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CANADA

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NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
1951-1954

DOMINION BUREAU OF STATISTICS
Research and Development Division

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NATIONAL ACCOUNTS INCOME AND EXPENDITURE 1951 - 1954

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INTRODUCTORY REVIEW

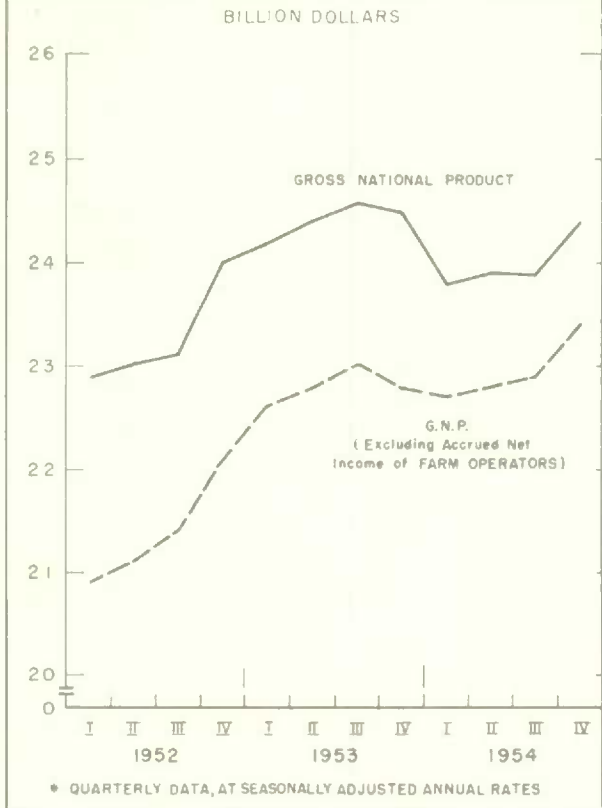
Nineteen fifty four was a year of adjustment for the Canadian economy. For the first time since 1946 the national output of goods and services declined, and was about 2 per cent below the record level of 1953. A number of factors lay behind this development, including: a sharp drop in crop production; a turnaround of business inventories from a substantial build-up in 1953 to a position of net liquidation; a fall-off in business outlays for plant, machinery and equipment; a decline in exports; a reduction in defence expenditures; and lower demand for consumer durable goods. These downward pressures on total Canadian production were partly counter-balanced by a number of important sustaining influences. In spite of lower employment, the level of personal income did not decline, as average hourly earnings continued to rise and as the flow of interest, dividends, rents, and transfer payments from government increased. Related to this development, consumer expenditure for non-durable goods and for services, and outlays for new housing continued to grow, constituting the major expansionary forces on the demand side in 1954. These two factors together offset a substantial part of the declines in the demand categories noted above; at the same time, imports of foreign-produced goods and services were reduced in 1954, and to this extent the impact of declining demand on Canadian production was further offset. The net effect of these various developments was to leave Gross National Product somewhat below the level of the previous year.

Gross National Product

Canada's Gross National Product amounted to \$24.0 billion in 1954, a decline of almost 2 per cent from the level of \$24.4 billion in 1953. This decline in output reflects the drop in the value of farm production in 1954, with non-farm production showing a small increase in value over the preceding year. After allowing for a slight rise in the domestic price level, the volume of non-farm production was approximately the same as in 1953. This relative stability indicated by the year-over-year comparisons obscures the fact that the contraction in industrial activity which began in the third quarter of 1953 was reversed by mid-1954 as Gross National Product moved upward in the last half of the year. This upward movement in the production of goods and services was particularly prominent in the fourth quarter, and raised the level of Gross National Product (excluding accrued net income of farm operators) above that of the peak third quarter of 1953.

The approximate timing and magnitude of the changes in non-farm output between 1953 and 1954 are illustrated in the accompanying chart. The data indicate that the contraction in non-farm output was

FOLLOWING A DECLINE IN THE FIRST HALF OF 1954*
GROSS NATIONAL PRODUCT RECOVERED BY YEAR END



of comparatively small magnitude, apparently amounting to less than 2 per cent between the peak in the third quarter of 1953 and the low point in 1954. The recovery from the first half of 1954 through to the final quarter appears to have been about 3 per cent.

Changes in Industrial Activity

Before proceeding to a description of the major product and expenditure categories, it will be useful to review briefly the experience of the various industrial groups in 1954. The table on national income originating by industry on page 31 illustrates the general nature of these developments, and indicates that the declines in the value of non-farm production were concentrated in the manufacturing group. The majority of the service industries, and all of the primary industries except agriculture, showed substantial gains over 1953.

The following analysis deals with these developments in greater detail and is based on published data from the index of industrial production and

related volume series. This material shows that within manufacturing, the major declines occurred in the durable goods industries, including iron and steel products, transportation equipment, and electrical apparatus and supplies. Output in non-durable goods manufacturing also showed a small decline during the period in which the contraction was under way, reflecting mainly the drop in clothing and textile production. It is interesting to note that from mid-1953 to mid-1954 the declines in the above groups were as follows: durable manufacturing, 11 per cent; iron and steel products, 12 per cent; transportation equipment, 26 per cent; electrical apparatus and supplies, 15 per cent; non-durable manufacturing, 3 per cent; clothing, 17 per cent; and textiles, 17 per cent. In the last half of 1954, the production of durable goods was showing greater strength. However, for the year as a whole, durable goods manufacturing output was down by 8 per cent. Production of non-durable manufacturing goods was also showing a firmer tone in the latter part of 1954, and clothing and textile production was somewhat stronger; for the full year 1954, non-durable production was about 1 per cent lower than in 1953. Taking manufacturing as a whole, both durable and non-durable goods, the decline in output from 1953 to 1954 amounted to about 4 per cent.

Outside the manufacturing field, production gains were widespread in 1954. All of the primary industries except agriculture showed substantial increases, with production in mining, quarrying and oil wells up by 13 per cent; metals, fuels and non-metals, showed gains of 9, 13 and 2 per cent, respectively. In the public utilities group, gains were also recorded, with output of electrical power up by 5 per cent and sales of natural gas up by 23 per cent. In the fishing industry, the volume of landings of sea fish was 10 per cent higher than in the previous year. Forestry also showed a gain in output over 1953.

Production in most of the service industries moved upward in 1954. However, in transportation and storage, a decline was recorded, associated with lower shipments of grain, iron and steel products, and heavy manufactured goods; ton-miles of revenue freight carried were down by 11 per cent

from 1953. The combined trade group showed little change, while in construction, a small increase in output was shown over the previous year.

These production gains in the primary industries (except agriculture) and in the services group approximately counter-balanced the decline in manufacturing, and in transportation and storage so that, for the year as a whole, little volume change occurred in total non-farm output. In value terms, non-farm production appears to have been about 1 per cent higher in 1954.

Accompanying the developments on the production side in 1954, persons with jobs in the non-farm sector of the economy declined, by about 1 per cent. Along with some growth in the labour force, this led to an increase in persons without jobs and seeking work; the latter averaged 232,000 and amounted to 4.3 per cent of the labour force for 1954 as a whole. The drop in manufacturing employment between 1953 and 1954 amounted to 5 per cent. The average number of hours worked per week in manufacturing also fell between 1953 and 1954, by 1.7 per cent.

Summary of Income and Expenditure Developments

In spite of the over-all decline in non-farm employment of 1 per cent in 1954, labour income continued to rise throughout the year. Higher average hourly rates more than offset declines in total employment and in average hours worked, so that for the year as a whole, wages and salaries were 2 per cent above the level of 1953. Gains also occurred in other elements of personal income in 1954, and these contributed to the maintenance of a high level of purchasing power in the personal sector of the economy. As a result, despite the sharp drop in net income of farm operators, total personal income showed little change in 1954 from the level of the preceding year. In fact, disposable income, with net income of farm operators removed, was about 4 per cent higher in 1954 than in 1953. This gain is quite striking in view of the fact that employment in the non-farm sector was below the 1953 level and total non-farm production was relatively stable in the year-over-year comparison.

Gross National Expenditure, 1953-1954

	1953	1954	Change 1953 to 1954
	(\$ Billions)		
Personal Expenditure on Consumer Goods and Services.....	15.1	15.7	+ .6
Government Expenditure on Goods and Services	4.4	4.4	—
New Residential Construction.....	1.1	1.2	+ .1
New Non-residential Construction.....	1.7	1.7	—
Machinery and Equipment.....	2.1	1.7	— .4
Exports of Goods and Services	5.4	5.1	— .3
Total Final Purchases (Ex. Inventories).....	29.7	29.7	—
Change in Inventories.....	.5	— .3	— .8
(Business Only).....	(.4)	(— .1)	(— .5)
Imports of Goods and Services	—5.8	— 5.6	— (— .3)
Error	—	+ .2	+ .2
Gross National Expenditure.....	24.4	24.0	— .4

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

Total final purchases of goods and services, apart from inventory investment, (see above table), showed very little change from the level of the year 1953. As noted previously, this development reflects mainly the continued rise in consumer expenditures throughout 1954, and also, in part, the increase in outlays for new housing; the combined increase in housing and consumer expenditure largely offset the declines in business investment in durable assets (primarily in machinery and equipment) and in exports. The substantial business inventory build-up of 1953 was reversed in 1954 and a liquidation of inventories took place, with the turn-around amounting to \$0.5 billion. This shift in the inventory sector from a position of net accumulation to one of net liquidation occurred chiefly at the manufacturing level, and was mainly concentrated in those areas where declines in production were most pronounced, namely iron and steel products, transportation equipment, electrical apparatus and supplies, and clothing and textiles. At the same time, farm and grain inventories were reduced in 1954, in contrast to some accumulation in the preceding year. The net downward effect of these various changes on total Canadian production was partly offset by a decline in imports of foreign-produced goods and services, so that on balance, Canadian output declined by only \$0.4 billion. It may be noted that the fall-off in imports was also concentrated largely in those industries where production and inventory declines occurred.

The review which follows provides a more detailed analysis of the components of National Income, Gross National Product and Gross National Expenditure.

Wages, Salaries and Supplementary Labour Income

Wages, salaries and supplementary labour income increased by 2 per cent in 1954 over the preceding year. Changes by industry paralleled to a large extent the changes in the production pattern already noted. Thus, gains occurred in most of the primary industries, and in all of the service groups including public utilities, trade, finance, and government services; the increases in the service components

were much higher than for other industries. On the other hand, wages and salaries in manufacturing, agriculture, and transportation declined in the year-to-year comparison. These movements reflected a number of factors, including the continued expansion of activity in mining and iron ore developments, the general growth in the service industries, the decline in manufacturing production, and lower shipments of grain, iron and steel products, and heavy manufactured goods. The declines in manufacturing wages and salaries were concentrated in iron and steel products, transportation equipment, and clothing, textile and leather products, which showed declines ranging from 7 to 12 per cent.

The trend of total wages and salaries throughout the year was steadily upward and this was an important stabilizing influence in the economy during the period when production was declining. The fourth quarter rate of wages and salaries was about 2 per cent above the 1954 average.

As has been indicated, the rise in average hourly earnings more than accounted for the gains in total labour income over the year 1953. The increase in average hourly earnings in non-durable goods manufacturing amounted to 5 per cent, and in durable goods manufacturing to 3 per cent; in construction and mining, the gains were 3 per cent, and 2 per cent respectively.

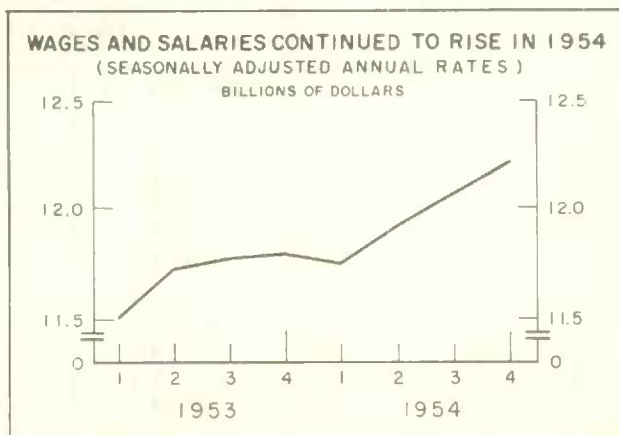
Investment Income

The total of investment income, which includes corporation profits, interest, net rents and government investment income, declined by approximately 2 per cent from 1953 to 1954. Corporation profits before taxes, which is the major component of investment income, is estimated to have declined by about 6 per cent; the drop was concentrated in the metal-using manufacturing industries and in retail and wholesale trade. In spite of the decline in total corporation profits, dividend payments were maintained (see Table 45). Interest and net rental receipts of persons rose by about 10 per cent in 1954, reflecting increases in average rents, the growth in the number of housing units, and higher deposit interest paid by banks. Government investment income showed little change from 1953, with higher interest receipts approximately offsetting a decline in profits of government enterprises.

Throughout the year 1954, investment income (seasonally adjusted) was relatively stable, following declines in the last half of 1953. Corporation profits, which had been declining throughout most the year 1953, levelled off early in 1954 and showed little change throughout the remainder of the year.

