-155	950	-258	276	9.
1,217	1,440	1,586	1,521	5,764	1,347	1,635	1,731	1,652	6,365	10.
-1,397	-1,605	-1,665	-1,776	-6,443	-1,709	-2,071	-1,942	-1,993	-7,715	11.
35	63	36	-25	109	-14	98	-38	-188	-142	12.
5,806	6,604	7,813	6,909	27,132	6,564	7,327	8,826	7,868	30,585	13.

1958					1959		
I	II	III	IV	Year	I	II	
4,818	5,218	5,170	5,806	21,012	5,149	5,517	1.
1,334	1,443	1,761	1,612	6,150	1,433	1,543	2.
1,397	1,862	1,895	1,745	6,899	1,332	1,852	3.
301	457	494	510	1,762	308	426	4.
537	720	853	703	2,813	484	668	5.
559	685	548	532	2,324	540	758	6.
-331	-272	582	-403	-424	-22	-67	7.
-24	-153	-63	-36	-276	278	-13	8.
-307	-119	645	-367	-148	-300	-54	9.
1,378	1,607	1,645	1,659	6,289	1,343	1,727	10.
-1,649	-1,932	-1,832	-1,948	-7,361	-1,734	-2,147	11.
142	39	-120	-117	-56	139	140	12.
7,089	7,965	9,101	8,354	32,509	7,640	8,565	13.

1957				
I	II	III	IV	Year
511	383	442	429	1,765

1958				
I	II	III	IV	Year
472	377	404	408	1,661

1959	
I	II
458	357

TABLE 3. SOURCES OF PERSONAL
(millions)

	1954				
	I	II	III	IV	Year
1. Wages, Salaries, and Supplementary Labour Income	2,965	3,076	3,201	3,190	12,432
2. Deduct: Employer and Employee Contributions to Social Insurance and Government Pension Funds	-101	-105	-106	-110	-422
3. Military Pay and Allowances	83	92	95	97	367
4. Net Income Received by Farm Operators from Farm Production ¹	44	120	704	141	1,009
5. Net Income of Non-Farm Unincorporated Business	329	423	427	477	1,656
6. Interest, Dividends, and Net Rental Income of Persons ²	385	443	429	462	1,719
Transfer Payments to Persons:					
7. From Government (Excluding Interest)	476	387	379	392	1,634
8. Charitable Contributions by Corporations	6	7	7	6	26
9. PERSONAL INCOME	4,187	4,443	5,136	4,655	18,421

	1957				
	I	II	III	IV	Year
1. Wages, Salaries, and Supplementary Labour Income	3,782	4,004	4,174	4,036	15,996
2. Deduct: Employer and Employee Contributions to Social Insurance and Government Pension Funds	-145	-143	-150	-151	-589
3. Military Pay and Allowances	108	116	131	121	476
4. Net Income Received by Farm Operators from Farm Production ¹	21	107	765	109	1,002
5. Net Income of Non-Farm Unincorporated Business	425	519	524	543	2,011
6. Interest, Dividends, and Net Rental Income of Persons ²	466	524	486	537	2,013
Transfer Payments to Persons:					
7. From Government (Excluding Interest)	581	463	502	533	2,079
8. Charitable Contributions by Corporations	8	10	10	8	36
9. PERSONAL INCOME	5,246	5,600	6,442	5,736	23,024

1. This item differs from line 5 of Table 1 in that it excludes the adjustment which has been made to take account of the accrued net earnings arising out of the operations of the Canadian Wheat Board.

2. Includes all government debt interest paid to persons.

INCOME, BY QUARTERS, 1954-1959
of dollars)

1955					1956					Year	
I	II	III	IV	Year	I	II	III	IV	Year		
3,086	3,261	3,429	3,447	13,223	3,402	3,679	3,906	3,903	14,890	1.	
-114	-116	-121	-125	-476	-128	-131	-136	-137	-532	2.	
92	100	101	101	394	93	106	113	112	424	3.	
-35	152	1,005	78	1,200	-14	120	1,183	141	1,430	4.	
357	462	471	501	1,791	397	510	511	547	1,965	5.	
438	461	444	497	1,840	437	494	457	520	1,908	6.	
540	420	391	386	1,737	538	427	405	396	1,766	7.	
5	8	8	8	29	7	10	9	8	34	8.	
4,369	4,748	5,728	4,893	19,738	4,732	5,215	6,448	5,490	21,885	9.	

