

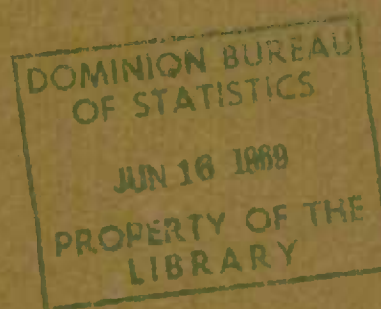
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CANADA



NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
1958



DOMINION BUREAU OF STATISTICS
Research and Development Division
National Income Section

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1958

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June, 1959.

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INTRODUCTORY REVIEW

The Year 1958 — Annual Review

The year 1958 witnessed a gradual resumption of the upward trend in Gross National Product which had been interrupted in 1957 as recessionary influences began to bear adversely upon the level of economic activity. By the second quarter of the year, the Gross National Product was showing a firmer trend and by the final quarter was responding to a sharp rise in consumer expenditures, a strong advance in exports of goods and services, and a cessation in the rate of business inventory liquidation which had previously been operating to hold production in check as final demand was met out of current inventory stocks. The year thus ended on a stronger note, although business outlays for new plant and equipment were still tending downward at year-end.

Despite the improvement in a number of the main statistical aggregates during the course of 1958, Gross National Product for the year as a whole was affected in a major way by the heavy inventory liquidation of the first half, and by the continued downward drift in business spending for new plant and equipment. As a result, the Gross National Product showed an advance of only 2.3 per cent over the year 1957, of which the larger part represented higher prices prevailing in the period. In volume terms, Gross National Product in 1958 is estimated to have risen by less than 1 per cent. The slight volume gain was attributable to higher production in the farm sector; the physical volume of non-farm production remained unchanged from the previous year. The relative stability in the physical volume of total output in 1958 compares with a gain

of 9 per cent in 1955, 9 per cent in 1956, no change in 1957, and a postwar average for the years 1947 to 1958 of 4 per cent per year.

The broad changes in the main expenditure categories between the years 1957 and 1958, and the effect of these shifts on the Gross National Product, are shown in the table below. It is apparent that a major downward pressure during 1958 was coming from the business investment sector, with inventory liquidation assuming a major role, and declines in business outlays for non-residential construction and machinery and equipment acting to reinforce the curtailment in inventory demand. Altogether, these three components of the expenditure side accounted for a cut-back in the flow of expenditures equivalent to about \$1.4 billion in terms of new production. As will be noted, however, these downward tendencies in the economy were counteracted by the continued growth in consumer and government expenditures for goods and services, and the upswing in residential construction. These three elements on the demand side more than offset the declines noted in the business investment sector. At the same time, a good deal of the effect of the downward shift in domestic demand was transferred on to foreign sources of supply through the mechanism of declining imports of goods and services. The fall-off here in 1958 amounted to \$0.4 billion, or about one-third of the net reduction in demand attributable to the business investment sector. The overall effect of these developments was to bring about a change in the value of Canadian production in 1958 of about 2.3 per cent over the level of the year 1957.

Changes in Components of Gross National Expenditure¹ 1957 to 1958

| | Year 1957 | Year 1958 | Change | Change ² |
|--|---------------------|--------------|----------------|---------------------|
| | billions of dollars | | | % |
| Business Investment | | | | |
| Non-Residential Construction | 3.1 | 2.8 | -0.3 | -9.3 |
| Machinery and Equipment | 2.8 | 2.3 | -0.5 | -17.7 |
| Inventories | 0.2 | -0.4 | -0.6 | n.a. |
| (Non-Farm Business Inventories) | (0.3) | (-0.3) | (-0.6) | n.a. |
| Sub-Total | 6.1 | 4.7 | -1.4 | -23.2 |
| Other Purchases | | | | |
| Consumer Expenditures | 20.0 | 21.0 | 1.0 | +5.2 |
| Government Expenditures | 5.7 | 6.2 | 0.5 | +7.2 |
| Residential Construction | 1.4 | 1.8 | 0.4 | +25.1 |
| Exports | 6.4 | 6.3 | -0.1 | -1.5 |
| Sub-Total | 33.5 | 35.2 | 1.7 | +5.1 |
| Total Final Purchases plus Inventory Investment | | | | |
| (Total Available Supply) | 39.6 | 39.9 | 0.3 | +0.7 |
| Less: Imports | -7.8 | -7.4 | -(-0.4) | -5.6 |
| Gross National Expenditure | | | | |
| (Canadian Production) | 31.8 | 32.5 | 0.7 | +2.3 |

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

² Per cent changes based on unrounded data.

While these annual comparisons provide a useful setting for viewing the year 1958 in perspective, they conceal to a considerable extent the evidence of developing strength which became more apparent toward the end of the year. As has already been noted, business inventories, which were being liquidated heavily in the early part of the year (and thus acting as a brake on production), moved to a position of small net accumulation in the last half. In addition, while the downtrend in business outlays for new plant and equipment which developed in 1957 continued through all quarters of 1958, the declines were of more modest proportions in the last three quarters of the year. Thus, the major downward pressures on production which arose from weakness in these three areas during 1957 and the early part of 1958, were moderating in the last three quarters; in fact, the swing in business inventories to a position where they were making new demands on production all but offset the declines in plant and equipment investment.

This easing of the downward pressures coming from the business investment sector was accompanied by a sharp upswing in other final purchases

of goods and services in the fourth quarter of the year. The rise reflected a sharp advance in personal expenditure on consumer goods and services, though it should be noted that this increase followed upon a period in which consumer expenditures had shown little change for two quarters. Exports of goods and services, which were showing some weakness in 1958, also advanced strongly in the fourth quarter, with widespread gains in most of the main commodity groups. The developing strength in these final demand categories, and in the accompanying swing in business inventories brought about a reversal in the down-trend of imports of goods and services which had been under way since the second quarter of 1957; by the second quarter of 1958, imports had stopped declining, and in the last half of the year they moved upward, with an exceptionally sharp rise in the fourth quarter.

Changes in Income During 1958

National income rose by about 3 per cent in 1958, but personal income increased by 6 per cent, and disposable income by more than 7 per cent. The major factors in the reconciliation of these differences are indicated in the table below.