Net Income of Unincorporated Business

Accrued net income of farm operators from farm production was \$1.1 billion in 1954, a decline of about one-third from \$1.7 billion in 1953. This



decline was accounted for by the drop of more than \$0.5 billion in the value of crop production, which reflected adverse weather conditions in the Western provinces and severe rust damage to the grain crop¹. It should be noted, however, that the year 1953 produced the second largest grain crop in history, so that the decline in 1954 represents a drop from a very high level. Moreover, cash income from the sale of farm products declined less sharply in 1954, partly reflecting the fact that grain deliveries did

not drop as severely as crop production; the decrease in cash income in 1954 amounted to 14 per cent.

In contrast to the decline in grain output in 1954, the production of livestock increased, and with prices relatively stable, there was some increase in income from this source. Cash income from fruits, vegetables and dairy products was relatively unchanged in total from the previous year.

The following table shows a consolidated operating account for farm operators for the years 1953 and 1954.

1. See also Tables 27 and 30 on the geographical distribution of personal income.

	1953	1954	Change 1954 over 1953
	(millions of dollars)		
Farm Cash Income.....	2,776	2,378	- 398
Income in Kind	401	392	- 9
Farm Inventory Change	50	- 145	- 195
Gross Income	3,227	2,625	- 602
Deduct:			
Farm Operating Expenses	1,296	1,256	- 40
Depreciation.....	233	246	+ 13
Add:			
Adjustment on Grain Transactions	- 5	- 27	- 22
Other Adjustments	- 40	- 38	2
Accrued Net Income of Farm Operators from Farm Production.....	1,653	1,058	- 595

Net income of non-farm unincorporated business in 1954 was slightly below the preceding year, (by about 3 per cent). The decline was concentrated entirely in manufacturing and retail trade; gains occurred in other groups, with the major gains showing up in net income from professional service and in the construction industry. The gain in construction was related to the higher level of house building in 1954.

Indirect Taxes Less Subsidies

Indirect taxes less subsidies amounted to \$2.9 billion in 1954, relatively unchanged from the level of the previous year. However, there were a number of significant shifts among the components. At the federal level, indirect taxes declined by 5 per cent, mainly accounted for by lower sales and excise tax collections and by a drop in customs import duties; the declines in these components were 5 and 7 per cent respectively, and were associated with lower levels of factory shipments of goods, particularly durables, as well as with a drop in imports. Changes in tax rates introduced in the April 1954 Budget were also a contributing factor in the decline. Accom-

panying the drop in federal indirect taxes, subsidies were also somewhat lower in 1954 than in the preceding year. At the provincial level, indirect taxes showed an increase of 6 per cent, accounted for by gains in gasoline and retail sales taxes. At the municipal level a gain of 6 per cent occurred, as real and personal property taxes rose over the previous year.

Depreciation Allowances and Similar Business Costs

Depreciation allowances and similar business costs increased by 4 per cent in 1954 to reach a total of \$2.5 billion. Almost all of the increase was due to higher corporation capital cost allowances, mining development write-offs, and depreciation charges for residential and non-residential real estate.

Gross National Expenditure

As has been noted, consumer expenditure and investment in new housing construction were the two important sustaining forces on the demand side in 1954. With the exception of government expend-

iture on goods and services which remained level, all other major expenditure categories showed declines in 1954 relative to the preceding year. During the period of the down-turn in production, from mid-1953 to mid-1954, the declines in the seasonally adjusted expenditure components were particularly sharp (see accompanying charts) but from mid-1954 to the end of the year all of the expenditure items were rising again with the exception of outlays for new machinery and equipment.

The value change in the major expenditure components between 1953 and 1954 are shown in the table below. With prices comparatively stable, these value changes, with minor exceptions, were approximately matched by changes in the volume of expenditure. Taking Gross National Expenditure as a whole, the volume decline was about 3 per cent compared with a drop of 2 per cent in value terms.

Value and Volume Percentage Changes in Gross National Expenditure Components, from 1953 to 1954

	Value	Volume
	%	%
Personal Expenditure on Consumer Goods and Services	+ 4	+ 3
Government Expenditure on Goods and Services.....	-	- 4
New Residential Construction	+10	+ 9
New Non-Residential Construction	- 2	- 2
Machinery and Equipment	-18	-18
Exports of Goods and Services	- 5	- 4
Imports of Goods and Services	- 5	- 5
Gross National Expenditure	- 2	- 3

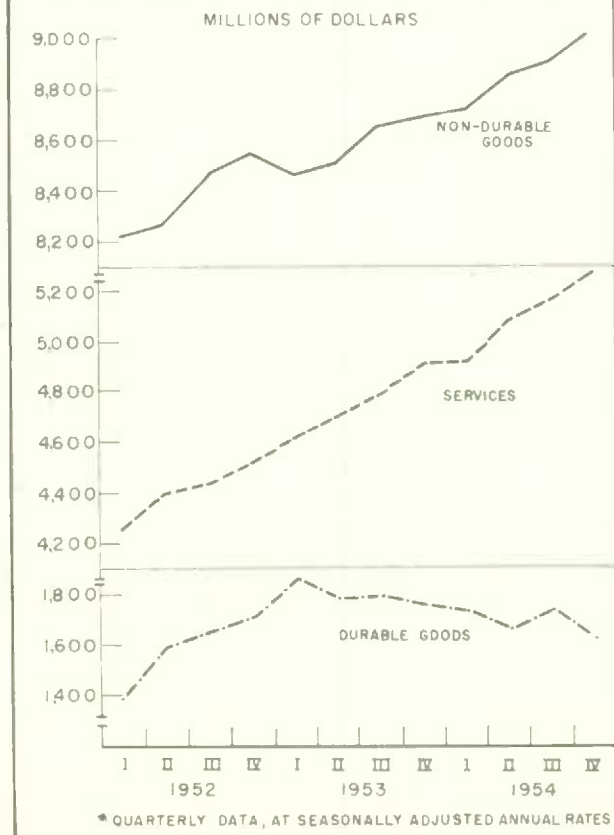
Personal Expenditure on Consumer Goods and Services

The major expansionary force in the economy in 1954 was personal expenditure on consumer goods and services, which rose by 4 per cent, from \$15.1 billion in 1953 to \$15.7 billion in 1954. This increase was associated with a continuing high level of personal disposable income and a drop in the proportion of income saved. Expenditures for services and for non-durable goods were higher in 1954, by 8 per cent and 3 per cent respectively, but expenditures for durable goods declined by 6 per cent. With prices slightly higher than in the preceding year, the volume increase in total personal expenditure amounted to about 3 per cent.

The major gain in non-durable goods purchases in 1954 was in the food component, which rose by 5 per cent. Purchases of clothing declined by 4 per cent, while expenditure on tobacco and alcoholic beverages showed little change. In volume terms, non-durable goods purchases as a whole showed approximately the same increase as is indicated by the value figures.

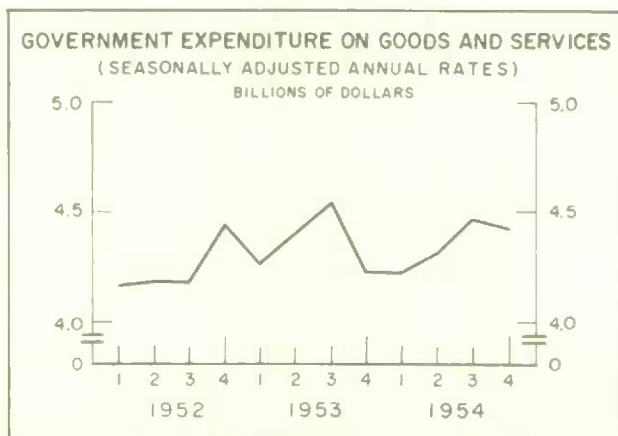
In the durable goods group, the declines were widespread, but were especially marked in purchases of new automobiles which fell by 12 percent. Purchases of most types of household appliances and furniture also declined, and shipments of domestic washing machines and refrigerators were down by 10 per cent and 11 per cent respectively, from the previous year; imports of refrigerators showed a drop of 41 per cent. The declines in these and other durable goods purchases were partially offset by higher sales of television sets, shipments of which increased by 70 per cent over 1953. With prices for durable goods as a whole slightly below the previous year, it is estimated that the volume of purchases declined by about 5 per cent.

CONSUMER OUTLAYS FOR SERVICES AND FOR NON-DURABLE GOODS ROSE IN 1954 BUT DURABLE GOODS PURCHASES WERE LOWER



Most of the service groups showed increases in 1954, with major gains occurring in expenditures for household operations and utilities, and for shelter. Outlays for automobile repair and maintenance, medical care, education, and personal care were also higher in 1954. With prices for services higher than in 1953, the volume of services purchased is estimated to have risen by about 3 per cent.

Throughout the year 1954, total personal expenditure on goods and services rose steadily, reflecting the growth in the non-durable and service groups. Durable goods purchases, seasonally adjusted, declined erratically throughout most of the year. In the fourth quarter of 1954, consumer expenditure as a whole was running at an annual rate of \$15.9 billion, almost 5 per cent above the average for the year 1953.

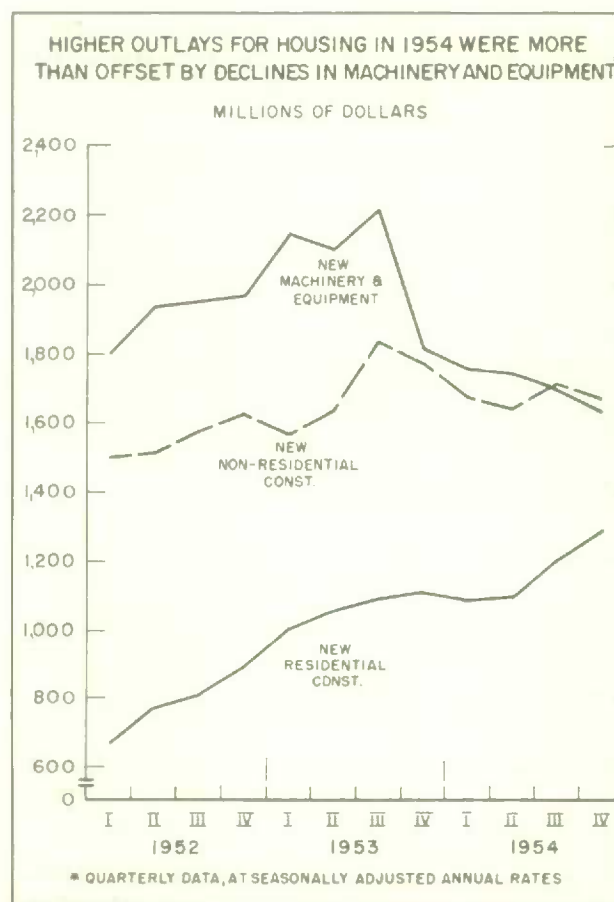


Government Expenditure on Goods and Services

Expenditure for goods and services by all levels of government (federal, provincial and municipal) remained practically unchanged in 1954, at approximately \$4.4 billion. At the federal level, a decline of more than \$100 million, or 4 per cent, was offset by gains of 5 per cent and 7 per cent, respectively, in provincial and municipal government expenditures. It may be noted that federal defence expenditure for the year 1954 amounted to \$1.7 billion compared with \$1.9 billion in 1953, a drop of 9 per cent (on the National Accounts basis); this decline was partly offset by increases in federal non-defence outlays for goods and services which were associated with higher wage and salary payments, higher federal non-defence investment expenditures and a smaller liquidation of commodity stocks. An increase in provincial government expenditure on goods and services reflected larger public investment outlays, while the increase in municipal government expenditures was associated with the high volume of new housing construction in 1954 which increased the demand for services and local improvements.

Gross Domestic Investment (excluding inventory change)

The steady growth in outlays for capital goods which has been a prominent feature of the post-war period was interrupted in 1954. Gross domestic investment (excluding inventory investment) declined, from \$4.8 billion in 1953 to \$4.6 billion, a drop of 6 per cent. This decline was more than accounted for by sharply reduced outlays for machinery and equipment (off by 17 per cent) and by somewhat smaller expenditures for new non-residential construction (off by 2 per cent). On the other hand, outlays for new housing continued to increase, with a gain of 10 per cent over 1953. In this connection, it may be noted that a change in the National Housing Act in early 1954 reduced down-payment requirements on homes, and extended the repayment period of mortgage loans; at the same time, a change in the Lank Act permitted the chartered banks to extend loans on home mortgages.



The decline in business outlays for plant, machinery and equipment was fairly widespread. The heaviest declines occurred in manufacturing (\$174 million or 18 per cent), agriculture and fishing (\$153 million or 28 per cent), and the utilities group including transportation and storage (\$125 million or 8 per cent). The decline in agriculture reflects mainly a sharp drop in purchases of power farm

machinery, while the drop in the utilities group is associated to a large extent with smaller expenditures by central electric stations and reduced outlays for construction by steam railways. It may be noted in passing that sales of commercial motor vehicles were lower by 27 per cent in 1954. Smaller absolute declines occurred in mining, quarrying and oil wells and in the construction industry. Partially offsetting the above declines, increases were recorded for trade, and finance, insurance and real estate, with smaller gains occurring in communication, forestry and non-government institutions.