1958					1959		Year	
I	II	III	IV	Year	I	II		
3,864	4,104	4,252	4,214	16,434	4,170	4,439		1.
-154	-151	-157	-157	-619	-162	-155		2.
117	126	125	123	491	118	129		3.
30	140	868	123	1,161	30	189		4.
431	533	551	604	2,119	457	548		5.
493	546	538	552	2,129	541	578		6.
768	631	590	651	2,640	824	679		7.
7	9	10	10	36	8	11		8.
5,556	5,938	6,777	6,120	24,391	5,986	6,418		9.

TABLE 4. DISPOSITION OF PERSONAL
(millions)

	1954				Year
	I	II	III	IV	
1. Personal Direct Taxes:	339	392	341	365	1,437
2. Income Taxes	298	359	314	325	1,296
3. Succession Duties	17	17	18	26	78
4. Miscellaneous	24	16	9	14	63
5. Personal Expenditure on Consumer Goods and Services:	3,635	4,047	4,001	4,492	16,175
6. Non-Durable Goods	1,793	2,036	2,110	2,434	8,373
7. Durable Goods	441	541	472	516	1,970
8. Services ¹	1,401	1,470	1,419	1,542	5,832
9. Personal Net Saving:	213	4	794	-202	809
10. Personal Saving Excluding Change in Farm Inventories	401	62	309	112	884
11. Value of Physical Change in Farm Inventories	-188	-58	485	-314	-75
12. PERSONAL INCOME	4,187	4,443	5,136	4,655	18,421
13. (Personal Disposable Income) ²	(3,848)	(4,051)	(4,795)	(4,290)	(16,984)

	1957				Year
	I	II	III	IV	
1. Personal Direct Taxes:	466	501	474	476	1,917
2. Income Taxes	393	445	426	429	1,693
3. Succession Duties	35	33	28	30	126
4. Miscellaneous	38	23	20	17	98
5. Personal Expenditure on Consumer Goods and Services:	4,566	4,983	4,949	5,466	19,964
6. Non-Durable Goods	2,293	2,488	2,570	3,006	10,357
7. Durable Goods	520	680	608	623	2,431
8. Services ¹	1,753	1,815	1,771	1,837	7,176
9. Personal Net Saving:	214	116	1,019	-206	1,143
10. Personal Saving Excluding Change in Farm Inventories	458	209	485	143	1,295
11. Value of Physical Change in Farm Inventories	-244	-93	534	-349	-152
12. PERSONAL INCOME	5,246	5,600	6,442	5,736	23,024
13. (Personal Disposable Income) ²	(4,780)	(5,099)	(5,968)	(5,260)	(21,107)

1. Includes net expenditure abroad.

2. Personal Income less Total Personal Direct Taxes.

INCOME, BY QUARTERS, 1954-1959
of dollars)

1955					1956					
I	II	III	IV	Year	I	II	III	IV	Year	
360	380	374	385	1,499	402	460	431	439	1,732	1.
310	336	322	329	1,297	331	391	382	392	1,496	2.
25	25	39	38	127	37	48	31	30	146	3.
25	19	13	18	75	34	21	18	17	90	4.
3,886	4,379	4,283	4,841	17,389	4,255	4,681	4,643	5,254	18,833	5.
1,988	2,204	2,232	2,641	9,065	2,158	2,296	2,404	2,878	9,736	6.
425	642	562	616	2,245	486	710	598	637	2,431	7.
1,473	1,533	1,489	1,584	6,079	1,611	1,675	1,641	1,739	6,666	8.
123	-11	1,071	-333	850	75	74	1,374	-203	1,320	9.
340	18	316	-22	652	298	222	455	104	1,079	10.
-217	-29	755	-311	198	-223	-148	919	-307	241	11.
4,369	4,748	5,728	4,893	19,738	4,732	5,215	6,448	5,490	21,885	12.
(4,009)	(4,368)	(5,354)	(4,508)	(18,239)	(4,330)	(4,755)	(6,017)	(5,051)	(20,153)	13.