Analysis of Changes in Major Income Components 1957 to 1958

| | Year 1957 | Year 1958 | Change | Change ¹ |
|--|---------------------|--------------|-------------|---------------------|
| | billions of dollars | | | % |
| National Income | 23.9 | 24.7 | +0.8 | +3.4 |
| Deduct: Corporation Profits | -2.5 | -2.5 | — | -2.8 |
| Add: Dividends to Persons | 0.3 | 0.3 | — | -1.6 |
| Add: Transfer Payments from Government | 2.1 | 2.6 | +0.5 | +27.0 |
| Other | -0.7 | -0.8 | -(0.1) | +10.8 |
| Equals: Personal Income | 23.0 | 24.4 | +1.4 | +5.9 |
| Deduct: Personal Direct Taxes | -1.9 | -1.8 | -(0.1) | -6.6 |
| Equals: Disposable Income | 21.1 | 22.6 | +1.5 | +7.1 |

¹ Per cent changes based on unrounded data.

Transfer payments from government provided the most important single element in the differing rates of increase between national and personal income, and the rise here was very sharp, amounting to about 27 per cent. In addition, disposable income was further bolstered by a decline in direct personal tax collections. It is of interest to note that about 40 per cent of the over-the-year increase of \$1.5 billion in disposable income can be attributed to changes which have occurred in the flow of transfer payments from the government to the personal sector, and in the reverse flow of tax collections

from the personal sector to the government sector. National income, which does not reflect changes in these transfer-type transactions, was adversely affected in 1958 by a significant decline in the level of corporation profits, amounting to about 3 per cent.

A summary and consolidation of the series which accounted for the changes in total disposable income between 1957 and 1958, is given in the following table.

Changes in Disposable Income 1957 to 1958

| | Year 1957 | Year 1958 | Change | Change ¹ |
|---|---------------------|--------------|-------------|---------------------|
| | billions of dollars | | | % |
| Transfer Payments from Government | 2.1 | 2.6 | +0.5 | +27.0 |
| Personal Direct Taxes | -1.9 | -1.8 | +0.1 | -6.6 |
| Wages and Salaries | 16.0 | 16.4 | +0.4 | +2.7 |
| Net Income of Farm Operators | 1.0 | 1.2 | +0.2 | +16.2 |
| Interest, Dividends and Net Rental Income | 2.0 | 2.1 | +0.1 | +5.8 |
| Other Disposable Income | 1.9 | 2.0 | +0.1 | +4.7 |
| Total Disposable Income | 21.1 | 22.6 | +1.5 | +7.1 |

¹ Per cent changes based on unrounded data.

Turning to the trend of income during 1958, the movement from quarter to quarter of most of the components was uniformly upward, though the rates of increase varied substantially as is indicated by the year-to-year comparisons shown in the preceding tables. The major exception occurred in the case of corporation profits, where the down-turn which had been under way since early in 1956 was reversed during the course of the year 1958.

Production and Employment in 1958

The volume of production in 1958 was up only slightly above 1957, by less than 1 per cent. In general, gains in non-farm output originating in the broad group of service industries were substantially offset by losses in the output of the commodity-producing industries, considered as a whole. This shift in the product pattern of output, continuing a trend evident in 1957, is related to the impact of recessionary influences which bore most heavily on the commodity-producing industries.

Among the primary industries, the trends were mixed. Agricultural output rose substantially, mainly as a result of higher output and sales of livestock associated with opportunities for export to the United States and higher domestic prices; crop production was about the same as that of the previous year. Production in the forestry industry fell by about 10 per cent in the year-over-year comparison, reflecting a further sharp decline in output of pulpwood which was partially offset by higher production of other forest products. However, in the last three quarters of 1958, after allowing for seasonal factors, production in forestry appears to have stabilized at a level somewhat higher than at the end of 1957. Production in mining, quarrying and oil wells was about the same as in 1957; greatly expanded production of uranium and natural gas was important in sustaining over-all mining production in the face of a major decline in output of nickel, asbestos, iron ore and crude petroleum. Deterioration in the export market for these products accounts for these declines in output, although in the case of nickel a prolonged industrial dispute involv-

ing a major producer was also a factor. Mining production followed a gently declining trend throughout the year.

Manufacturing production fell by nearly 4 per cent in the year-to-year comparison, virtually all the decline being in durable manufacturing. The majority of the durable group industries shared in the decline, with the drop in output being most pronounced in transportation equipment (13 per cent) and in iron and steel (12 per cent). However, output of non-metallic minerals, having risen a little in 1957, rose substantially in 1958. In addition, output of wood products was a little higher than in 1957, after a sharp decline in that year. The decline in the production of durables of 7 per cent in 1958 compares with one of 5 per cent in 1957.

The non-durables manufacturing group displayed mixed trends within a relatively unchanged total. Printing, publishing and allied industries, products of petroleum and coal, clothing, rubber products and textiles reduced production by rates ranging from 3 to 7 per cent; the decline in output in leather products and paper products was comparatively small; output in the remaining divisions continued to rise, the significant gains being in tobacco products (8 per cent) and in food and beverages (3 per cent).

The pattern of manufacturing production through the year 1958 after allowing for seasonal factors was one of recovery in the opening months rising to a peak in May, followed by a setback in the summer months, and renewed recovery in the last quarter. By December of 1958 the index of manufacturing production stood at 140.1 (1949 = 100), about 5 per cent above its low point one year earlier, but still 6 per cent below the peak reached in December 1956.

Production rose in all the service-producing industries in 1958 with the exception of transportation, communications and storage. The decline in the latter group was related to a drop in revenue freight car loadings of nearly 7 per cent; some other

forms of transport, including oil pipelines and shipping also handled a smaller volume of business in 1958 as commodity-producing industries reduced their scale of operations and the volume of imports declined.

Turning now to the employment side, the total number of persons with jobs in 1958 averaged 0.4 per cent lower than in 1957, though the number of persons with jobs in the non-agricultural sector was up by 0.2 per cent. With the growth in the labour force and the decline in the total number of persons with jobs, the number of persons without jobs and seeking work amounted to 6.6 per cent of the labour force in 1958, compared with 4.3 per cent in 1957.