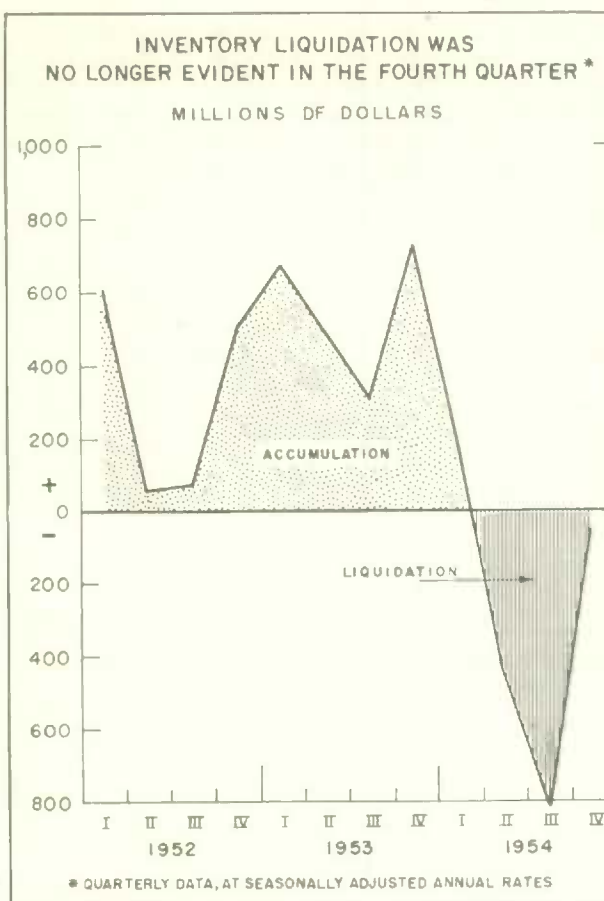
Price changes were small in all of the components of fixed asset investment in 1954, and the volume changes were of about the same magnitude as the value changes.

Changes in Inventories

Inventory developments were of major importance in the changes which occurred in the annual levels of production between 1953 and 1954. The table on page 6 indicates the magnitude of the inventory change relative to movements in other components of Gross National Expenditure. From 1953 to 1954, the inventory sector shifted from a position of substantial net accumulation amounting to \$549 million, to a position of net liquidation of \$280 million. This represented a turn-around of approximately \$0.8 billion, or 3 per cent of Gross National Product, of which more than one-half was attributable to movements in business inventories; the remainder of the turn-around was accounted for by depletions in grain and farm-held inventories in 1954, compared with some accumulation in the previous year.

	1953	1954	Total Change
	(millions of dollars)		
Change in Business Inventories	353	-120	-473
Change in Farm Inventories	50	-145	-195
Change in Grain in Commercial Channels	146	-15	-161
Total	549	-280	-829

The business inventory turn-around between 1953 and 1954 amounted to \$473 million and occurred almost entirely within the manufacturing sector. Within manufacturing, the changes were most pronounced in the metal-using industries, and in the textile and clothing industries. It may be noted that these were the sectors of the economy where the largest production declines occurred in 1954, and where imports were cut back most sharply. These production, import and inventory declines were in turn related to a major drop in investment in machinery and equipment, to lower purchases of clothing



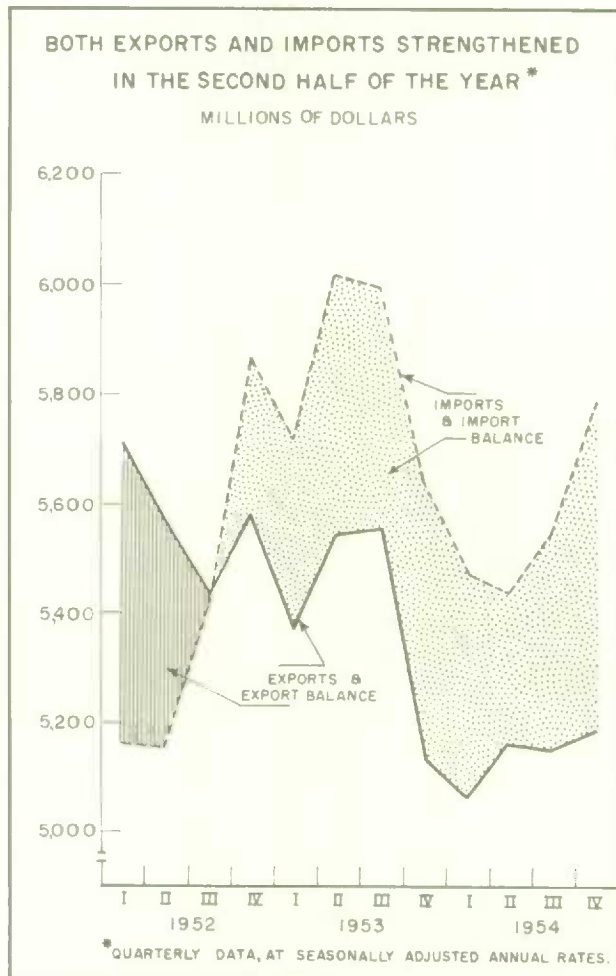
and durable goods by consumers and somewhat smaller defence outlays. As has been pointed out, these declines were largely counter-balanced by gains in other final expenditure components in 1954 so that total final purchases, apart from inventory investment, showed little change. Inventory movements thus exerted a major downward tendency on the economy in 1954. It may be noted, however, that at year-end inventory liquidations no longer appeared to be in evidence.

Exports and Imports of Goods and Services

Exports of goods and services declined in 1954 by 5 per cent, from \$5.4 billion in 1953 to \$5.1 billion. The entire decline can be more than accounted for by a drop of \$295 million in exports of grains and flour. This development was related to the improved world supply position of wheat and coarse grains, and constituted the major factor in the drop in exports since the third quarter of 1953. Non-grain exports were well maintained in 1954, with declines in motor vehicles, primary iron and steel products, and a few defence exports being offset by increases in newsprint, wood pulp, planks and boards, most base metals, fishery products and chemical products. Non-grain exports to Europe showed marked increases in 1954, reflecting higher levels of industrial activity in overseas countries.

Total receipts from services showed declines in 1954, with the largest drops occurring in freight and shipping services, and in interest and dividend receipts.

Seasonally adjusted, exports of goods and services showed a gradual firming in 1954, following a sharp decline between the third quarter of 1953 and the first quarter of 1954 which was associated with the drop in agricultural exports. Non-agricultural merchandise exports in the fourth quarter of 1954 were more than 8 per cent above the fourth quarter of 1953.



Imports of goods and services also declined in 1954, from \$5.8 billion in 1953 to \$5.6 billion, or by 5 per cent. Almost three-quarters of this decline was concentrated in imports of iron and its products. Large declines also occurred in imports of non-metallic minerals (9 per cent) and in imports of fibres and textiles (14 per cent). These declines were related to a number of factors, including lower purchases of agricultural implements (reflecting the drop in farm income); lower outlays for machinery and equipment in the non-agricultural sector; lower consumer outlays for durable goods; and a decline in consumer purchases of clothing. The heavy liqui-

dations of inventories which were in progress during 1954 were also a factor contributing to the reduction in imports in these groups. Large increases in imports were few in 1954 and were mainly limited to food products. In the services sector, increases in tourist expenditures and in interest and dividend payments abroad more than offset the drop in payments for freight and shipping services.

Imports of goods and services, seasonally adjusted, moved upward in the last half of 1954, following the down-turn which began in mid-1953. At year-end, imports of goods and services were running at a rate of \$5.8 billion, or about 4 per cent below the second quarter 1953 peak.

For the year 1954 as a whole, the deficit on current account was slightly smaller than in 1953, amounting to \$426 million. Export prices were slightly lower in 1954 than in the preceding year, and import prices were approximately unchanged so that there was a small deterioration in the terms of trade.

Personal Income, Expenditure and Saving

Although earnings from current production, as measured by the National Income, were lower in 1954 (reflecting mainly the drop in net income of farm operators and in corporation profits), the flow of income payments to persons was maintained, and personal income for the year as a whole was slightly above the level of 1953. This stability in personal income at a time when National Income was declining reflected an increase in transfer payments from government, particularly unemployment benefits, and the maintenance of dividend payments despite lower earnings of corporations. Stability in personal income in 1954 was also related in an important way to the fact that labour income continued to rise throughout the year in spite of slightly lower employment and a shorter factory work-week, as average hourly earnings continued to advance.

Disposable income showed little change between the two years as personal direct taxes remained level. With stability in income and a decline in the proportion of income saved, personal expenditure on consumer goods and services continued its upward trend throughout the year. The movements in personal expenditure have been discussed in a preceding section. Personal saving¹ in 1954 a-

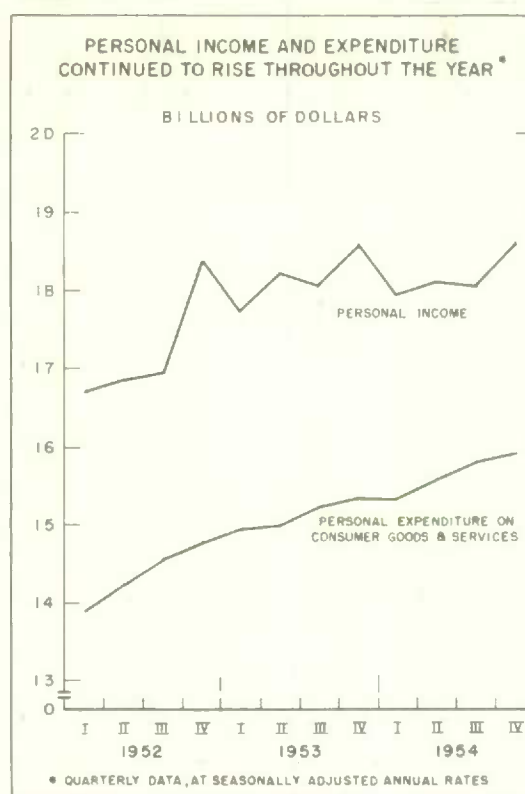
1. It should be noted that personal saving as computed in the National Accounts is a residual item being the difference between personal disposable income and personal expenditure on consumer goods and services. A direct computation of personal saving on the National Accounts basis would involve the summation of many items, including the changes in bank deposits of individuals, personal purchases of bonds, the savings portion of life insurance premiums, repayment of debt (including residential mortgages), and that part of the net income of individual enterprisers (such as farmers, doctors, and small retailers) which takes the form of net new investment in durable assets or additions to inventories. From the foregoing, it will be apparent that a considerable part of the personal saving figure is represented by assets which are not in liquid form.

mounted to \$1.1 billion, compared with \$1.6 billion in the previous year. It may be noted that net income of farm operators fell by \$0.6 billion in 1954 and this has been a significant factor in the total decline in personal saving. As a proportion of disposable income, total personal saving was 6.4 per cent in 1954 compared with 9.6 per cent in 1953.

National Saving and Investment

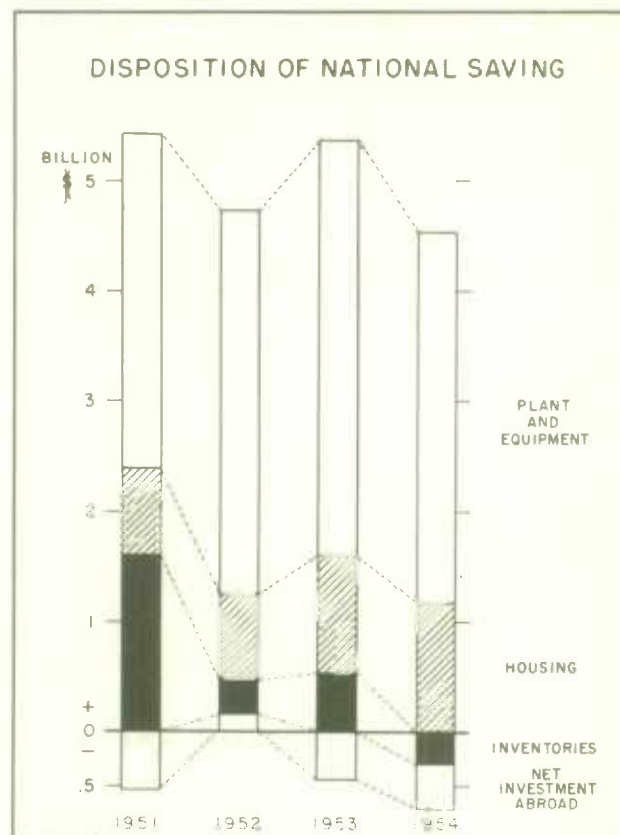
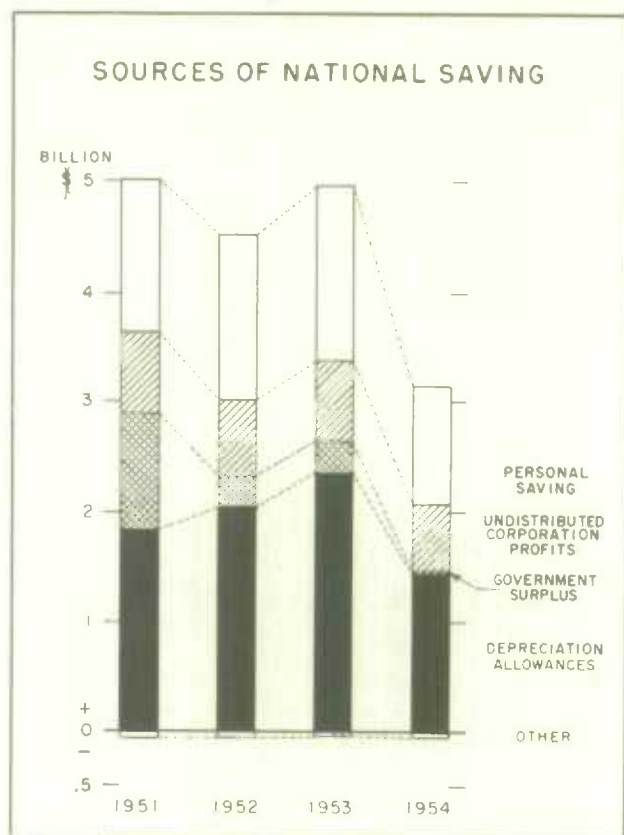
Gross national saving declined by 19 per cent in 1954, from \$5.0 billion to \$4.0 billion. This decline was attributable to a lower level of personal saving (which fell from a rate of \$1.6 billion to a rate of \$1.1 billion), and to a change in the surplus of the consolidated government sector¹, which declined by \$0.2 billion. Gross business saving remained substantially unchanged, with higher depreciation allowances approximately offsetting a drop in undistributed corporation profits. Reflecting these changes in the sources and level of saving, total national saving declined from 20 per cent of Gross National Product in 1953 to 17 per cent in 1954.