1958					1959					
I	II	III	IV	Year	I	II				
455	433	440	463	1,791	480	529				1.
380	376	392	405	1,553	377	446				2.
34	34	27	31	126	35	30				3.
41	23	21	27	112	68	53				4.
4,818	5,218	5,170	5,806	21,012	5,149	5,517				5.
2,438	2,615	2,665	3,142	10,860	2,564	2,706				6.
537	687	600	675	2,499	582	767				7.
1,843	1,916	1,905	1,989	7,653	2,003	2,044				8.
283	287	1,167	-149	1,588	357	372				9.
545	380	556	222	1,703	634	405				10.
-262	-93	611	-371	-115	-277	-33				11.
5,556	5,938	6,777	6,120	24,391	5,986	6,418				12.
(5,101)	(5,505)	(6,337)	(5,657)	(22,600)	(5,506)	(5,889)				13.

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

	1954				
	I	II	III	IV	Year
1. Wages, Salaries, and Supplementary Labour Income	12,268	12,332	12,484	12,644	12,432
2. Military Pay and Allowances	348	364	372	384	367
3. Corporation Profits before Taxes ¹	1,920	1,948	2,004	1,980	1,963
4. Rent, Interest, and Miscellaneous Investment Income..	1,400	1,480	1,520	1,644	1,511
5. Accrued Net Income of Farm Operators from					
Farm Production ²	1,132	976	988	972	1,017
6. Net Income of Non-Farm Unincorporated Business ³	1,596	1,620	1,668	1,740	1,656
7. Inventory Valuation Adjustment	152	60	108	24	86
8. NET NATIONAL INCOME AT FACTOR COST	18,816	18,780	19,144	19,388	19,032
9. Indirect Taxes less Subsidies	2,968	2,952	2,908	2,960	2,947
10. Capital Consumption Allowances and Miscellaneous					
Valuation Adjustments	2,824	2,872	2,928	2,996	2,905
11. Residual Error of Estimate	-100	-16	40	24	-13
12. GROSS NATIONAL PRODUCT AT MARKET PRICES	24,508	24,588	25,020	25,368	24,871
13. (Gross National Product at Market Prices excluding					
Accrued Net Income of Farm Operators)	(23,376)	(23,612)	(24,032)	(24,396)	(23,854)

	1957				
	I	II	III	IV	Year
1. Wages, Salaries, and Supplementary Labour Income	15,800	15,968	16,160	16,056	15,996
2. Military Pay and Allowances	460	460	500	484	476
3. Corporation Profits before Taxes ¹	2,720	2,636	2,512	2,320	2,547
4. Rent, Interest, and Miscellaneous Investment Income..	1,896	1,896	1,932	1,896	1,905
5. Accrued Net Income of Farm Operators from					
Farm Production ²	1,048	976	1,032	928	996
6. Net Income of Non-Farm Unincorporated Business ³	2,028	2,008	2,016	1,992	2,011
7. Inventory Valuation Adjustment	-156	-104	-36	12	-71
8. NET NATIONAL INCOME AT FACTOR COST	23,796	23,840	24,116	23,688	23,860
9. Indirect Taxes less Subsidies	3,900	3,872	3,860	3,760	3,848
10. Capital Consumption Allowances and Miscellaneous					
Valuation Adjustments	4,008	4,012	3,996	3,960	3,994
11. Residual Error of Estimate	40	28	120	96	71
12. GROSS NATIONAL PRODUCT AT MARKET PRICES	31,744	31,752	32,092	31,504	31,773
13. (Gross National Product at Market Prices excluding					
Accrued Net Income of Farm Operators)	(30,696)	(30,776)	(31,060)	(30,576)	(30,777)

1. Excludes dividends paid to non-residents.

2. Includes an arbitrary smoothing of crop production and standard seasonal adjustments for withdrawals of grain from farm stocks and the change in livestock items. Because of the arbitrary elements, too precise an interpretation should not be given the seasonally adjusted figures of accrued net income of farm operators.