Value-Volume-Price Comparisons

Taking the change in the price of all components together, it is estimated that the price element of total Gross National Expenditure was higher in 1958 by about 2 per cent. As has been noted, this price advance accounted for the greater part of the increase in the value of production from 1957, so that in volume terms the Gross National Product showed only a slight increase. The value,

volume and price components of each of the main expenditure categories are shown in the accompanying table.

It will be apparent that price factors were less conspicuous as an element of the value change in Gross National Product between 1958 and 1957, than in the preceding year. Almost all components of the Gross National Product registered smaller price advances in 1958 than in 1957. The price of consumer goods and services showed a further rise of 2.5 per cent, a somewhat more moderate advance than in 1957. The greater part of the increase was in the area of consumer services and non-durable goods; however, the price of consumer durable goods in 1958 also showed a small advance over the year 1957.

The capital goods sector in particular was less strongly influenced by advancing prices in 1958 than in the preceding year. The influence of moderating prices in this sector was reflected in both the machinery and equipment component and in the non-residential construction item; however, the price factor in residential construction advanced by about the same amount as in the previous year.

Percentage Change — Value, Volume and Price

| | Year 1958 Year 1957 | | | Price Change ¹ |
|--|------------------------|--------|--------------------|---------------------------|
| | Value | Volume | Price ¹ | Year 1957 Year 1956 |
| Personal Expenditure..... | 5.2% | 2.6% | 2.5% | (3.5)% |
| Goods | 4.5 | 2.6 | 1.8 | (3.1) |
| Non-Durable..... | 4.9 | 2.8 | 2.0 | (2.9) |
| Durable..... | 2.8 | 1.4 | 1.4 | (3.9) |
| Services | 6.6 | 2.8 | 3.6 | (4.4) |
| Government Expenditure | 7.2 | 3.8 | 2.4 | (5.2) |
| Gross Fixed Capital Formation | -5.9 | -7.9 | 2.2 | (3.4) |
| New Residential Construction | 25.1 | 22.3 | 2.5 | (2.4) |
| New Non-Residential Construction | -9.3 | -10.9 | 1.2 | (2.8) |
| New Machinery and Equipment | -17.7 | -19.7 | 2.7 | (4.6) |
| Exports of Goods and Services | -1.5 | 0.9 | -0.4 | (0.5) |
| Imports of Goods and Services | -5.6 | -5.9 | 1.1 | (2.4) |
| Gross National Expenditure | 2.3 | 0.5 | 2.1 | (3.4) |

¹ The price comparisons shown above are based on a set of fixed weight price indexes (1955 = 100), and not upon the implicit price deflators which can be derived by dividing the value series by the volume series. The latter are weighted by changes in the expenditure pattern over time; between 1957 and 1958, weight shifts of this nature were sufficiently large to affect the use of the implicit deflators for pure price analysis. (See page 177, *National Accounts, Income and Expenditure, 1926-1956* for a discussion of the effect of weight shifts on the implicit deflators). A specially constructed set of fixed weight price indexes has therefore been used for purposes of depicting price changes in the above table.

COMPONENTS OF GROSS NATIONAL EXPENDITURE

Personal Expenditure on Consumer Goods and Services

Personal expenditure on consumer goods and services rose to \$21.0 billion in 1958, more than 5 per cent higher than in the previous year. The increase was fairly well distributed over the three main categories of consumer spending, with a gain in services of more than 6 per cent, non-durables of about 5 per cent, and durables of about 3 per cent. Higher prices and increased real consumption were about equally important in accounting for the 5 per cent increase in total spending.

Consumer outlays for non-durable goods were up about 5 per cent in 1958, with expenditures on food up 5 per cent, and on clothing up 3 per cent. The element of price increase contained in the estimate for expenditure on non-durables amounted to 2 per cent and to that extent the gain in real consumption was lower than the value figures.

After showing no change in 1957, consumer purchases of durables rose about 3 per cent in 1958. Modest gains took place in all the durable groups. Purchases of new passenger cars were up by 5 per cent but this gain was partially offset by lower purchases of used cars, so that the two together rose by nearly 4 per cent. Since prices of durables are estimated to have risen by over 1 per cent between the two years, about one-half of the rise in outlays represents higher purchasing in real terms.

Continuing to make relatively large gains, outlays on services rose more than 6 per cent. Again, as in 1957, the advance in prices was most apparent in the services sector and nearly 4 percentage points of the gain mentioned above are accounted for by higher prices. Relatively large gains occurred in expenditure on shelter, household operation and utilities and medical care.

The rate of change in consumer expenditure was far from uniform through the year. The major part of the annual increase occurred in the first and final quarters, particularly in the latter; the second and third quarters showed only a small advance on a seasonally adjusted basis. This pattern in 1958 is largely the result of the decline in purchases of durables in the two middle quarters, but at the same time expenditures on non-durables remained virtually stable in this period.

The gain in total consumer expenditure in 1958 fell considerably short of the more than 7 per cent advance in personal disposable income. Thus a rise in the rate of personal saving, from \$1.1 billion in 1957 to \$1.6 billion in 1958, is one of the notable developments of the year. As a percentage of disposable income, personal saving amounted to 5.4 per cent in 1957 and 7.0 per cent in 1958, the latter being one of the highest ratios in the post-war period.

Investment in Inventories

Total holdings of inventories were reduced in 1958, by about \$0.4 billion, in contrast to the year 1957 when a moderate build-up of inventories occurred. The turnaround reflects mainly a shift in the position of business inventories from accumulation to liquidation, but farm inventories and grain in commercial channels also contributed to the running down of total stocks in 1958.

For the year as a whole, business inventories generally were reduced against a background of uncertain business conditions. The liquidation of \$276 million in 1958 was the largest annual decline in the post-war period and represented a turnaround of almost \$600 million from 1957.

This drawing down of business inventories in 1958 was concentrated mainly in the manufacturing industries, and was in part a response to reduced factory shipments as well as a drop in the backlog of unfilled orders. Also, with excess capacity in many industries, businessmen were able to obtain delivery on shorter notice, a factor which contributed to the trimming of stocks. Inventory liquidation was most pronounced in iron and steel products, and transportation equipment industries.