1. Includes budgetary and extra-budgetary revenues and expenditures of federal, provincial and municipal governments.



	1953	1954	Change 1953 to 1954
(Billions of dollars)			
Gross Private Saving			
Personal Saving	1.6	1.1	- .5
Undistributed Corporation Profits .....	.7	.6	- .1
Depreciation Allowances	2.4	2.5	+ .1
Other	—	.1	—
Government Surplus .....	.3	—	- .2
Residual Error	—	.2	- .2
Gross National Saving ¹	5.0	4.0	-1.0
Gross Domestic Investment:			
Gross Domestic Investment (ex. inventories)	4.8	4.6	- .3
Change in Inventories .....	.5	.3	- .2
Net Foreign Investment .....	.4	.4	—
Residual Error	—	.2	+ .2
Gross National Investment ¹	5.0	4.0	-1.0

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



As has been noted on page 10, the supply of available goods and services which was diverted to domestic investment channels (i.e. inventories, plant, equipment and housing) in 1954 was considerably smaller than in the preceding year, by about \$1.1 billion. Nevertheless, the nation's saving in 1954 of \$4.0 billion fell considerably short of the

amount required to support this lower domestic investment program, and the gap was closed by drawing, on balance, upon foreign resources. This development was reflected in a current account deficit amounting to \$426 million in 1954, only slightly smaller than the deficit sustained in the preceding year.

Section 1
INCOME AND EXPENDITURE ACCOUNTS

A. Summary Tables

TABLE 1. National Income and Gross National Product, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Wages, Salaries and Supplementary Labour Income	9,716	10,868	11,706	11,989
2	Military pay and allowances	201	270	309	367
3	Investment Income	3,642	3,763	3,800	3,715
	Net Income of Unincorporated Business:				
4	Accrued Net Income of Farm Operators from Farm Production ¹	2,072	1,851	1,653	1,058
5	Net Income of Non-farm Unincorporated Business ²	1,507	1,574	1,688	1,645
6	Net National Income at Factor Cost	17,138	18,326	19,156	18,774
7	Indirect Taxes Less Subsidies	2,478	2,714	2,901	2,914
8	Depreciation Allowances and Similar Business Costs	1,910	2,120	2,411	2,511
9	Residual Error of Estimate	- 52	95	- 19	- 158
10	Gross National Product at Market Prices	21,474	23,255	24,449	24,041

1. This item includes the undistributed earnings of the Canadian Wheat Board, and an inventory valuation adjustment for grain in Wheat Board channels, on a calendar year basis. See footnote 4, Table 49.

2. Includes net income of independent professional practitioners.

TABLE 2. Gross National Expenditure, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Personal Expenditure on Consumer Goods and Services ¹	13,273	14,366	15,125	15,676
2	Government Expenditure on Goods and Services ²	3,243	4,245	4,359	4,361
	Gross Domestic Investment: ³				
3	New Residential Construction	781	786	1,061	1,166
4	New Non-Residential Construction	1,260	1,554	1,706	1,676
5	New Machinery and Equipment	1,769	1,916	2,073	1,711
6	Change in Inventories	1,620	310	549	- 280
	(Business inventories only)	(1,267)	(- 18)	(353)	(- 120)
7	Exports of Goods and Services ⁴	5,089	5,573	5,400	5,136
8	Deduct: Imports of Goods and Services	- 5,613	- 5,400	- 5,843	- 5,562
9	Residual Error of Estimate	52	- 95	19	157
10	Gross National Expenditure at Market Prices	21,474	23,255	24,449	24,041

1. For detail, see Table 43.

2. Includes defence expenditures as follows: 1951, \$1,157 million; 1952, \$1,800 million; 1953, \$1,907 million; 1954, \$1,727 million. Includes outlay on new durable assets such as building and highway construction by governments, other than government business enterprises (for detail see Table 39, footnote 3 and Table 51, lines 2, 3, 4). Also includes the change in inventories of government commodity agencies and the Defence Production Revolving Fund. Excludes shipments of previously produced military equipment to N.A.T.O. countries but includes replacements of new equipment.

3. Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals and business investors.

4. Excludes shipments of military equipment to N.A.T.O. countries under the Defence Appropriation Act. See also Table 52.

TABLE 3. Gross National Expenditure in Constant (1949) Dollars, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Personal Expenditure on Consumer Goods and Services ¹	11,572	12,237	12,927	13,262
2	Government Expenditure on Goods and Services	2,760	3,462	3,443	3,324
	Gross Domestic Investment:				
3	New Residential Construction	650	635	832	910
4	New Non-Residential Construction	1,061	1,223	1,291	1,272
5	New Machinery and Equipment	1,494	1,626	1,730	1,426
6	Change in Inventories	1,056	483	555	- 285
	(Business inventories only)	(665)	(82)	(295)	(- 51)
7	Exports of Goods and Services	4,406	4,872	4,856	4,665
8	Deduct: Imports of Goods and Services	- 4,705	- 4,874	- 5,297	- 5,038
9	Sub Total	18,294	19,664	20,337	19,336
10	Residual Error of Estimate	46	- 79	16	129
11	Gross National Expenditure in Constant (1949) Dollars	18,340	19,585	20,353	19,665
12	Index of Gross National Expenditure in Constant (1949) Dollars	112.5	120.1	124.8	120.6
13	Percentage change from previous year	+ 5.9%	+ 6.8%	+ 3.9%	- 3.4%

1. Detail as follows:

	1951	1952	1953	1954
Non-durable goods	7,003	7,307	7,676	7,974
Durable goods	1,217	1,378	1,576	1,491
Services	3,352	3,552	3,675	3,797
Total	11,572	12,237	12,927	13,262

TABLE 4. Implicit Price Deflators - Gross National Expenditure, 1951-1954¹
(1949 = 100)

No.		1951	1952	1953	1954
1	Personal Expenditure on Consumer Goods and Services	114.7	117.4	117.0	118.2
2	Government Expenditure on Goods and Services	117.5	122.6	126.6	131.2
	Gross Domestic Investment:				
3	New Residential Construction	120.2	123.8	127.5	128.2
4	New Non-Residential Construction	118.8	127.1	132.1	131.8
5	New Machinery and Equipment	118.4	117.8	119.8	120.0
6	Exports of Goods and Services	115.5	114.4	111.2	110.1
7	Deduct: Imports of Goods and Services	119.3	110.8	110.3	110.4
8	Residual Error of Estimate	113.0	120.1	120.7	121.9
9	Gross National Expenditure*	114.1	119.3	120.0	122.3
	*The price deflator for Gross National Expenditure is calculated as follows:				
1	Gross National Expenditure in "Current" Dollars (see Table 2)	21,474	23,255	24,449	24,041
2	Inventory Valuation Adjustment	- 555	111	- 35	7
3	Equals Adjusted Value of Gross National Expenditure	20,919	23,366	24,414	24,048
4	Divide by Gross National Expenditure in Constant 1949 Dollars (line 11, Table 3)	18,340	19,585	20,353	19,665
5	Equals Implicit Price Index (line 9, Table 4)	114.1	119.3	120.0	122.3

1. These data are given on a 1935-39 base in tables 47 and 48 in order to provide continuity with similar tables in "National Accounts, Income and Expenditure, 1926-1950".

**TABLE 5. Relation Between Net National Income at Factor Cost, Personal Income,
Personal Disposable Income and Personal Saving, 1951-1954**

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Net National Income at Factor Cost	17,138	18,326	19,156	18,774
2	Add—Transfer Payments (excluding interest on transfer portion of public debt and charitable contributions from corporations) ¹	1,057	1,385	1,488	1,629
3	Add—Transfer Portion of Interest on the Public Debt ¹	450	467	492	540
4	Deduct—Earnings Not Paid Out to Persons ²	- 2,952	- 2,964	- 2,980	- 2,770
5	Equals—Personal Income	15,693	17,214	18,156	18,173
6	Deduct—Personal Direct Taxes	- 1,030	- 1,323	- 1,431	- 1,426
7	Equals—Personal Disposable Income	14,663	15,891	16,725	16,747
8	Deduct—Personal Expenditure on Consumer Goods and Services	- 13,273	- 14,366	- 15,125	- 15,676
9	Equals—Personal Saving	1,390	1,525	1,600	1,071
10	Change in Farm Inventories (Value of Physical Change)	354	237	50	- 145
11	Personal Saving excluding Change in Farm Inventories	1,036	1,288	1,550	1,216

1. Since National Income excludes transfer payments and Personal Income includes them, items 2 and 3 are added back here. However, charitable contributions from corporations are not added since they are included in National Income.

2. This item includes: undistributed corporation profits, corporation profits taxes, withholding taxes, government investment income, adjustment on grain transactions, and employer and employee contributions to social insurance and government pension funds.

Section 1

INCOME AND EXPENDITURE ACCOUNTS

**B. Analysis of Income and Expenditure Accounts
by Sectors of the Canadian Economy**

TABLE 6. Personal Income and Expenditure Account, 1951-1954

Income

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Wages, Salaries and Supplementary Labour Income:				
	(a) From business (27a)	8,371	9,327	10,002	10,100
	(b) From governments (19bi)	1,093	1,261	1,392	1,548
	(c) From persons (8b)	252	280	312	341
	(d) Deduct employer and employee contributions to social insurance and government pension funds (16)	- 329	- 358	- 390	- 395
2	Military Pay and Allowances (19bii)	201	270	309	367
3	(a) Net income received by farm operators from farm production ¹ (27b)	2,108	1,882	1,658	1,085
	(b) Net income of non-farm unincorporated business (27c)	1,507	1,574	1,688	1,645
4	Interest, dividends and net rental income of persons ² (45a)	1,406	1,566	1,669	1,825
5	Transfer Payments (excluding interest):				
	(a) From governments (20b)	1,032	1,360	1,460	1,601
	(b) Charitable contributions from corporations (45b)	27	27	28	28
	(c) Net bad debt losses of corporations (49c)	25	25	28	28
6	Total	15,693	17,214	18,156	18,173

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

2. Includes all government debt interest paid to persons.

TABLE 7. Personal Income and Expenditure Account, 1951-1954

Expenditure

No.		1951	1952	1953	1954
		(millions of dollars)			
7	Personal Direct Taxes:				
	(a) Income taxes (11a)	890	1,177	1,287	1,290
	(b) Succession duties (11b)	69	73	73	77
	(c) Miscellaneous (11c)	71	73	71	59
8	Purchase of Goods and Services:				
	(a) From business (23a)	12,681	13,675	14,370	14,874
	(b) Direct services (1c)	252	280	312	341
	(c) Tourist and travel expenditure:				
	(i) U.S.A. (33ai)	246	294	307	313
	(ii) U.K. and other Sterling Area ¹ (33aii)	25	32	37	42
	(iii) Other countries (33aiii)	9	15	21	27
	(d) Other expenditure abroad (33b)	60	70	78	79
9	Personal Saving ² (48)	1,390	1,525	1,600	1,071
10	Total	15,693	17,214	18,156	18,173

1. See footnote 2, Table 12.

2. This series includes changes in farm inventories. See Table 5.

TABLE 8. Government Revenue and Expenditure Account, 1951-1954¹

Revenue

No.		1951	1952	1953	1954
		(millions of dollars)			
11	Direct Taxes — Persons:				
	(a) Income taxes (7a)	890	1,177	1,287	1,290
	(b) Succession duties (7b)	69	73	73	77
	(c) Miscellaneous (7c)	71	73	71	59
12	Direct Taxes — Corporations:				
	(a) Income Taxes (45c)	1,429	1,378	1,226	1,164
13	Withholding Taxes (45d)	56	55	54	58
14	Indirect Taxes (28a)	2,606	2,814	3,011	3,001
15	Investment Income:				
	(a) Interest (45f)	181	215	213	232
	(b) Profits of government business enterprises (45e)	275	317	349	331
16	Employer and employee contributions to social insurance and government pension funds (1d)	329	358	390	395
17	Deficit (+) or Surplus (-) (on transactions relating to the National Accounts) ² (50)	-1,053	-288	-253	-18
18	Total ³	4,853	6,172	6,421	6,589

1. See also Table 32.

2. For a reconciliation of the federal content of this consolidated surplus (or deficit) with the conventional federal budgetary surplus (or deficit), see Table 50.