3. Includes net income of independent professional practitioners.

NATIONAL PRODUCT, BY QUARTERS, 1954-1959
AT ANNUAL RATES
of dollars)

1955					1956					
I	II	III	IV	Year	I	II	III	IV	Year	
12,812	13,064	13,336	13,680	13,223	14,192	14,712	15,140	15,516	14,890	1.
392	396	392	396	394	396	420	432	448	424	2.
2,124	2,452	2,780	2,924	2,570	2,924	2,924	2,904	2,880	2,908	3.
1,660	1,716	1,692	1,668	1,684	1,748	1,796	1,736	1,788	1,767	4.
1,256	1,428	1,244	1,128	1,264	1,364	1,532	1,360	1,544	1,450	5.
1,728	1,772	1,824	1,840	1,791	1,908	1,964	1,972	2,016	1,965	6.
-152	-136	-220	-248	-189	-192	-356	-200	-204	-238	7.
19,820	20,692	21,048	21,388	20,737	22,340	22,992	23,344	23,988	23,166	8.
3,080	3,188	3,296	3,384	3,237	3,516	3,640	3,664	3,724	3,636	9.
3,172	3,212	3,316	3,364	3,266	3,480	3,572	3,736	3,780	3,642	10.
-16	-140	-112	-164	-108	168	-	100	296	141	11.
26,056	26,952	27,548	27,972	27,132	29,504	30,204	30,844	31,788	30,585	12.
(24,800)	(25,524)	(26,304)	(26,844)	(25,868)	(28,140)	(28,672)	(29,484)	(30,244)	(29,135)	13.

1958					1959		
I	II	III	IV	Year	I	II	
16,144	16,360	16,460	16,772	16,434	17,424	17,668	1.
496	500	476	492	491	500	508	2.
2,312	2,272	2,456	2,860	2,475	2,796	2,800	3.
1,864	1,932	2,124	2,184	2,026	2,100	2,144	4.
1,132	1,244	1,220	1,032	1,157	1,216	1,256	5.
2,068	2,064	2,120	2,224	2,119	2,144	2,156	6.
-72	40	64	-148	-29	-120	-144	7.
23,944	24,412	24,920	25,416	24,673	26,060	26,388	8.
3,856	3,800	3,812	3,964	3,858	4,028	4,148	9.
3,972	3,936	3,880	3,904	3,923	3,996	4,184	10.
-64	140	152	-8	55	-40	-8	11.
31,708	32,288	32,764	33,276	32,509	34,044	34,712	12.
(30,576)	(31,044)	(31,544)	(32,244)	(31,352)	(32,828)	(33,456)	13.

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

	1954				Year
	I	II	III	IV	
1. Personal Expenditure on Consumer Goods and Services.	15,656	16,056	16,456	16,532	16,175
2. Government Expenditure on Goods and Services ¹	4,264	4,480	4,504	4,596	4,461
3. Business Gross Fixed Capital Formation ²	4,856	4,804	4,684	4,772	4,779
4. New Residential Construction	1,180	1,156	1,248	1,324	1,227
5. New Non-Residential Construction	1,728	1,652	1,648	1,656	1,671
6. New Machinery and Equipment	1,948	1,996	1,788	1,792	1,881
7. Value of Physical Change in Inventories	92	-272	-208	-132	-130
8. Non-Farm Business Inventories	136	-184	-104	-8	-40
9. Farm Inventories and Grain in Commercial Channels ³	-44	-88	-104	-124	-90
10. Exports of Goods and Services	4,992	5,112	5,140	5,344	5,147
11. Deduct: Imports of Goods and Services	-5,452	-5,608	-5,520	-5,716	-5,574
12. Residual Error of Estimate	100	16	-36	-28	13
13. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	24,508	24,588	25,020	25,368	24,871

	1957				Year
	I	II	III	IV	
1. Personal Expenditure on Consumer Goods and Services.	19,604	19,880	20,164	20,208	19,964
2. Government Expenditure on Goods and Services ¹	5,592	5,716	5,836	5,808	5,738
3. Business Gross Fixed Capital Formation ²	7,496	7,416	7,300	7,128	7,335
4. New Residential Construction	1,352	1,364	1,412	1,508	1,409
5. New Non-Residential Construction	3,052	3,128	3,144	3,088	3,103
6. New Machinery and Equipment	3,092	2,924	2,744	2,532	2,823
7. Value of Physical Change in Inventories	640	440	224	-464	210
8. Non-Farm Business Inventories	684	408	356	-204	311
9. Farm Inventories and Grain in Commercial Channels ³	-44	32	-132	-260	-101
10. Exports of Goods and Services	6,492	6,240	6,504	6,340	6,394
11. Deduct: Imports of Goods and Services	-8,040	-7,912	-7,812	-7,420	-7,796
12. Residual Error of Estimate	-40	-28	-124	-96	-72
13. GROSS NATIONAL EXPENDITURE AT MARKET PRICES	31,744	31,752	32,092	31,504	31,773

1. Includes outlays on new durable assets such as building and highway construction by governments, other than government business enterprises. Also includes net purchases of government commodity agencies.
2. Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals and business investors.