At the year-end, manufacturers in general had succeeded in reducing stock/shipments ratios sharply below the levels prevailing at year-end 1956 and 1957, and close to the low levels prevailing at the end of 1955. The most notable exception to this trend was the non-ferrous metal products industry, where stock/shipments ratios at the end of the year were higher than in the three previous years.

Trade inventories showed, on balance, a slight accumulation in 1958, mainly as a result of the continued build-up of stocks in retail food stores. This accumulation appears consistent with increased retail and wholesale sales in 1958. The pick-up in sales, however, reduced stock/sales ratios at the year-end below the level of the year-end 1957.

Gross Fixed Capital Formation

Business gross fixed capital formation, estimated at \$6,899 million in 1958, fell about 6 per cent from the level of the previous year, following three years of impressive increases. The total was the outcome of a major advance in outlays for housing and a drop in expenditures for both non-residential construction and machinery and equipment, especially the latter.

Investment in housing established new records in 1958; dwellings started rose to 164,600 units from 122,300 units, dwellings completed to 146,700 units from 117,300 units, and dwellings under construction at the year-end to 88,200 units from 72,600 a year earlier. Estimated at \$1,762 million in 1958,

expenditures on housing were 25 per cent higher than in 1957. Activity in housing was encouraged by Government advances to the Central Mortgage and Housing Corporation for mortgage lending under the National Housing Act and by the increased availability of financing from private sources. Somewhat more than half the houses started in 1958 were financed under the National Housing Act. Expenditures on housing rose continuously throughout the year.

Business expenditures for plant and equipment, estimated at \$5,137 million in 1958, were 13 per cent lower than in 1957, with the construction component down 9 per cent and the machinery and equipment component down 18 per cent. The distribution of investment by industry was strikingly altered. Outlays for financial services and for institutions rose sharply, but all other industries except agriculture curtailed their investment in varying degrees. The rate of decline was pronounced in the primary industries, particularly in mining, which showed a drop of 40 per cent. Investment in manufacturing fell 27 per cent, reflecting reduced outlays in all industry divisions except foods and beverages, tobacco products and products of petroleum and coal. The huge investment program of the utilities was lower by 8 per cent. The fact that some major projects initiated in previous years moved close to completion, without new projects of comparable size coming forward, was a factor in the trend of investment outlays in 1958.

So far as the trend through the year is concerned, expenditures for non-residential construction were falling in the second half of 1958 but purchases of machinery and equipment were stronger in the final quarter, after several successive declines.

The prices prevailing in the investment sector in 1958 were about 2 per cent higher than in 1957, so that the decline in the volume of investment was actually somewhat greater than the 6 per cent drop indicated by the value figures.

Exports and Imports of Goods and Services

Exports of goods and services in 1958 amounted to \$6.3 billion, 2 per cent lower than in 1957. The fall in receipts pertains largely to the service items; commodity exports held close to the level of the record year 1957.

Mixed trends in merchandise exports had developed in 1957 and were accentuated in 1958; the virtually unchanged total for the year was the outcome of large increases in some commodities and numerous declines in others. Two new resource products, uranium ores and concentrates, and natural gas, continued to make growing contributions to export totals, their value rising by about \$165 million between the two years. Other exports whose value rose sharply were wheat and flour, an increase

of about \$75 million; cattle, an increase of about \$45 million; and aircraft, an increase of about \$70 million. Decreases occurred in many traditional exports as well as in some of the new resource products. In the first category are pulp and paper, copper, nickel, lead, zinc and asbestos, and in the second, petroleum and iron ore; the value of exports of the last two items fell by about \$110 million. The quarter-to-quarter movement of commodity exports during the year was uneven, with a rise in the second quarter, a decline in the third, and a further sharp rise in the fourth.

Imports of goods and services in 1958 were \$7.4 billion, nearly 6 per cent less than in 1957. The bulk of the decline occurred in commodity imports; payments on invisible account were only slightly lower.

Most of the 8 per cent drop in commodity imports was concentrated in those groups where imports had risen very sharply during the period of rapidly rising investment in plant and equipment in 1955 and 1956. The biggest increases had been in metal products and it was these groups which accounted for some three-quarters of the decline in commodity imports in 1958; imports of iron and its products fell by 13 per cent and of non-ferrous metals by 11 per cent. Even more striking were the declines in imports of specific types of metal products; imports of mining and metallurgical machinery, rolling mill products and pipes, tubes and fittings were down by rates that ranged from 35 to 40 per cent. The reduction in imports of fuels was also large. The drawing down of inventories in the first half of the year was a further factor contributing to the drop in imports in 1958. However, imports of many consumer goods remained at much the same level as in the previous year. By the middle of 1958, the downtrend of imports of goods and services had levelled off, and in the last half of the year imports were rising again; the fourth quarter advance was one of the sharpest for several years.

Receipts from invisibles fell by 5 per cent in 1958, an important factor in the decline being lower earnings from freight and shipping. This development was associated with lower external trade in commodities having high transportation costs and further sales of Canadian vessels. Receipts from miscellaneous services were also considerably lower. Payments on invisibles in 1958 were only a little lower than in 1957. However, payments for freight and shipping were substantially lower, reflecting the drop in imports and a decline in rates for ocean shipping.

With commodity exports at \$4,890 million and commodity imports at \$5,064 million, the deficit on visible account in 1958 contracted sharply to \$174 million from \$579 million in 1957; the deficit on invisibles rose to \$889 million from \$823 million in the previous year. The over-all deficit was thus sharply reduced, falling from \$1.4 billion in 1957 to \$1.1 billion in 1958, a decline of 24 per cent.

Government Expenditure on Goods and Services

Government expenditure on goods and services rose to \$6.2 billion in 1958, some 7 per cent higher than in 1957. More than two-thirds of this advance is accounted for by increased outlays of the provincial and municipal government, reflecting mainly higher expenditures for capital works and for wages and salaries. At the federal level, outlays for goods

and services were higher by about 4 per cent in 1958. Defence expenditures were lower by about 6 per cent, but this decline was more than offset by a 23 per cent advance in outlays for goods and services for non-defence purposes; the latter reflected larger expenditures for public works, higher payments on wage and salary account, the service costs of the conversion loan, and larger purchases under the Agricultural Stabilization Act.