3. It will be noted that in addition to total revenue, this item includes the government deficit or surplus. Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out.

TABLE 9. Government Revenue and Expenditure Account, 1951-1954¹

Expenditure

No.		1951	1952	1953	1954
		(millions of dollars)			
19	Purchase of Goods and Services: ²				
	(a) From business (23b)	1,846	2,601	2,538	2,320
	(b) Direct services:				
	(i) Wages and salaries (1b)	1,093	1,261	1,392	1,548
	(ii) Military pay and allowances (2)	201	270	309	367
	(iii) Interest (42a)	103	113	120	126
20	Transfer Payments:				
	(a) Interest (42b)	450	467	492	540
	(b) Other (5a)	1,032	1,360	1,460	1,601
21	Subsidies (28b)	128*	100	110	87
22	Total ³	4,853	6,172	6,421	6,589

1. See also Table 33.

2. See line 2, table 2.

* Includes \$65 million payment to farmers on account of the United Kingdom Wheat Agreement.

3. Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out.

TABLE 10. Business Operating Account, 1951-1954

Revenue

No.		1951	1952	1953	1954
		(millions of dollars)			
23	Sales to Residents:				
	(a) Persons (8a).....	12,681	13,675	14,370	14,874
	(b) Governments ¹ (19a).....	1,846	2,601	2,538	2,320
	(c) Business on capital account ² :				
	(i) New residential construction (53a).....	781	786	1,061	1,166
	(ii) New non-residential construction (53b).....	1,260	1,554	1,706	1,676
	(iii) New machinery and equipment (53c).....	1,769	1,916	2,073	1,711
	(iv) Change in inventories (53d).....	1,620	310	549	-280
24	Sales to Non-Residents:				
	(a) U.S.A. (37 ai).....	3,089	3,151	3,301	3,191
	(b) U.K. and other Sterling Area ³ (37 aii).....	1,071	1,197	1,063	1,016
	(c) Other countries (37 aiii).....	814	1,080	871	786
25	Residual Error of Estimate	52	-95	19	157
26	Total	24,983	26,175	27,551	26,617

1. See footnote 2, Table 2.

2. See footnote 3, Table 2.

3. See footnote 2, Table 12.

TABLE 11. Business Operating Account, 1951-1954

Expenditure

No.		1951	1952	1953	1954
		(millions of dollars)			
27	Factor Costs:				
	(a) Wages, salaries and supplementary labour income (1a).....	8,371	9,327	10,002	10,100
	(b) Net income received by farm operators from farm production ¹ (3a).....	2,108	1,882	1,658	1,085
	(c) Net income of non-farm unincorporated business (3b)	1,507	1,574	1,688	1,645
	(d) Adjustment on grain transactions ² (49d)	- 36	- 31	- 5	- 27
	(e) Corporation profits (excluding interest and dividends from non-residents) ³ (40)	2,781	2,621	2,509	2,363
	(f) Other investment income (excluding interest on the public debt) (41)	1,093	1,297	1,410	1,514
28	Other Costs:				
	(a) Indirect taxes (14).....	2,606	2,814	3,011	3,001
	(b) Less subsidies (21).....	- 128*	- 100	- 110	- 87
	(c) Depreciation allowances and similar business costs (49b)	1,910	2,120	2,411	2,511
29	Purchases from Non-Residents:				
	(a) U.S.A. (32ai).....	3,428	3,385	3,607	3,344
	(b) U.K. and other Sterling Area ⁴ (32aii)	822	645	793	687
	(c) Other countries (32aiii).....	573	546	596	639
30	Residual Error of Estimate.....	- 52	95	- 19	- 158
31	Total	24,983	26,175	27,551	26,617

1. See footnote 1, Table 6.

2. This item includes the undistributed earnings of the Canadian Wheat Board, and an inventory valuation adjustment for grain in Wheat Board channels, on a calendar year basis. See footnote 4, Table 49.

3. For total corporation profits, see footnote 1, Table 14. See also Table 45.

4. See footnote 2, Table 12.

* Includes \$65 million payment to farmers on account of the United Kingdom Wheat Agreement.

TABLE 12. Non-Residents' Revenue and Expenditure Account, 1951-1954¹Receipts from Canada
(Canadian Imports)

No.		1951	1952	1953	1954
		(millions of dollars)			
32	Receipts from Business:				
	(a) Other than interest and dividends:				
	(i) U.S.A. (29a)	3,428	3,385	3,607	3,344
	(ii) U.K. and other Sterling Area ² (29b)	822	645	793	687
	(iii) Other countries (29c)	573	546	596	639
	(b) Interest and dividends:				
	(i) U.S.A. (46ai)	321	281	268	283
	(ii) U.K. and other Sterling Area ² (46aii)	52	52	53	57
	(iii) Other countries (46aiii)	9	11	11	13
33	Receipts from Persons:				
	(a) Tourist and Travel Expenditure:				
	(i) U.S.A. (8ci)	246	294	307	313
	(ii) U.K. and other Sterling Area ² (8cii)	25	32	37	42
	(iii) Other countries (8ciii)	9	15	21	27
	(b) All other receipts (all countries) (8d)	60	70	78	79
34	Receipts from Government:				
	Interest:				
	(a) U.S.A. (46bi)	61	63	66	70
	(b) U.K. and other Sterling Area ² (46bii)	5	4	4	5
	(c) Other countries (46biii)	2	2	2	3
35	Net Debit (+) or Credit (-) on Current Account:				
	(a) U.S.A. (54a)	- 928	- 810	- 871	- 777
	(b) U.K. and other Sterling Area ² (54b)	193	492	207	267
	(c) Other countries (54c)	211	491	221	84
36	Total	5,089	5,573	5,400	5,136

1. These figures differ from those shown in reports on "The Canadian Balance of International Payments", Dominion Bureau of Statistics, because adjustments have been made to the figures of receipts and payments to achieve consistency with other component series. See Table 52.

2. Since 1940. Prior to 1940 (See "National Accounts, Income and Expenditure, 1926-1950") read "U.K. and other Commonwealth".

TABLE 13. Non-Residents' Revenue and Expenditure Account, 1951-1954¹Payments to Canada
(Canadian Exports)

No.		1951	1952	1953	1954
		(millions of dollars)			
37	Payments to Business:				
	(a) Payments other than interest and dividends:				
	(i) U.S.A. (24a)	3,089	3,151	3,301	3,191
	(ii) U.K. and other Sterling Area ² (24b)	1,071	1,197	1,063	1,016
	(iii) Other countries (24c)	814	1,080	871	786
	(b) Interest and dividends (all countries) (43a)	29	49	71	57
38	Payments to Other Sectors:				
	Interest and dividends (all countries) (43b)	86	96	94	86
39	Total	5,089	5,573	5,400	5,136

1. See footnote 1 to Table 12.

2. See footnote 2 to Table 12.

TABLE 14. Investment Income Appropriation Account, 1951-1954
Source

No.		1951	1952	1953	1954
		(millions of dollars)			
40	Corporation Profits ¹ (excluding interest and dividends from non-residents) (27e)	2,781	2,621	2,509	2,363
41	Other investment income (excluding interest on the public debt) (27f)..	1,093	1,297	1,410	1,514
42	Interest on the Public Debt:				
	(a) Portion included in national income (19biii)	103	113	120	126
	(b) Transfer portion (20a)	450	467	492	540
43	Interest and Dividends from Non-Residents received by:				
	(a) Corporations (37b)	29	49	71	57
	(b) Other Sectors (38)	86	96	94	86
44	Total	4,542	4,643	4,696	4,686

1. To obtain total corporation profits, add items 40 and 43(a). See also Table 45.

TABLE 15. Investment Income Appropriation Account, 1951-1954
Disposition

No.		1951	1952	1953	1954
		(millions of dollars)			
45	To Canadian Residents:				
	(a) Interest, dividends and net rental income of persons (4)	1,406	1,566	1,669	1,825
	(b) Charitable contributions from corporations (5b)	27	27	28	28
	(c) Corporation income taxes (12a)	1,429	1,378	1,226	1,164
	(d) Withholding taxes (13)	56	55	54	58
	(e) Profits of government business enterprises (15b)	275	317	349	331
	(f) Government interest revenue (15a)	181	215	213	232
	(g) Undistributed corporation profits (49a)	721	667	748	617
	(h) Inventory valuation adjustment (n.e.i.) ¹ (49e)	- 3	5	5	-
46	To Non-Residents, Interest and Dividends received from:				
	(a) Business:				
	(i) U.S.A. (32bi)	321	281	268	283
	(ii) U.K. and other Sterling Area ² (32bii)	52	52	53	57
	(iii) Other countries (32biii)	9	11	11	13
	(b) Government:				
	(i) U.S.A. (34a)	61	63	66	70
	(ii) U.K. and other Sterling Area ² (34b)	5	4	4	5
	(iii) Other countries (34c)	2	2	2	3
47	Total	4,542	4,643	4,696	4,686

1. This adjustment applies only to grain in commercial channels other than the Canadian Wheat Board. An inventory valuation adjustment for grain held by this agency is included with "adjustment on grain transactions" (see item 27d, Table 11.)

2. See footnote 2, Table 12.

TABLE 16. National Saving and Investment Account, 1951-1954

Saving

No.		1951	1952	1953	1954
		(millions of dollars)			
48	Personal Saving (9)	1,390	1,525	1,600	1,071
49	Gross Business Saving:				
	(a) Undistributed corporation profits (45g)	721	667	748	617
	(b) Depreciation allowances and similar business costs (28c)	1,910	2,120	2,411	2,511
	(c) Net bad debt losses of corporation ¹ (5c)	-25	-25	-28	-28
	(d) Adjustment on grain transactions (27d)	-36	-31	-5	-27
	(e) Inventory valuation adjustment (n.e.l.) ² (45h)	-3	5	5	-
50	Government Surplus (+) or Deficit (-) (17)	1,053	288	253	18
51	Residual Error of Estimate	-52	95	-19	-158
52	Total	4,958	4,644	4,965	4,004

1. Since these are included in both personal saving (item 48) and depreciation allowances and similar business costs (49b), they are deducted here to avoid double counting.

2. Portion not included in "adjustment on grain transactions" (see footnote 1, Table 15).

TABLE 17. National Saving and Investment Account, 1951-1954

Investment

No.		1951	1952	1953	1954
		(millions of dollars)			
53	Gross Domestic Investment ¹ :				
	(a) New residential construction (23ci)	781	786	1,061	1,166
	(b) New non-residential construction (23cii)	1,260	1,554	1,706	1,676
	(c) New machinery and equipment (23ciil)	1,769	1,916	2,073	1,711
	(d) Change in inventories (23civ)	1,620	310	549	-280
54	Net Foreign Investment ² :				
	(a) U.S.A. (35a)	-928	-810	-871	-777
	(b) U.K. and other Sterling Area ³ (35b)	193	492	207	267
	(c) Other countries (35c)	211	491	221	84
55	Residual Error of Estimate	52	-95	19	157
56	Total	4,958	4,644	4,965	4,004

1. See footnote 3, Table 2. For reconciliation with "private and public investment" figures published by the Department of Trade and Commerce, see Table 51.