	1954					1955				
	I	II	III	IV	Year	I	II	III	IV	Year
3. Detail: Farm Inventories -										
Value of grain crop production	696	700	700	700	699	1,044	1,044	1,044	1,048	1,045
Depletions of farm stocks of grain ..	-820	-788	-756	-872	-809	-904	-724	-992	-892	-878
Change in livestock inventories	44	4	52	40	35	36	48	48	-8	31
Grain in Commercial Channels	36	-4	-100	8	-15	-68	68	68	-148	-20

In the seasonally adjusted series, the value of grain crop production in each quarter is taken as one-fourth of the estimated value of crop production for the year as a whole (see Footnote 2, Table 5). All other items in the farm inventories series are seasonally adjusted by standard techniques.

BY QUARTERS, 1954-1959
AT ANNUAL RATES
of dollars)

1955					1956					
I	II	III	IV	Year	I	II	III	IV	Year	
16,744	17,272	17,552	17,988	17,389	18,248	18,692	19,056	19,336	18,833	1.
4,884	4,644	4,760	4,880	4,792	5,132	5,176	5,580	5,656	5,386	2.
4,720	5,020	5,396	5,704	5,210	6,192	6,728	7,000	7,176	6,774	3.
1,284	1,360	1,420	1,448	1,378	1,572	1,580	1,520	1,432	1,526	4.
1,736	1,796	1,872	1,988	1,848	2,236	2,544	2,716	2,860	2,589	5.
1,700	1,864	2,104	2,268	1,984	2,384	2,604	2,764	2,884	2,659	6.
144	236	496	368	311	1,408	848	660	1,420	1,084	7.
36	-200	328	368	133	1,124	688	468	952	808	8.
108	436	168	-	178	284	160	192	468	276	9.
5,584	5,708	5,860	5,904	5,764	6,172	6,456	6,396	6,436	6,365	10.
-6,036	-6,068	-6,628	-7,040	-6,443	-7,484	-7,692	-7,748	-7,936	-7,715	11.
16	140	112	168	109	-164	-4	-100	-300	-142	12.
26,056	26,952	27,548	27,972	27,132	29,504	30,204	30,844	31,788	30,585	13.

1958					1959		
I	II	III	IV	Year	I	II	
20,612	20,732	21,012	21,692	21,012	21,944	22,092	1.
5,960	6,144	6,204	6,292	6,150	6,416	6,588	2.
6,928	6,868	6,876	6,924	6,899	6,768	6,960	3.
1,644	1,736	1,792	1,876	1,762	1,688	1,616	4.
2,876	2,876	2,804	2,696	2,813	2,728	2,864	5.
2,408	2,256	2,280	2,352	2,324	2,352	2,480	6.
-920	-416	-16	-344	-424	300	272	7.
-700	-368	-56	20	-276	404	212	8.
-220	-48	40	-364	-148	-104	60	9.
6,308	6,340	6,100	6,408	6,289	6,292	6,704	10.
-7,248	-7,240	-7,256	-7,700	-7,361	-7,720	-7,912	11.
68	-140	-156	4	-56	44	8	12.
31,708	32,288	32,764	33,276	32,509	34,044	34,712	13.

1956					1957					1958					1959	
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II
1,232	1,236	1,236	1,236	1,235	800	800	800	804	801	860	860	860	860	860	880	884
-996	-1,028	-1,004	-972	-1,000	-1,008	-928	-896	-1,036	-967	-1,008	-1,028	-908	-1,040	-996	-1,040	-816
60	-72	-44	80	6	64	76	24	-108	14	-12	196	72	-172	21	40	56
-12	24	4	124	35	100	84	-60	80	51	-60	-76	16	-12	-33	16	-64

TABLE 7. SOURCES OF PERSONAL
SEASONALLY ADJUSTED
(millions)