COMPONENTS OF GROSS NATIONAL PRODUCT

Wages and Salaries

Labour income rose to \$16.4 billion in 1958, almost 3 per cent above the level of the year 1957. The major part of this advance in labour income is accounted for by higher average weekly earnings.

Forestry, transportation, mining and manufacturing did not share in the annual advance in labour income. Labour income in forestry fell sharply, reflecting the much reduced level of employment in the industry. The decline in labour income in mining and manufacturing, about 1 per cent, is related in part to the incidence of industrial disputes in these industries.

Labour income rose in all the service-producing industries in 1958, except in transportation, reflecting generally expanded employment as well as further advances in average weekly earnings. In general, the increases were quite substantial; for example, finance, insurance and real estate and non-government services recorded gains of about 9 per cent.

Corporation Profits and Other Investment Income

Corporate profits before taxes and including dividends paid abroad declined more than 3 per cent in 1958, reflecting the impact of recessionary influences on corporate earnings.

The trend of corporate earnings by industry mirrored the mingled elements of weakness and strength present in the economy in 1958. The sharpest drop in profits—21 per cent—occurred in mining, quarrying and oil wells. Profits in manufacturing fell 8 per cent, the major declines being in iron and steel, petroleum and coal and electrical apparatus and supplies. This experience is related in part to the lower domestic demand for durable goods. Certain other manufacturing industries had higher earnings, notably foods and beverages, wood and paper products and chemicals.

In general, the service-connected industries earned somewhat higher profits in 1958. The major exception was wholesale trade where profits declined by 13 per cent. There was also some decline in earnings in transportation, communications and storage.

The quarterly pattern of corporate profits during 1958 reveals the sensitivity to changes in the tempo of economic activity characteristic of this component. After a series of successive declines, corporate profits stabilized in the second quarter of 1958 and then rose at an accelerating rate in the second half of the year. The increase in the final quarter of the year was quite pronounced and was fairly widespread by major industry groups.

Rent, interest and miscellaneous investment income, estimated at \$2.0 billion in 1958, was 6 per cent higher than in the previous year. All the components,—net rents, investment income of life insurance companies, trading profits of government enterprises and other miscellaneous investment income—contributed in varying degrees to this increase.

Net Income of Unincorporated Business

Accrued net income of farm operators from farm production is estimated to be \$1.2 billion in 1958, a major advance of 16 per cent over 1957. With little change in crop production, the source of the increase was larger output and higher prices for livestock and animal products.

Net income of non-farm unincorporated business rose to an estimated \$2.1 billion in 1958, 5 per cent higher than in 1957. The largest gains occurred in construction and fishing but retail trade and the service groups also showed some increases.

Indirect Taxes Less Subsidies

Indirect taxes less subsidies, estimated at \$3.9 billion in 1958, were slightly higher than in the preceding year. The increase reflected a small gain in yields from indirect taxes partly offset by a sharp rise in subsidies.

A 1 per cent increase in yields from indirect taxes was the outcome of largely offsetting changes in the revenues of the different levels of government. Revenues from this source dropped significantly at the federal level, mainly as a result of the fall in imports and the accompanying decline in the yield of customs import duties; excise taxes were also down. Higher yields from real and per-

sonal municipal taxes and increased revenues from provincial sales and gasoline taxes were largely responsible for raising indirect taxes in total.

Federal subsidies rose by 22 per cent, with agricultural subsidies accounting for most of the increase.

National Saving and Investment

Gross national saving declined by 12 per cent in 1958, from approximately \$6.1 billion in 1957 to \$5.3 billion. The decline was entirely attributable to a shift in the position of the government sector

from a small surplus in 1957 to a deficit of more than \$1 billion in 1958;* this change in the position of the government sector was partly offset by a sharp increase in the rate of personal saving, but the saving of the business sector remained unchanged from the previous year. As a percent of Gross National Product, total national saving amounted to 16 per cent in 1958 compared with 19 per cent in 1957.

* The deficits and surpluses referred to here are based on National Accounts definitions and thus differ from the conventional budgetary figures reported in the various public accounts.

| | 1957 | 1958 | Change 1957 to 1958 |
|--|---------------------|------|------------------------|
| | billions of dollars | | |
| Personal Saving | 1.1 | 1.6 | +0.4 |
| Business Saving | 4.9 | 4.8 | -0.1 |
| Government Deficit | — | -1.0 | -1.1 |
| Gross National Saving ¹ | 6.1 | 5.3 | -0.8 |
| Business Gross Fixed Capital Formation | 7.3 | 6.9 | -0.4 |
| Change in Inventories | 0.2 | -0.4 | -0.6 |
| Net Foreign Investment | -1.4 | -1.1 | +0.3 |
| Gross National Investment ¹ | 6.1 | 5.3 | -0.8 |

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

The nation's total capital investment program for plant, machinery and equipment, housing, and inventories was considerably lower in 1958 than in the previous year. Business gross fixed capital formation declined by 6 per cent, while inventories shifted from a position of accumulation in 1957 to one of net liquidation in 1958. As in the preceding year, however, the amount of saving available from

domestic sources was insufficient to support the capital investment program. This short-fall in the nation's saving was met by drawing upon foreign resources, and the deficit on current account in 1958 amounted to \$1.1 billion, a decline of about 24 per cent from the \$1.4 billion deficit of the previous year.