2. See footnote 1, Table 12.

3. See footnote 2, Table 12.

TABLE 18. Sector Accounts Consolidation, 1951-1954
National Income and Gross National Product

No.		1951	1952	1953	1954
		(millions of dollars)			
	Income Originating In:				
	Personal Sector:				
1	Wages, salaries and supplementary labour income.....	252	280	312	341
2	Business Sector.....	15,824	16,670	17,262	16,680
3	Wages, salaries and supplementary labour income.....	8,371	9,327	10,002	10,100
4	Net income received by farm operators from farm production.....	2,103	1,882	1,658	1,085
5	Adjustment on grain transactions.....	- 36	- 31	- 5	- 27
6	Net income of non-farm unincorporated business.....	1,507	1,574	1,688	1,645
7	Corporation profits(excluding interest and dividends from non-residents).....	2,781	2,621	2,509	2,363
8	Other investment income (excluding interest on the public debt)	1,093	1,297	1,410	1,514
9	Government Sector.....	1,397	1,644	1,821	2,041
10	Wages, salaries and supplementary labour income.....	1,093	1,261	1,392	1,548
11	Military pay and allowances	201	270	309	367
12	Portion of interest on the public debt included in National Income	103	113	120	126
13	Non-residents' Sector.....	-335	-268	-239	-288
	Interest and Dividends paid by all countries:				
14	(a) To Canadian corporations	29	49	71	57
15	(b) To other Canadian sectors.....	86	96	94	86
	Less interest and dividends received by all countries:				
16	(a) From Canadian business	- 382	- 344	- 332	- 353
17	(b) From Canadian governments	- 68	- 69	- 72	- 78
18	Net National Income at Factor Cost.....	17,138	18,326	19,156	18,774
19	Depreciation allowances and similar business costs	1,910	2,120	2,411	2,511
20	Indirect taxes.....	2,606	2,814	3,011	3,001
21	Less subsidies	- 128	- 100	- 110	- 87
22	Residual Error of Estimate	- 52	95	- 19	- 158
23	Gross National Product at Market Prices	21,474	23,255	24,449	24,041

TABLE 19. Sector Accounts Consolidation, 1951-1954
Gross National Expenditure

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Personal Expenditure on Consumer Goods and Services	13,273	14,366	15,125	15,676
2	Purchases from business	12,681	13,675	14,370	14,874
3	Purchases of direct services	252	280	312	341
4	Purchases from non-residents	340	411	443	461
5	Government Expenditure on Goods and Services	3,243	4,245	4,359	4,361
6	Purchases from business	1,846	2,601	2,538	2,320
7	Wages and salaries	1,093	1,261	1,392	1,548
8	Military pay and allowances	201	270	309	367
9	Interest	103	113	120	126
10	Gross Domestic Investment	5,430	4,566	5,389	4,273
11	New residential construction	781	786	1,061	1,166
12	New non-residential construction	1,260	1,554	1,706	1,676
13	New machinery and equipment	1,769	1,916	2,073	1,711
14	Change in inventories	1,620	310	549	- 280
15	Exports of Goods and Services	5,089	5,573	5,400	5,136
16	Payments to Canadian business	5,003	5,477	5,306	5,050
17	Payments to Other Sectors	86	96	94	86
18	Imports of Goods and Services	- 5,613	- 5,400	- 5,843	- 5,562
19	Receipts from Canadian business	- 5,205	- 4,920	- 5,328	- 5,023
20	Receipts from persons	- 340	- 411	- 443	- 461
21	Receipts from government	- 68	- 69	- 72	- 78
22	Residual Error of Estimate	52	- 95	19	157
23	Gross National Expenditure at Market Prices	21,474	23,255	24,449	24,041

Section 2

**INDUSTRIAL DISTRIBUTION OF
NATIONAL INCOME AND OTHER AGGREGATES**

TABLE 20. National Income, by Industry¹, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
	Business:				
1	Agriculture	2,296	2,095	1,888	1,279
2	Forestry	378	361	328	338
3	Fishing and Trapping	92	67	60	66
4	Mining, Quarrying and Oilwells	690	662	619	656
5	Manufacturing	5,158	5,396	5,688	5,456
6	Construction	856	1,025	1,217	1,233
7	Transportation	1,126	1,205	1,267	1,200
8	Storage	38	47	49	48
9	Communication	276	317	335	363
10	Public Utility Operation	303	386	413	433
	Trade:				
11	Wholesale	863	920	923	927
12	Retail	1,531	1,658	1,746	1,716
13	Finance, Insurance and Real Estate	1,180	1,389	1,515	1,708
14	Service ²	1,289	1,422	1,526	1,598
15	Government³	1,397	1,644	1,821	2,041
16	Non-Residents	- 335	- 268	- 239	- 288
17	Total	17,138	18,326	19,156	18,774

1. For difference between this classification and the Standard Industrial Classification, see "National Accounts, Income and Expenditure, 1926-1950", page 120.

2. Includes income originating in the personal sector, see Table 18.

3. Includes government non-business transactions only. Income originating in government business enterprises is included in the appropriate industrial groups within the business sector.

TABLE 21. Wages, Salaries and Supplementary Labour Income, by Industry, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
	Business:				
1	Agriculture	171	188	176	161
2	Forestry	342	333	302	308
3	Fishing and Trapping	15	14	13	14
4	Mining, Quarrying and Oilwells	356	410	406	412
5	Manufacturing	3,378	3,749	4,073	4,005
6	Construction	639	768	864	842
7	Transportation	884	973	1,046	1,012
8	Storage	26	30	32	32
9	Communication	215	238	258	288
10	Public Utility Operation	130	185	200	215
	Trade:				
11	Wholesale	529	600	642	676
12	Retail	855	930	1,009	1,074
13	Finance, Insurance and Real Estate	366	402	436	474
14	Service ¹	717	787	857	928
15	Government²	1,294	1,531	1,701	1,915
16	Total	9,917	11,138	12,015	12,356

1. Includes income originating in the personal sector. See Table 18.

2. Includes military pay and allowances; see also footnote 3, Table 20.

TABLE 22. Corporation Profits before Taxes, by Industry, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
	Business:				
	Agriculture				
1	Forestry	20	7	..	..
	Fishing and Trapping				
2	Mining, Quarrying and Oilwells	325	244	199	230
3	Manufacturing	1,561	1,410	1,385	1,230
4	Construction	46	66	..	..
5	Transportation	132	132		
6	Storage	9	13	197	187
7	Communication	44	59		
8	Public Utility Operation	43	52	55	64
	Trade:				
9	Wholesale	254	236	192	159
10	Retail	172	184	174	146
11	Finance, Insurance and Real Estate	163	212	240	261
12	Service	41	55	52	46
13	Total Corporation Profits Before Taxes	2,810	2,670	2,580	2,420
14	Non-Residents¹	-370	-334	-317	-332
15	Total	2,440	2,336	2,263	2,088

1. Dividends paid to non-residents. See Table 45.

.. Detail not given pending further research.

TABLE 23. Investment Income Excluding Corporation Profits, by Industry¹, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
	Business:				
	Agriculture				
1	Forestry	52	57	..	..
	Fishing and Trapping				
2	Mining, Quarrying and Oilwells				
3	Manufacturing	44	57	53	62
4	Construction	7	8	..	..
5	Transportation	52	46		
6	Storage	3	4	67	40
7	Communication	17	20		
8	Public Utility Operation	130	149	158	154
	Trade:				
9	Wholesale	17	27	33	35
10	Retail	126	137	141	144
11	Finance, Insurance and Real Estate	598	724	790	919
12	Service	18	19	23	25
13	Government²	103	113	120	126
14	Non-Residents³	35	66	78	44
15	Total	1,202	1,427	1,537	1,627

1. This is a heterogeneous aggregate including items such as interest, net rents, and trading profits of government business enterprises.

2. See also footnote 3 Table 20.

3. Includes interest paid to non-residents, reduced by interest and dividends received from non-residents.

.. Detail not given pending further research.

TABLE 24. Net Income of Unincorporated Business, by Industry, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
	Business:				
1	Agriculture.....	2,072	1,851	1,653	1,058
2	Forestry.....	19	21	21	21
3	Fishing and Trapping.....	76	53	47	52
4	Mining, Quarrying and Oilwells.....	8	7	7	7
5	Manufacturing.....	175	180	177	159
6	Construction.....	164	183	264	292
7	Transportation.....	58	54	51	52
8	Storage.....	—	—	—	—
9	Communication.....	—	—	—	—
10	Public Utility Operation.....	—	—	—	—
	Trade:				
11	Wholesale.....	63	57	56	57
12	Retail.....	378	407	422	352
13	Finance, Insurance and Real Estate.....	53	51	49	54
14	Service.....	513	561	594	599
15	Total.....	3,579	3,425	3,341	2,703

TABLE 25. Gross Domestic Investment (Excluding Inventories), by Industry¹, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Agriculture.....	515	555	546	393
	Fishing and Trapping.....				
2	Forestry.....	58	39	34	41
3	Mining, Quarrying and Oil Wells.....	181	211	257	249
4	Manufacturing.....	793	973	969	795
5	Construction.....	66	73	91	66
6	Transportation.....	305	430	490	416
7	Storage.....				
8	Communication ²	127	144	170	199
9	Public Utility Operation.....	466	582	546	495
10	Trade.....	235	197	330	357
11	Finance, Insurance and Real Estate ³	850	837	1,139	1,277
12	Service ⁴	214	215	268	265
13	Total.....	3,810	4,256	4,840	4,553

1. This table is derived from "Private and Public Investment in Canada, Outlook 1955" and similar reports, 1954 and 1953 (Department of Trade and Commerce); a minor revision in the 1954 housing component has been made since the publication of the most recent document. Additional detail has been provided by the D.B.S. General Assignments Division, and adjustments have been made to bring the data into line with National Accounting concepts. See reconciliation statement, Table 51.

2. Excludes investment expenditures by the Canadian Broadcasting Corporation, which are included in "Government Expenditure on Goods and Services".

3. Includes all new residential construction, (exclusive of government other than government business enterprises). See Table 2, Line 3.

4. Excludes government departmental expenditures, provincial hospital and school, and municipal school expenditures, which are included with "Government Expenditure on Goods and Services". Investment expenditures of government business enterprises (railways, power commissions, etc.) are included under appropriate industry headings.

TABLE 26. Investment in Inventories, by Industry, 1951-1954¹

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Agriculture ²	354	237	50	- 145
2	Forestry	61	- 44	- 6	12
3	Fishing and Trapping	—	—	—	—
4	Mining, Quarrying and Oil Wells	14	8	7	12
5	Manufacturing	723	- 31	211	- 161
6	Construction	53	18	- 11	- 12
7	Transportation, Storage and Communication	28	22	10	- 30
8	Public Utility Operation	14	6	- 5	4
	Trade:				
9	Grain in Commercial Channels ²	- 1	91	146	- 15
10	Wholesale (excluding grain in commercial channels)	237	29	54	- 28
11	Retail	120	- 26	89	84
12	Finance, Insurance and Real Estate	1	—	—	—
	Service	16	—	4	- 1
13	Total	1,620	310	549	- 280

1. Excludes government inventories, other than those held by government business enterprises.

2. Data shown represent "value of physical change". For other industries, data shown are "change in book value".

Section 3

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME

TABLE 27. Personal Income, Geographical Distribution, 1951-1954¹

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Newfoundland ²	206	229	243	254
2	Prince Edward Island.....	60	71	66	68
3	Nova Scotia.....	503	564	599	617
4	New Brunswick.....	376	408	416	435
5	Quebec.....	3,772	4,153	4,464	4,617
6	Ontario.....	6,083	6,729	7,196	7,418
7	Manitoba.....	870	913	923	898
8	Saskatchewan.....	1,084	1,184	1,112	761
9	Alberta.....	1,179	1,253	1,289	1,197
10	British Columbia ³	1,518	1,663	1,796	1,856
11	Foreign Countries ⁴	17	22	24	24
12	Personal Bad Debts (not distributed by Province)	25	25	28	28
13	Canada	15,693	17,214	18,156	18,173

1. Geographical distributions of the main components only of personal income are given in Tables 28 to 31 inclusive; these tables, therefore, do not add to the total of personal income.

2. These estimates must be regarded as provisional, since the statistical coverage of Newfoundland is not yet as complete as for other provinces.

3. Includes Yukon and North West Territories. In 1953 personal income of the Yukon and North West Territories was approximately \$18 million.

4. Includes receipts of income of Canadians temporarily abroad, including pay and allowances of Canadian armed forces abroad.

TABLE 28. Wages, Salaries and Supplementary Labour Income, Geographical Distribution, 1951-1954¹

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Newfoundland	131	152	166	169
2	Prince Edward Island.....	23	26	27	27
3	Nova Scotia.....	328	363	381	386
4	New Brunswick	239	257	263	274
5	Quebec.....	2,541	2,834	3,026	3,093
6	Ontario.....	4,090	4,585	4,953	5,067
7	Manitoba.....	477	522	564	570
8	Saskatchewan	311	349	386	404
9	Alberta.....	534	608	685	711
10	British Columbia ²	1,038	1,167	1,250	1,282
11	Foreign Countries.....	4	5	5	6
12	Canada	9,716	10,868	11,706	11,989

1. Excludes military pay and allowances.

2. Includes Yukon and North West Territories.

TABLE 29. Interest, Dividends and Net Rental Income of Persons, Geographical Distribution, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Newfoundland.....	13	14	12	14
2	Prince Edward Island.....	5	5	5	6
3	Nova Scotia	37	40	47	52
4	New Brunswick	29	29	32	36
5	Quebec	329	377	422	477
6	Ontario	592	660	715	810
7	Manitoba	71	76	77	80
8	Saskatchewan.....	92	115	91	63
9	Alberta	96	103	106	104
10	British Columbia ¹	142	147	162	183
11	Foreign Countries	—	—	—	—
12	Canada	1,406	1,566	1,669	1,825

1. Includes Yukon and North West Territories.

TABLE 30. Net Income Received by Farm Operators From Farm Production and Net Income of Non-Farm Unincorporated Business, Geographical Distribution, 1951-1954¹

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Newfoundland ²	39	36	34	36
2	Prince Edward Island	24	29	22	23
3	Nova Scotia	86	86	92	90
4	New Brunswick	72	76	70	70
5	Quebec	682	645	674	660
6	Ontario	1,110	1,032	1,060	988
7	Manitoba	272	246	212	166
8	Saskatchewan.....	619	642	555	207
9	Alberta	481	458	407	278
10	British Columbia ³	230	206	220	212
11	Foreign Countries	—	—	—	—
12	Canada	3,615	3,456	3,346	2,730

1. This item differs from the total of lines 4 and 5, Table 1, in that it excludes undistributed earnings (and the inventory valuation adjustment) of the Canadian Wheat Board, on a calendar year basis.