	1954				Year
	I	II	III	IV	
1. Wages, Salaries, and Supplementary Labour Income	12,268	12,332	12,484	12,644	12,432
2. Deduct: Employer and Employee Contributions to Social Insurance and Government Pension Funds	-412	-420	-424	-432	-422
3. Military Pay and Allowances	348	364	372	384	367
4. Net Income Received by Farm Operators from Farm Production ¹	1,192	988	968	888	1,009
5. Net Income of Non-Farm Unincorporated Business	1,596	1,620	1,668	1,740	1,656
6. Interest, Dividends, and Net Rental Income of Persons ² Transfer Payments to Persons:	1,620	1,716	1,748	1,792	1,719
7. From Government (Excluding Interest)	1,556	1,588	1,668	1,724	1,634
8. Charitable Contributions by Corporations	24	28	28	24	26
9. PERSONAL INCOME	18,192	18,216	18,512	18,764	18,421

	1957				Year
	I	II	III	IV	
1. Wages, Salaries, and Supplementary Labour Income	15,800	15,968	16,160	16,056	15,996
2. Deduct: Employer and Employee Contributions to Social Insurance and Government Pension Funds	-576	-580	-596	-604	-589
3. Military Pay and Allowances	460	460	500	484	476
4. Net Income Received by Farm Operators from Farm Production ¹	1,120	1,004	980	904	1,002
5. Net Income of Non-Farm Unincorporated Business	2,028	2,008	2,016	1,992	2,011
6. Interest, Dividends, and Net Rental Income of Persons ² Transfer Payments to Persons:	1,968	2,032	2,012	2,040	2,013
7. From Government (Excluding Interest)	1,868	1,916	2,188	2,344	2,079
8. Charitable Contributions by Corporations	40	36	36	32	36
9. PERSONAL INCOME	22,708	22,844	23,296	23,248	23,024

1. This item differs from line 5, Table 5 in that it excludes the adjustment which has been made to take account of the accrued net earnings arising out of the operations of the Canadian Wheat Board.

2. Includes all government debt interest paid to persons.

INCOME, BY QUARTERS, 1954-1959
AT ANNUAL RATES
of dollars

1955					1956					
I	II	III	IV	Year	I	II	III	IV	Year	
12,812	13,064	13,336	13,680	13,223	14,192	14,712	15,140	15,516	14,890	1.
-456	-468	-480	-500	-476	-508	-528	-540	-552	-532	2.
392	396	392	396	394	396	420	432	448	424	3.
1,160	1,380	1,176	1,084	1,200	1,392	1,468	1,300	1,560	1,430	4.
1,728	1,772	1,824	1,840	1,791	1,908	1,964	1,972	2,016	1,965	5.
1,860	1,800	1,828	1,872	1,840	1,844	1,924	1,900	1,964	1,908	6.
1,768	1,752	1,708	1,720	1,737	1,748	1,776	1,776	1,764	1,766	7.
24	28	32	32	29	36	36	32	32	34	8.
19,288	19,724	19,816	20,124	19,738	21,008	21,772	22,012	22,748	21,885	9.

1958					1959		
I	II	III	IV	Year	I	II	
16,144	16,360	16,460	16,772	16,434	17,424	17,668	1.
-608	-616	-624	-628	-619	-640	-632	2.
496	500	476	492	491	500	508	3.
1,160	1,220	1,248	1,016	1,161	1,208	1,316	4.
2,068	2,064	2,120	2,224	2,119	2,144	2,156	5.
2,064	2,108	2,224	2,120	2,129	2,276	2,240	6.
2,484	2,624	2,600	2,852	2,640	2,680	2,828	7.
36	32	36	40	36	40	40	8.
23,844	24,292	24,540	24,888	24,391	25,632	26,124	9.

TABLE 8. DISPOSITION OF PERSONAL
SEASONALLY ADJUSTED
(millions)

	1954				Year
	I	II	III	IV	
1. Personal Direct Taxes:	1,412	1,440	1,432	1,464	1,437
2. Income Taxes	1,272	1,300	1,296	1,316	1,296
3. Succession Duties	76	76	80	80	78
4. Miscellaneous	64	64	56	68	63
5. Personal Expenditure on Consumer Goods and Services:	15,656	16,056	16,456	16,532	16,175
6. Non-Durable Goods	8,052	8,332	8,564	8,544	8,373
7. Durable Goods	2,024	1,932	1,976	1,948	1,970
8. Services ¹	5,580	5,792	5,916	6,040	5,832
9. Personal Net Saving:	1,124	720	624	768	809
10. PERSONAL INCOME	18,192	18,216	18,512	18,764	18,421
11. (Personal Disposable Income) ²	(16,780)	(16,776)	(17,080)	(17,300)	(16,984)