Percentage Distribution of Gross National Expenditure, 1954-1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|-------|-------|-------|-------|-------|
| 1 | Personal expenditure on consumer goods and services | 65.1 | 64.1 | 61.6 | 62.8 | 64.6 |
| 2 | Durable goods | 7.9 | 8.3 | 8.0 | 7.6 | 7.7 |
| 3 | Non-durable goods | 33.7 | 33.4 | 31.8 | 32.6 | 33.4 |
| 4 | Services | 23.5 | 22.4 | 21.8 | 22.6 | 23.5 |
| 5 | Government expenditure on goods and services | 17.9 | 17.7 | 17.6 | 18.0 | 18.9 |
| 6 | Federal | 9.8 | 9.3 | 8.8 | 8.6 | 8.7 |
| 7 | Provincial | 3.0 | 3.1 | 3.4 | 3.6 | 3.9 |
| 8 | Municipal | 5.1 | 5.3 | 5.4 | 5.8 | 6.3 |
| 9 | Business gross fixed capital formation | 19.2 | 19.2 | 22.2 | 23.1 | 21.2 |
| 10 | New residential construction | 4.9 | 5.1 | 5.0 | 4.4 | 5.4 |
| 11 | New non-residential construction | 6.7 | 6.8 | 8.5 | 9.8 | 8.7 |
| 12 | New machinery and equipment | 7.6 | 7.3 | 8.7 | 8.9 | 7.1 |
| 13 | Value of physical change in inventories | -0.6 | 1.1 | 3.5 | 0.7 | -1.3 |
| 14 | Non-farm business inventories | -0.2 | 0.5 | 2.6 | 1.0 | -0.8 |
| 15 | Farm inventories and grain in commercial channels | -0.4 | 0.6 | 0.9 | -0.3 | -0.5 |
| 16 | Exports of goods and services | 20.7 | 21.2 | 20.8 | 20.1 | 19.4 |
| 17 | Imports of goods and services | -22.4 | -23.7 | -25.2 | -24.5 | -22.6 |
| 18 | Residual error of estimate | 0.1 | 0.4 | -0.5 | -0.2 | -0.2 |
| 19 | Gross National Expenditure | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Percentage Distribution of National Income by Distributive Shares, 1954-1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|-------|-------|-------|-------|-------|
| 1 | Wages, salaries, and supplementary labour income | 65.4 | 63.8 | 64.3 | 67.0 | 66.6 |
| 2 | Military pay and allowances | 1.9 | 1.9 | 1.8 | 2.0 | 2.0 |
| 3 | Corporation taxes before taxes | 10.3 | 12.4 | 12.5 | 10.7 | 10.0 |
| 4 | Rent, interest, and miscellaneous investment income | 7.9 | 8.1 | 7.6 | 8.0 | 8.2 |
| 5 | Accrued net income of farm operators from farm production | 5.3 | 6.1 | 6.3 | 4.2 | 4.7 |
| 6 | Net income of non-farm unincorporated business | 8.7 | 8.6 | 8.5 | 8.4 | 8.6 |
| 7 | Inventory valuation adjustment | 0.5 | -0.9 | -1.0 | -0.3 | -0.1 |
| 8 | Net National Income at factor cost | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Percentage Distribution of Gross Domestic Product at Factor Cost, by Industry, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|--------------|--------------|--------------|--------------|--------------|
| 1 | Agriculture | 6.7 | 7.3 | 7.3 | 5.4 | 5.8 |
| 2 | Forestry | 1.8 | 1.8 | 1.7 | 1.4 | 1.1 |
| 3 | Fishing and trapping..... | 0.4 | 0.3 | 0.4 | 0.3 | 0.4 |
| 4 | Mining, quarrying, and oil wells | 4.0 | 4.4 | 4.4 | 4.4 | 4.0 |
| 5 | Manufacturing..... | 28.3 | 28.0 | 27.9 | 27.8 | 26.3 |
| 6 | Construction..... | 6.0 | 5.7 | 6.4 | 6.7 | 6.9 |
| 7 | Transportation | 6.7 | 7.1 | 7.3 | 7.2 | 6.7 |
| 8 | Storage | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| 9 | Communication..... | 1.9 | 1.9 | 2.0 | 2.1 | 2.1 |
| 10 | Electric power, gas, and water utilities | 2.7 | 2.7 | 2.8 | 3.0 | 3.3 |
| 11 | Wholesale trade | 4.5 | 4.4 | 4.6 | 4.9 | 4.8 |
| 12 | Retail trade | 9.3 | 9.2 | 9.0 | 9.1 | 9.4 |
| 13 | Finance, insurance, and real estate..... | 9.5 | 9.4 | 8.6 | 9.1 | 9.7 |
| 14 | Public administration and defence | 6.7 | 6.5 | 6.4 | 6.8 | 7.2 |
| 15 | Service | 11.2 | 11.0 | 10.9 | 11.5 | 12.0 |
| 16 | Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Percentage Distribution of Personal Income by Source, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|--------------|--------------|--------------|--------------|--------------|
| 1 | Wages, salaries, and supplementary labour income..... | 65.2 | 64.6 | 65.6 | 66.9 | 64.8 |
| 2 | Military pay and allowances | 2.0 | 2.0 | 2.0 | 2.1 | 2.0 |
| 3 | Net income received by farm operators from farm production ... | 5.5 | 6.1 | 6.5 | 4.4 | 4.8 |
| 4 | Net income of non-farm unincorporated business | 9.0 | 9.1 | 9.0 | 8.7 | 8.7 |
| 5 | Interest, dividends, and net rental income of persons | 9.3 | 9.3 | 8.7 | 8.7 | 8.7 |
| 6 | Transfer payments (excluding interest) | 9.0 | 8.9 | 8.2 | 9.2 | 11.0 |
| 7 | Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Selected Per Person Income and Product Series in Current and Constant Dollars, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|--------------------------------|--|-------|-------|-------|-------|-------|
| Current Dollars | | | | | | |
| 1 | Gross National Product | 1,627 | 1,728 | 1,902 | 1,915 | 1,907 |
| 2 | Personal Income | 1,205 | 1,257 | 1,361 | 1,388 | 1,431 |
| 3 | Personal Disposable Income | 1,111 | 1,162 | 1,253 | 1,272 | 1,326 |
| 4 | Personal Expenditure on Consumer Goods and Services..... | 1,058 | 1,108 | 1,171 | 1,203 | 1,233 |
| Constant (1949) Dollars | | | | | | |
| 5 | Gross National Product | 1,320 | 1,396 | 1,481 | 1,432 | 1,400 |
| 6 | Personal Expenditure on Consumer Goods and Services..... | 893 | 934 | 970 | 964 | 962 |