2. These estimates must be regarded as provisional, since the statistical coverage of Newfoundland is not yet as complete as for other provinces.

3. Includes Yukon and North West Territories.

TABLE 31. Government Transfer Payments, Excluding Interest, Geographical Distribution, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Newfoundland	27	30	35	38
2	Prince Edward Island	7	10	10	10
3	Nova Scotia	48	63	65	69
4	New Brunswick	40	51	54	58
5	Quebec	274	346	391	429
6	Ontario	309	444	463	520
7	Manitoba	54	72	73	79
8	Saskatchewan	68	84	86	92
9	Alberta	72	87	94	104
10	British Columbia ¹	131	171	188	201
11	Foreign Countries	2	2	1	1
12	Canada	1, 032	1, 360	1, 460	1, 601

1. Includes Yukon and North West Territories.

Section 4

GOVERNMENT SUPPLEMENTARY TABLES

TABLE 32. Government Revenue and Expenditure, by Level of Government, 1951-1954¹
Revenue

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Direct Taxes – Persons.....	1,030	1,323	1,431	1,426
2	Federal	931	1,223	1,329	1,319
3	Provincial and Municipal	99	100	102	107
4	Direct Taxes – Corporations.....	1,429	1,378	1,226	1,164
5	Federal	1,240	1,269	1,150	1,100
6	Provincial	189	109	76	64
	Withholding Taxes				
7	Federal	56	55	54	58
8	Indirect Taxes	2,606	2,814	3,011	3,001
9	Federal	1,495	1,595	1,697	1,612
10	Provincial and Municipal	1,111	1,219	1,314	1,389
11	Investment Income.....	456	532	562	563
12	Federal	167	217	225	223
13	Provincial and Municipal	289	315	337	340
14	Employer and Employee Contributions to Social Insurance and Pension Funds	329	358	390	395
15	Federal	214	230	250	255
16	Provincial and Municipal	115	128	140	140
	Transfers from Other Governments				
17	Provincial and Municipal	259	368	412	430
18	Total Revenue	6,165	6,828	7,086	7,037
19	Federal	4,103	4,589	4,705	4,567
20	Provincial and Municipal	2,062	2,239	2,381	2,470
21	Deficit (+) or Surplus (-)	- 1,053	- 288	- 253	- 18
22	Federal ²	- 1,042	- 256	- 175	+ 5
23	Provincial and Municipal	- 11	- 32	- 78	- 23
24	Total Revenue Plus Deficit (or minus Surplus)	5,112	6,540	6,833	7,019
25	Federal	3,061	4,333	4,530	4,572
26	Provincial and Municipal	2,051	2,207	2,303	2,447

1. For total government revenue and expenditure excluding inter-governmental transfers, see Tables 8 and 9.
2. For the difference between this item and the conventional budgetary surplus, see reconciliation, Table 50.

TABLE 33. Government Revenue and Expenditure, by Level of Government, 1951-1954¹
Expenditure

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Goods and Services	3,243	4,245	4,359	4,361
2	Federal ²	1,694	2,469	2,525	2,413
3	Provincial and Municipal	1,549	1,776	1,834	1,948
4	Transfer Payments	1,482	1,827	1,952	2,141
5	Federal	984	1,400	1,487	1,645
6	Provincial and Municipal	498	427	465	496
7	Subsidies	128	100	110	87
8	Federal	124	96	106	84
9	Provincial and Municipal	4	4	4	3
	Transfers to Other Governments				
10	Federal	259	368	412	430
11	Total Expenditure	5,112	6,540	6,833	7,019
12	Federal	3,061	4,333	4,530	4,572
13	Provincial and Municipal	2,051	2,207	2,303	2,447

1. For total government revenue and expenditure excluding inter-governmental transfers, see Tables 8 and 9.

2. Includes defence expenditure of \$1,157 million in 1951; \$1,800 million in 1952; \$1,907 million in 1953 and \$1,727 million in 1954.

TABLE 34. Direct Taxes — Persons, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
	FEDERAL:				
1	Income	890	1,177	1,287	1,277
2	Succession Duties	35	39	40	41
3	Miscellaneous	6	7	2	1
4	Total	931	1,223	1,329	1,319
	PROVINCIAL AND MUNICIPAL:				
5	Income	—	—	—	13
6	Motor Vehicle Licences and Permits ¹	28	29	31	33
7	Succession Duties	34	34	33	36
8	Hospital (Saskatchewan and B.C.)	21	21	21	6
9	Miscellaneous	16	16	17	19
10	Total	99	100	102	107
11	GRAND TOTAL	1,030	1,323	1,431	1,426

1. Personal share only. The business share is treated as an indirect tax.

TABLE 35. Direct Taxes — Corporations, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
	FEDERAL:				
1	Income.....	1,240	1,269	1,150	1,100
	PROVINCIAL:				
	Income:				
2	Provinces under Taxation Agreements.....	39	25	—	—
3	Provinces not under Taxation Agreements (excluding mining tax)	139	73	64	53
4	Tax on Mining Profits (Ont., P.Q., B.C.)	11	11	12	11
5	Total	189	109	76	64
6	GRAND TOTAL	1,429	1,378	1,226	1,164

TABLE 36. Indirect Taxes, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
	FEDERAL:				
1	Insurance companies	4	5	13	14
2	Customs import duties.....	355	369	416	387
3	Excise duties.....	233	245	228	225
4	Excise taxes.....	889	960	1,023	974
5	Miscellaneous.....	14	16	17	12
6	Total	1,495	1,595	1,697	1,612
	PROVINCIAL AND MUNICIPAL:				
7	Amusement	22	24	26	26
8	Corporation tax (not on profits)	25	20	15	16
9	Gasoline	179	191	216	231
10	Licences, fees and permits	35	37	41	42
11	Motor vehicle licences and permits ¹	45	49	51	56
12	Public domain.....	84	90	84	83
13	Real and personal property.....	476	544	586	621
14	Retail sales tax (incl. liquor and tobacco)	130	140	157	172
15	Miscellaneous.....	115	124	138	142
16	Total	1,111	1,219	1,314	1,389
17	GRAND TOTAL	2,606	2,814	3,011	3,001

1. Business share only. The personal share is treated as a direct tax.

TABLE 37. Government Investment Income, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
	FEDERAL:				
1	Interest on government-held public funds	33	51	56	65
2	Interest on loans, advances and investments	76	86	67	73
3	Profits (net of losses) of government business enterprises	58	80	102	85
4	Total	167	217	225	223
	PROVINCIAL AND MUNICIPAL:				
5	Interest on government-held public funds	34	36	40	40
6	Interest on loans, advances and investments	38	42	50	54
7	Profits (net of losses) of government business enterprises	217	237	247	246
8	Total	289	315	337	340
9	GRAND TOTAL	456	532	562	563

TABLE 38. Employer and Employee Contributions to Social Insurance and Pension Funds, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
	FEDERAL:				
1	Public service pensions	62	76	91	97
2	Unemployment insurance	152	154	159	158
3	Total	214	230	250	255
	PROVINCIAL AND MUNICIPAL:				
4	Public service pensions	37	43	50	48
5	Workmen's compensation	66	72	76	77
6	Industrial employees' vacations	12	13	14	15
7	Total	115	128	140	140
8	GRAND TOTAL	329	358	390	395

TABLE 39. Government Expenditure on Goods and Services, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
	FEDERAL:				
1	Wages, salaries and supplementary labour income.....	411	478	534	605
2	Military pay and allowances	201	270	309	367
3	Interest on public debt incurred to finance existing real assets	20	20	20	20
4	Changes in inventories of government commodity agencies ¹	-16	72	-24	-4
5	Other purchases of goods and services	1,078	1,629	1,686	1,425
6	Total²	1,694	2,469	2,525	2,413
	Provincial and Municipal:				
7	Wages, salaries and supplementary labour income:				
8	Municipal school corporations.....	230	267	297	332
9	Other (excl. water works).....	452	516	561	611
10	Interest on public debt incurred to finance existing real assets	83	93	100	106
11	Other purchases of goods and services	784	900	876	899
12	Total	1,549	1,776	1,834	1,948
12	GRAND TOTAL³	3,243	4,245	4,359	4,361

1. Includes change in inventories of Agricultural Prices Support Board and Agricultural Products Board. Does not include change in inventories financed out of the Defence Production Revolving Fund, which is included with "other purchases of goods and services."

2. Defence expenditure included in this total is as follows: 1951, \$1,157 million; 1952, \$1,800 million; 1953, \$1,907 million; 1954, \$1,727 million.

3. Includes capital outlays by government as follows:

	1951	1952	1953	1954
	(millions of dollars)			
Federal.....	273	433	408	298
Provincial and Municipal.....	494	596	593	656
Total	767	1,029	1,001	954

(See also Table 51)

TABLE 40. Government Transfer Payments Including Interest, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
	FEDERAL:				
1	Family Allowances.....	318	330	346	362
2	War Service Gratuities	—	3	3	1
3	Re-Establishment Credits	11	7	7	6
4	Rehabilitation Benefits	10	5	2	3
5	Pensions World Wars I and II ¹	84	115	115	117
6	War Veterans' Allowances.....	27	30	30	31
7	Unemployment Insurance Benefits	77	119	158	241
8	Prairie Farm Assistance Act.....	10	5	2	2
9	Pensions to Government Employees.....	21	23	25	25
10	Interest on Debt not Incurred to Finance Existing Real Assets	407	421	441	484
11	Old Age Security Fund Payments.....	—	317	335	350
12	Miscellaneous	19	25	23	23
13	Total	984	1,400	1,487	1,645
	PROVINCIAL AND MUNICIPAL:				
14	Direct Relief	28	26	25	28
15	Workmen's Compensation Benefits	45	53	57	57
16	Old Age Pensions.....	152	48	52	56
17	Mothers' Allowances.....	20	22	23	26
18	Pensions to Government Employees.....	19	21	23	23
19	Provincial and Municipal Grants to Private Non-Commercial Institutions	173	190	208	224
20	Interest on Debt not Incurred to Finance Existing Real Assets	43	46	51	56
21	Miscellaneous.....	18	21	26	26
22	Total	498	427	465	496
23	GRAND TOTAL	1,482	1,827	1,952	2,141

1. Excludes pensions paid to non-residents, which are treated as government expenditure on goods and services. In 1954, the amount excluded was \$12 million.

TABLE 41. Subsidies, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
	FEDERAL:				
	Department of Agriculture:				
1	Feed freight assistance, Western grain	16	19	18	19
2	Hog premiums	5	7	5	5
3	Agricultural Prices Support Board loss	2	32	38	3
4	Special payment to farmers, U.K. Wheat Agreement	65	—	—	—
5	Miscellaneous	4	3	1	6
6	Total Agriculture	92	61	62	33
	Other Federal Subsidies:				
7	Emergency Gold Mines Assistance Act	10	12	14	15
8	Maritime Freight Rates Act	10	10	11	11
9	✓ Movement of coal	4	6	8	12
10	Miscellaneous	8	7	11	13
11	Total Other	32	35	44	51
12	Total Federal Subsidies	124	96	106	84
13	Total Provincial Subsidies	4	4	4	3
14	GRAND TOTAL ALL SUBSIDIES	128	100	110	87

TABLE 42. Transfers to Other Governments, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
	FEDERAL:				
1.	Old age and blind pensions	106	44	23	23
2	Subsidies to provinces	19	21	20	20
3	Taxation agreements ¹	86	244	308	330
4	Health grants to provinces	22	27	27	31
5	Miscellaneous	26	32	34	26
6	TOTAL	259	368	412	430

1. An adjustment has been made to exclude provincial corporation taxes collected by the federal government (net of remittances to the provinces) from the figures.

Section 5
MISCELLANEOUS TABLES

TABLE 43. Personal Expenditure on Consumer Goods and Services, 1951-1954¹

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Food	3,488	3,669	3,740	3,875
2	Tobacco and Alcoholic Beverages	1,155	1,288	1,322	1,340
3	Clothing and Personal Furnishings	1,708	1,842	1,880	1,826
4	Shelter ²	1,560	1,738	1,922	2,122
5	Household Operation	1,590	1,809	1,915	1,975
6	Transportation	1,559	1,701	1,904	1,827
7	Personal and Medical Care and Death Expenses	813	910	989	1,037
8	Miscellaneous	1,400	1,409	1,453	1,674
9	Grand Total	13,273	14,366	15,125	15,676
10	Durable Goods ³	1,399	1,588	1,793	1,682
11	Non-Durable Goods	7,969	8,374	8,578	8,880
12	Services ⁴	3,905	4,404	4,754	5,114

1. For complete list of content of groups, see "National Accounts, Income and Expenditure, 1926-1950", page 123.

2. Excludes transient shelter.

3. Includes jewellery, watches, clocks, silverware, home furnishings, furniture, appliances and radios, and automobiles. Non-specified durable goods are included residually with non-durable goods.