	1957				Year
	I	II	III	IV	
1. Personal Direct Taxes:	1,916	1,924	1,916	1,912	1,917
2. Income Taxes	1,692	1,696	1,688	1,696	1,693
3. Succession Duties	128	128	124	124	126
4. Miscellaneous	96	100	104	92	98
5. Personal Expenditure on Consumer Goods and Services:	19,604	19,880	20,164	20,208	19,964
6. Non-Durable Goods	10,140	10,328	10,456	10,504	10,357
7. Durable Goods	2,436	2,408	2,476	2,404	2,431
8. Services ¹	7,028	7,144	7,232	7,300	7,176
9. Personal Net Saving:	1,188	1,040	1,216	1,128	1,143
10. PERSONAL INCOME	22,708	22,844	23,296	23,248	23,024
11. (Personal Disposable Income) ²	(20,792)	(20,920)	(21,380)	(21,336)	(21,107)

1. Includes net expenditure abroad.

2. Personal Income less Total Personal Direct Taxes.

INCOME, BY QUARTERS, 1954-1959
AT ANNUAL RATES
of dollars

1955					1956					
I	II	III	IV	Year	I	II	III	IV	Year	
1,528	1,476	1,492	1,500	1,499	1,664	1,724	1,768	1,772	1,732	1.
1,332	1,272	1,292	1,292	1,297	1,428	1,488	1,528	1,540	1,496	2.
128	128	128	124	127	148	148	144	144	146	3.
68	76	72	84	75	88	88	96	88	90	4.
16,744	17,272	17,552	17,988	17,389	18,248	18,692	19,056	19,336	18,833	5.
8,848	9,000	9,096	9,316	9,065	9,480	9,608	9,880	9,976	9,736	6.
2,004	2,248	2,308	2,420	2,245	2,312	2,500	2,452	2,460	2,431	7.
5,892	6,024	6,148	6,252	6,079	6,456	6,584	6,724	6,900	6,666	8.
1,016	976	772	636	850	1,096	1,356	1,188	1,640	1,320	9.
19,288	19,724	19,816	20,124	19,738	21,008	21,772	22,012	22,748	21,885	10.
(17,760)	(18,248)	(18,324)	(18,624)	(18,239)	(19,344)	(20,048)	(20,244)	(20,976)	(20,153)	11.

1958					1959		
I	II	III	IV	Year	I	II	
1,828	1,684	1,800	1,852	1,791	1,888	2,096	1.
1,600	1,460	1,568	1,584	1,553	1,588	1,732	2.
128	128	124	124	126	128	132	3.
100	96	108	144	112	172	232	4.
20,612	20,732	21,012	21,692	21,012	21,944	22,092	5.
10,720	10,760	10,828	11,132	10,860	11,180	11,264	6.
2,496	2,424	2,424	2,652	2,499	2,716	2,768	7.
7,396	7,548	7,760	7,908	7,653	8,048	8,060	8.
1,404	1,876	1,728	1,344	1,588	1,800	1,936	9.
23,844	24,292	24,540	24,888	24,391	25,632	26,124	10.
(22,016)	(22,608)	(22,740)	(23,036)	(22,600)	(23,744)	(24,028)	11.

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

	1954				Year
	I	II	III	IV	
1. Personal Expenditure on Consumer Goods and Services..	3,076	3,422	3,360	3,792	13,650
2. Non-Durable Goods	1,615	1,841	1,888	2,191	7,535
3. Durable Goods	384	470	413	457	1,724
4. Services	1,077	1,111	1,059	1,144	4,391
5. Government Expenditure on Goods and Services	817	782	943	873	3,415
6. Business Gross Fixed Capital Formation	793	1,007	987	936	3,723
7. New Residential Construction	169	231	270	276	946
8. New Non-Residential Construction	260	306	374	332	1,272
9. New Machinery and Equipment	364	470	343	328	1,505
10. Change in Inventories	-142	-119	565	-520	-216
11. Non-Farm Business Inventories	125	15	-43	-136	-39
12. Farm Inventories and Grain in Commercial Channels..	-267	-134	608	-384	-177
13. Exports of Goods and Services	980	1,137	1,250	1,249	4,616
14. Deduct: Imports of Goods and Services	-1,140	-1,322	-1,237	-1,314	-5,013
15. Residual Error of Estimate	64	-2	-20	-31	11
16. GROSS NATIONAL EXPENDITURE IN CONSTANT (1949) DOLLARS	4,448	4,905	5,848	4,985	20,186