Section A
INCOME AND EXPENDITURE ACCOUNTS

1. Summary Tables

TABLE 1. National Income and Gross National Product, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|---------------------|--|---------------|---------------|---------------|---------------|---------------|
| millions of dollars | | | | | | |
| 1 | Wages, salaries, and supplementary labour income | 12,432 | 13,223 | 14,890 | 15,996 | 16,434 |
| 2 | Military pay and allowances | 367 | 394 | 424 | 476 | 491 |
| 3 | Corporation profits before taxes ¹ | 1,963 | 2,570 | 2,908 | 2,547 | 2,475 |
| 4 | Rent, interest, and miscellaneous investment income | 1,511 | 1,684 | 1,767 | 1,905 | 2,026 |
| 5 | Accrued net income of farm operators from farm production ² | 1,017 | 1,264 | 1,450 | 996 | 1,157 |
| 6 | Net income of non-farm unincorporated business ³ | 1,656 | 1,791 | 1,965 | 2,011 | 2,119 |
| 7 | Inventory valuation adjustment ⁴ | 86 | -189 | -238 | -71 | -29 |
| 8 | Net National Income at factor cost | 19,032 | 20,737 | 23,166 | 23,860 | 24,673 |
| 9 | Indirect taxes less subsidies | 2,947 | 3,237 | 3,636 | 3,848 | 3,858 |
| 10 | Capital consumption allowances and miscellaneous valuation adjustments | 2,905 | 3,266 | 3,642 | 3,994 | 3,923 |
| 11 | Residual error of estimate | -13 | -108 | 141 | 71 | 55 |
| 12 | Gross National Product at market prices | 24,871 | 27,132 | 30,585 | 31,773 | 32,509 |

¹ Excludes dividends paid to non-residents.² Includes changes in farm inventories as follows:

| | |
|------|------|
| 1954 | - 75 |
| 1955 | 198 |
| 1956 | 241 |
| 1957 | -152 |
| 1958 | -115 |

An adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. (See footnote 5, Table 52).

³ Includes net income of independent professional practitioners.⁴ See footnote 5, Table 2.

TABLE 2. Gross National Expenditure, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|---------------------|---|---------------|---------------|---------------|---------------|---------------|
| millions of dollars | | | | | | |
| 1 | Personal expenditure on consumer goods and services | 16,175 | 17,389 | 18,833 | 19,964 | 21,012 |
| 2 | Government expenditure on goods and services ¹ | 4,461 | 4,792 | 5,386 | 5,738 | 6,150 |
| 3 | <i>Current expenditure</i> ² | 3,519 | 3,758 | 4,126 | 4,356 | 4,632 |
| 4 | <i>Gross fixed capital formation</i> ³ | 942 | 1,034 | 1,260 | 1,382 | 1,518 |
| 5 | Business gross fixed capital formation ⁴ | 4,779 | 5,210 | 6,774 | 7,335 | 6,899 |
| 6 | <i>New residential construction</i> | 1,227 | 1,378 | 1,526 | 1,409 | 1,762 |
| 7 | <i>New non-residential construction</i> | 1,671 | 1,848 | 2,589 | 3,103 | 2,813 |
| 8 | <i>New machinery and equipment</i> | 1,881 | 1,984 | 2,659 | 2,823 | 2,324 |
| 9 | Value of physical change in inventories ⁵ | -130 | 311 | 1,084 | 210 | -424 |
| 10 | <i>Non-farm business inventories</i> | - 40 | 133 | 808 | 311 | -276 |
| 11 | <i>Farm inventories and grain in commercial channels</i> | - 90 | 178 | 276 | -101 | -148 |
| 12 | Exports of goods and services ⁶ | 5,147 | 5,764 | 6,365 | 6,394 | 6,289 |
| 13 | Deduct: Imports of goods and services | -5,574 | -6,443 | -7,715 | -7,796 | -7,361 |
| 14 | Residual error of estimate | 13 | 109 | -142 | -72 | -56 |
| 15 | Gross National Expenditure at market prices | 24,871 | 27,132 | 30,585 | 31,773 | 32,509 |

¹ Includes defence expenditure which is shown in footnote 2, Table 37.² Also includes net purchases of government commodity agencies and the defence production revolving fund. Excludes shipments of previously produced military equipment to NATO countries but includes replacements of new equipment.³ Includes outlay on new durable assets such as building and highway construction by governments, other than government business enterprises (for detail see Table 43, footnote 1, and Table 54, lines 2, 3 and 4).⁴ Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals and business investors. Total "Private and Public Investment in Canada" can be obtained by adding lines 4 and 5.⁵ The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment (see line 7, Table 1).⁶ Excludes shipments of military equipment to NATO countries under the Defence Appropriation Act. See also Table 55.

TABLE 3. Relation between Net National Income at Factor Cost, Personal Income, Personal Disposable Income, and Personal Net Saving, 1954-1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|---------------------|--|---------------|---------------|---------------|---------------|---------------|
| millions of dollars | | | | | | |
| 1 | Net National Income at factor cost | 19,032 | 20,737 | 23,166 | 23,860 | 24,673 |
| 2 | Add: Transfer payments (excluding interest on the public debt and charitable contributions from corporations) ¹ | 1,634 | 1,737 | 1,766 | 2,079 | 2,640 |
| 3 | Add: Interest on the public debt ¹ | 669 | 669 | 714 | 741 | 787 |
| 4 | Deduct: Earnings not paid out to persons ² | -2,914 | -3,405 | -3,761 | -3,656 | -3,709 |
| 5 | Equals: Personal income | 18,421 | 19,738 | 21,885 | 23,024 | 24,391 |
| 6 | Deduct: Personal direct taxes | -1,437 | -1,499 | -1,732 | -1,917 | -1,791 |
| 7 | Equals: Personal disposable income | 16,984 | 18,239 | 20,153 | 21,107 | 22,600 |
| 8 | Deduct: Personal expenditure on consumer goods and services | -16,175 | -17,389 | -18,833 | -19,964 | -21,012 |
| 9 | Equals: Personal net saving | 809 | 850 | 1,320 | 1,143 | 1,588 |
| 10 | Value of physical change in farm inventories | -75 | 198 | 241 | -152 | -115 |
| 11 | Personal saving excluding change in farm inventories | 884 | 652 | 1,079 | 1,295 | 1,703 |

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, inventory valuation adjustment, and employer and employee contributions to social insurance and government pension funds.