4. Includes net expenditure abroad.

TABLE 44. Imputed Expenditure (or Income in Kind) included in Personal Expenditure, 1951-1954¹

No.		1951	1952	1953	1954
		(millions of dollars)			
	Food:				
1	Farm consumed farm produce	213	215	194	185
2	Other ²	90	87	79	78
	Shelter:				
3	Imputed Residential Rent	811	911	1,022	1,153
4	Imputed Lodging, Non-Residential ³	22	22	22	22
5	Other ⁴	126	133	136	140
6	Total	1,262	1,368	1,453	1,578

1. Included in Table 43.

2. Includes food issued to members of the armed forces and to employees in lieu of wages.

3. Lodging in bunk houses, ships, hotels, etc., furnished to employees in lieu of wages.

4. Includes clothing issued to the armed forces, wood fuel cut and used on farms, and estimated services rendered by banks to persons without specific charge.

TABLE 43. Analysis of Corporation Profits, 1951-1954

No		1951	1952	1953	1954
		(millions of dollars)			
1	Corporation Profits before Taxes.....	2,810	2,670	2,580	2,420
2	Deduct: Income and Excess Profits Taxes ¹	- 1,429	- 1,378	- 1,226	- 1,164
3	Corporation Profits after Taxes.....	1,381	1,292	1,354	1,256
4	Deduct: Dividends Paid to Non-Residents.....	- 370	- 334	- 317	- 332
5	Corporation Profits Retained in Canada.....	1,011	958	1,037	924
6	Deduct: Dividends Paid to Canadian Persons.....	- 263	- 264	- 261	- 279
7	Charitable Contributions from Corporations.....	- 27	- 27	- 28	- 28
8	Undistributed Corporation Profits.....	721	667	748	617

1. Includes elective tax on undistributed income of \$48 million in 1951, \$10 million in 1952, \$10 million in 1953 and \$7 million in 1954.

TABLE 46. Depreciation Allowances and Similar Business Costs, 1951-1954, Classified by "Type" and "Form of Organization"

No.		1951	1952	1953	1954
		(millions of dollars)			
	By Type:				
1	Charges Relating to Capital Consumption ¹	1,841	2,044	2,322	2,461
2	Other Charges ²	69	76	89	50
3	Total Depreciation Allowances and Similar Business Costs (1 + 2) = (4 + 5 + 6).....	1,910	2,120	2,411	2,511
	By Form of Organization:				
4	Corporations.....	1,017	1,155	1,339	1,372
5	Individuals and Unincorporated Business ³	768	830	916	977
6	Government Business Enterprises.....	125	135	156	162

1. Includes charges for depreciation, obsolescence, amortization, capital outlay charged to current expense and claim portion of business and residential property insurance.

2. Includes bad debt charges (less recoveries) and claim portion of business theft, liability and fidelity insurance.

3. Includes co-operatives and non-commercial institutions.

TABLE 47. Gross National Expenditure in Constant (1935-1939) Dollars, 1951-1954

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Personal Expenditure on Consumer Goods and Services	6,978	7,382	7,796	7,998
2	Government Expenditure on Goods and Services	1,713	2,149	2,137	2,063
	Gross Domestic Investment:				
3	New Residential Construction	290	284	372	407
4	New Non-Residential Construction	606	699	738	726
5	New Machinery and Equipment	890	969	1,031	849
6	Change in Inventories	453	220	284	- 120
7	Exports of Goods and Services	2,215	2,448	2,440	2,344
8	Deduct: Imports of Goods and Services	- 2,342	- 2,426	- 2,637	- 2,508
9	Sub Total	10,803	11,725	12,161	11,759
10	Residual Error of Estimate	27	- 47	9	77
11	Adjusting Entry ¹	105	- 1	- 36	- 111
12	Gross National Expenditure in Constant (1935-1939) Dollars	10,935	11,677	12,134	11,725
13	Percentage Change from previous Year	+ 5.9%	+ 6.8%	+ 3.9%	- 3.4%

1. The price indexes from 1951 to 1954, as shown in Table 4, were converted to a 1935-1939 base using 1949 as the year of overlap between old and new series. They were then divided into the current dollar figures of Table 2, to give the constant (1935-1939) dollar series shown above. This procedure was followed in the case of Gross National Expenditure, line 12, as well as the major components. It may be noted that this procedure yields year-to-year movements in the constant dollar series which are identical with those shown in Table 3. However, a small residual difference, produced by the change in the major group weighting pattern, is entered to make the components add up to the Gross National Expenditure in constant (1935-1939) dollars as determined in this way.

TABLE 48. Implicit Price Deflators — Gross National Expenditure, 1951-1954
(1935-1939 = 100)

No.		1951	1952	1953	1954
1	Personal Expenditure on Consumer Goods and Services	190.2	194.6	194.0	196.0
2	Government Expenditure on Goods and Services	189.3	197.5	204.0	211.4
	Gross Domestic Investment:				
3	New Residential Construction	268.9	276.9	285.2	286.8
4	New Non-Residential Construction	207.9	222.4	231.2	230.7
5	New Machinery and Equipment	198.8	197.8	201.1	201.5
6	Exports of Goods and Services	229.8	227.7	221.3	219.1
7	Deduct: Imports of Goods and Services	239.7	222.6	221.6	221.8
8	Residual Error of Estimate	189.5	201.4	202.4	204.4
9	Gross National Expenditure	191.3	200.1	201.2	205.1

Section 6
RECONCILIATION STATEMENTS

TABLE 49. Accrued Net Income of Farm Operators from Farm Production, 1951-1954
Reconciliation Statement

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Net Income of Farm Operators from Farming Operations ¹	2,159	1,929	1,703	1,130
2	Deduct: Amounts Included in Investment Income ²	- 41	- 42	- 43	- 43
3	Deduct: Transfer Payments under Prairie Farm Assistance Act ³	- 10	- 5	- 2	- 2
4	Equals: Net Income Received by Farm Operators From Farm Production	2,108	1,882	1,658	1,085
5	Adjustment on grain transactions ⁴	- 36	- 31	- 5	- 27
6	Accrued Net Income of Farm Operators from Farm Production⁵	2,072	1,851	1,653	1,058

1. These figures are as published by the Agriculture Division, Dominion Bureau of Statistics, with the exception that provisional estimates for Newfoundland are included.

2. This item includes corporation profits in agriculture and imputed net rent of owner-occupied houses.

3. These items are deducted since transfer payments are excluded from "Net National Income at Factor Cost".

4. Since the National Income purports to measure earnings out of current production rather than receipts of income, it is appropriate to include in Table 1 income accruing to farm operators from farm production rather than income received. Accordingly, an adjustment, consisting of two parts, is made. The first part takes account of the undistributed earnings of the Canadian Wheat Board. The second part of the adjustment allows for the fact that current earnings of this agency are calculated on the basis of the change in book values of inventories, whereas the required valuation of inventories for the National Accounts is the value of the physical change. All the figures are on a calendar year basis.

5. See also Table 1.

TABLE 50. Federal Government Surplus, 1951-1954

Reconciliation Statement

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Surplus as per Public Accounts 1950-51, 1951-52, 1952-53, 1953-54 (fiscal years ended March 31) ¹	211	248	24	46
2	Difference between fiscal and calendar year.....	300	- 367	- 24	- 195
3	Extra-budgetary receipts, pension and social insurance funds.....	252	437	547	567
4	Excess of corporation tax accruals over collections	161	45	- 87	43
5	Revenue items omitted	- 67	- 49	- 92	- 79
6	Extra-budgetary expenditures, pension and social insurance funds.....	- 108	- 464	- 520	- 618
7	Reserves, write-offs and similar items charged to expenditure	167	195	139	142
8	Change in inventories of government commodity agencies	16	- 72	24	4
9	Shipment of previously produced military equipment to N.A.T.O. (less expenditures of Defence Equipment Replacement Account)	70	95	55	5
10	Other adjustments ²	40	188	109	80
11	Surplus as per National Accounts (calendar years ended December 31)	1,042	256	175	- 5

1. It should be noted that the Public Accounts fiscal year figures include only three months of the calendar year in which the fiscal year ends. For example, fiscal year 1951-52 includes only January to March 1952, the balance of the fiscal year being in the calendar year 1951. An adjustment is therefore necessary to the fiscal figures to exclude the nine months which apply to the calendar year 1951, and to include the nine months of the calendar year 1952 not covered by the 1951-52 fiscal year. This adjustment is made on the basis of published statements of the Comptroller of the Treasury.

2. Includes adjustment in 1952 and subsequent years to convert interest on the public debt from an accrual to a "due date" basis, in order to retain comparability with the historical series.

TABLE 51. Gross Domestic Investment (excluding Inventories), 1951-1954
Reconciliation Statement

No.		1951	1952	1953	1954
		(millions of dollars)			
1	Total Private and Public Investment in Canada ¹	4,577	5,285	5,841	5,507
2	Deduct: New Residential Construction by Governments ^{2,3}	- 40	- 40	- 23	- 12
3	Deduct: New Non-Residential Construction by Governments ³	- 654	- 883	- 875	- 849
4	Deduct: New Machinery and Equipment Outlays by Governments ³	- 73	- 106	- 103	- 93
5	Total Gross Domestic Investment (excluding inventories) (1-2-3-4) = (6+7+8)	3,810	4,256	4,840	4,553
6	New Residential Construction ⁴	781	786	1,061	1,166
7	New Non-Residential Construction ⁴	1,260	1,554	1,706	1,676
8	New Machinery and Equipment ⁴	1,769	1,916	2,073	1,711

1. As presented in the publications "Private and Public Investment in Canada, Outlook, 1955" and similar reports, 1954 and 1953, (Department of Trade and Commerce). A minor revision in the 1954 housing component has been made since publication of the most recent document.

2. Excluding residential construction under Veterans' Land Act, construction of veterans' rental housing by Central Mortgage and Housing Corporation, and joint Federal-Provincial housing (Section 46, N.H.A.).

3. Included in "Government Expenditure on Goods and Services", line 2, Table 2.

4. See also lines 3, 4 and 5, Table 2.

TABLE 52. Analysis and Reconciliation of Exports and Imports, 1951-1954¹

No.		1951	1952	1953	1954
		(millions of dollars)			
	Exports of Goods and Services:				
1	Merchandise Exports	3,950	4,339	4,152	3,929
2	Gold available for Export	150	150	144	155
3	Receipts from Services rendered to Non-Residents (including dividends and interest received from abroad)	1,066	1,169	1,195	1,141
4	Subtotal: "Current Receipts" as per "Canadian Balance of International Payments"	5,166	5,658	5,491	5,225
5	Adjustments ²	- 77	- 85	- 91	- 89
6	Total "Exports of Goods and Services" as per National Accounts ³	5,089	5,573	5,400	5,136
	Imports of Goods and Services:				
7	Merchandise Imports	4,097	3,850	4,210	3,916
8	Payments for Services rendered by Non-Residents (including interest and dividends paid abroad)	1,586	1,644	1,724	1,740
9	Subtotal: "Current Payments" as per "Canadian Balance of International Payments"	5,683	5,494	5,934	5,656
10	Adjustments ²	- 70	- 94	- 91	- 94
11	Total "Imports of Goods and Services" as per National Accounts ³	5,613	5,400	5,843	5,562

1. Data sources are reports on the "Canadian Balance of International Payments" (Balance of Payments Section, Dominion Bureau of Statistics). Figures exclude Mutual Aid to N.A.T.O. Countries 1951-1954.

2. Migrants' funds and inheritances.

3. See also Table 2.

APPENDIX A

TABLE I. Population of Canada by Provinces, 1951-1954
Estimated as of June 1 for Intercensal Years

	1951	1952	1953	1954
	(in thousands)			
Newfoundland	361	374	383	398
Prince Edward Island	98	103	106	105
Nova Scotia.....	643	653	663	673
New Brunswick.....	516	526	536	547
Quebec	4,056	4,174	4,269	4,388
Ontario.....	4,598	4,766	4,897	5,046
Manitoba	776	798	809	828
Saskatchewan	832	843	861	878
Alberta.....	939	970	1,002	1,039
British Columbia ¹	1,165	1,198	1,230	1,266
Yukon ¹	9	9	9	10
Northwest Territories ¹	16	16	16	17
Canada.....	14,009	14,430	14,781	15,195

1. In Tables 27 to 31 (Geographical Distribution of Personal Income), figures for the Yukon and Northwest Territories are included with British Columbia. Per capita estimates of personal income for British Columbia therefore require that a similar adjustment be made to the population data.

TABLE II. The Civilian Labour Force, 1951-1954
Annual Averages¹

	1951	1952	1953	1954
	(in thousands)			
Civilian Non-Institutional Population, 14 years of age and over	9,726	9,946	10,144	10,300
Civilian labour force:				
Persons with jobs:				
Non-agricultural	4,171	4,295	4,388	4,321
Agricultural.....	940	891	858	873
Total Persons with Jobs	5,111	5,186	5,246	5,194
Persons without Jobs and seeking work.....	106	129	137	232
Total Civilian Labour Force²	5,217	5,315	5,383	5,426

1. Average of the quarterly labour force surveys in 1951 and 1952 and of the monthly surveys in 1953 and 1954.

2. The number of persons in the regular Armed Forces not included in these totals is as follows: 1951, 77,000 persons; 1952, 97,000 persons; 1953, 105,000 persons; 1954, 114,000 persons. The figures are quarterly averages for the years 1951 and 1952, and monthly averages for the years 1953 and 1954.

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