	1957				Year
	I	II	III	IV	
1. Personal Expenditure on Consumer Goods and Services..	3,664	4,005	3,943	4,372	15,984
2. Non-Durable Goods	2,009	2,183	2,225	2,604	9,021
3. Durable Goods	453	587	534	553	2,127
4. Services	1,202	1,235	1,184	1,215	4,836
5. Government Expenditure on Goods and Services	867	896	1,100	969	3,832
6. Business Gross Fixed Capital Formation	1,081	1,388	1,384	1,232	5,085
7. New Residential Construction	178	254	277	288	997
8. New Non-Residential Construction	395	528	642	542	2,107
9. New Machinery and Equipment	508	606	465	402	1,981
10. Change in Inventories	-7	-106	702	-451	138
11. Non-Farm Business Inventories	295	41	-7	-59	270
12. Farm Inventories and Grain in Commercial Channels..	-302	-147	709	-392	-132
13. Exports of Goods and Services	1,171	1,299	1,477	1,413	5,360
14. Deduct: Imports of Goods and Services	-1,553	-1,786	-1,673	-1,584	-6,596
15. Residual Error of Estimate	60	60	-59	-115	-54
16. GROSS NATIONAL EXPENDITURE IN CONSTANT (1949) DOLLARS	5,283	5,756	6,874	5,836	23,749

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.

DOLLARS, BY QUARTERS, 1954-1959
FOR SEASONALITY^{1,2}
of dollars)

1955					1956					
I	II	III	IV	Year	I	II	III	IV	Year	
3,256	3,706	3,616	4,084	14,662	3,552	3,917	3,828	4,306	15,603	1.
1,796	1,997	2,012	2,382	8,187	1,957	2,082	2,132	2,534	8,705	2.
382	591	528	565	2,066	442	648	551	568	2,209	3.
1,078	1,118	1,076	1,137	4,409	1,153	1,187	1,145	1,204	4,689	4.
909	793	971	890	3,563	888	834	1,090	982	3,794	5.
754	1,038	1,118	1,052	3,962	929	1,322	1,376	1,264	4,891	6.
181	266	300	293	1,040	215	302	310	283	1,110	7.
254	325	415	371	1,365	301	440	566	509	1,816	8.
319	447	403	388	1,557	413	580	500	472	1,965	9.
-177	-98	1,042	-348	419	73	-95	1,149	-172	955	10.
147	-33	-3	23	134	379	114	7	148	648	11.
-324	-65	1,045	-371	285	-306	-209	1,142	-320	307	12.
1,077	1,240	1,355	1,297	4,969	1,140	1,373	1,448	1,379	5,340	13.
-1,259	-1,438	-1,494	-1,551	-5,742	-1,471	-1,782	-1,688	-1,721	-6,662	14.
28	50	29	-20	87	-12	76	-29	-145	-110	15.
4,588	5,291	6,637	5,404	21,920	5,099	5,645	7,174	5,893	23,811	16.

1958					1959		
I	II	III	IV	Year	I	II	
3,769	4,072	4,031	4,531	16,403	3,961	4,273	1.
2,094	2,229	2,271	2,682	9,276	2,189	2,332	2.
464	589	527	577	2,157	491	643	3.
1,211	1,254	1,233	1,272	4,970	1,281	1,298	4.
863	930	1,154	1,030	3,977	903	966	5.
953	1,271	1,288	1,174	4,686	886	1,228	6.
212	317	341	349	1,219	209	283	7.
359	482	571	465	1,877	316	434	8.
382	472	376	360	1,590	361	511	9.
-351	-340	773	-448	-366	-119	-172	10.
6	-108	-43	-37	-182	219	-13	11.
-357	-232	816	-411	-184	-338	-159	12.
1,179	1,383	1,402	1,444	5,408	1,136	1,452	13.
-1,364	-1,629	-1,555	-1,659	-6,207	-1,461	-1,819	14.
104	29	-88	-86	-41	100	101	15.
5,153	5,716	7,005	5,986	23,860	5,406	6,029	16.

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