TABLE 4. Relation between Gross National Product at Market Prices and Gross Domestic Product at Factor Cost, 1954-1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|---------------------|--|---------------|---------------|---------------|---------------|---------------|
| millions of dollars | | | | | | |
| 1 | Gross National Product at market prices | 24,871 | 27,132 | 30,585 | 31,773 | 32,509 |
| 2 | Deduct: Residual error of estimate | 13 | 108 | -141 | -71 | -55 |
| 3 | Indirect taxes less subsidies | -2,947 | -3,237 | -3,636 | -3,848 | -3,858 |
| 4 | Income received from non-residents | -147 | -160 | -142 | -149 | -161 |
| 5 | Add: Income paid to non-residents | 423 | 483 | 523 | 593 | 594 |
| 6 | Gross domestic product at factor cost | 22,213 | 24,326 | 27,189 | 28,298 | 29,029 |

TABLE 5. Gross National Expenditure in Constant (1949) Dollars, 1954-1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|--------|--------|--------|--------|
| | | millions of dollars | | | | |
| 1 | Personal expenditure on consumer goods and services | 13,650 | 14,662 | 15,603 | 15,984 | 16,403 |
| 2 | Government expenditure on goods and services | 3,415 | 3,563 | 3,794 | 3,832 | 3,977 |
| 3 | Current expenditure | 2,676 | 2,767 | 2,869 | 2,866 | 2,935 |
| 4 | Gross fixed capital formation | 739 | 796 | 925 | 966 | 1,042 |
| 5 | Business gross fixed capital formation | 3,723 | 3,962 | 4,891 | 5,085 | 4,686 |
| 6 | New residential construction | 946 | 1,040 | 1,110 | 997 | 1,219 |
| 7 | New non-residential construction | 1,272 | 1,365 | 1,816 | 2,107 | 1,877 |
| 8 | New machinery and equipment | 1,505 | 1,557 | 1,965 | 1,981 | 1,590 |
| 9 | Change in inventories | -216 | 419 | 955 | 138 | -366 |
| 10 | Non-farm business inventories | -39 | 134 | 648 | 270 | -182 |
| 11 | Farm inventories and grain in commercial channels | -177 | 285 | 307 | -132 | -184 |
| 12 | Exports of goods and services | 4,616 | 4,969 | 5,340 | 5,360 | 5,408 |
| 13 | Deduct: Imports of goods and services | -5,013 | -5,742 | -6,662 | -6,596 | -6,207 |
| 14 | Residual error of estimate | 11 | 87 | -110 | -54 | -41 |
| 15 | Gross National Expenditure in constant (1949) dollars | 20,186 | 21,920 | 23,811 | 23,749 | 23,860 |
| 16 | Index, line 15, 1949 = 100 | 123.5 | 134.1 | 145.7 | 145.3 | 146.0 |

TABLE 6. Implicit Price Indexes - Gross National Expenditure, 1954-1958¹

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|-------|-------|-------|-------|-------|
| 1 | Personal expenditure on consumer goods and services | 118.5 | 118.6 | 120.7 | 124.9 | 128.1 |
| 2 | Government expenditure on goods and services | 130.6 | 134.5 | 142.0 | 149.7 | 154.6 |
| 3 | Current expenditure | 131.5 | 135.8 | 143.8 | 152.0 | 157.8 |
| 4 | Gross fixed capital formation | 127.5 | 129.9 | 136.2 | 143.1 | 145.7 |
| 5 | Business gross fixed capital formation | 128.4 | 131.5 | 138.5 | 144.2 | 147.2 |
| 6 | New residential construction | 129.7 | 132.5 | 137.5 | 141.3 | 144.6 |
| 7 | New non-residential construction | 131.4 | 135.4 | 142.6 | 147.3 | 149.9 |
| 8 | New machinery and equipment | 125.0 | 127.4 | 135.3 | 142.5 | 146.2 |
| 9 | Exports of goods and services | 111.5 | 116.0 | 119.2 | 119.3 | 116.3 |
| 10 | Imports of goods and services | 111.2 | 112.2 | 115.8 | 118.2 | 118.6 |
| 11 | Residual error of estimate | 122.5 | 124.7 | 129.1 | 133.7 | 135.9 |
| 12 | Gross National Expenditure at market prices | 123.2 | 123.8 | 128.4 | 133.8 | 136.2 |

¹ These implicit indexes are currently weighted price indexes. They reflect not only pure price changes, but also changing expenditure patterns within and between major groups. The implicit price index for Gross National Expenditure is derived by dividing the total of current dollars by the total of constant dollars.

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

TABLE 7. Personal Income and Expenditure Account, 1954 - 1958
Income

| Item No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|---------------|---------------|---------------|---------------|
| | | millions of dollars | | | | |
| ✓ 1 | Wages, salaries, and supplementary labour income: | | | | | |
| | (a) From business (28 a) | 10,454 | 11,081 | 12,517 | 13,356 | 13,514 |
| | (b) From governments (19 bi) | 1,545 | 1,682 | 1,871 | 2,085 | 2,309 |
| | (c) From persons (9 b) | 433 | 460 | 502 | 555 | 611 |
| ✓ | (d) Deduct employer and employee contributions to social insurance and government pension funds (17)..... | -422 | -476 | -532 | -589 | -619 |
| 2 | Military pay and allowances (19 bii) | 367 | 394 | 424 | 476 | 491 |
| 3 | Net income received by farm operators from farm production ¹ (28 c) .. | 1,009 | 1,200 | 1,430 | 1,002 | 1,161 |
| 4 | Net income of non-farm unincorporated business (28 e) | 1,656 | 1,791 | 1,965 | 2,011 | 2,119 |
| 5 | Interest, dividends, and net rental income of persons ² (44 a) | 1,719 | 1,840 | 1,908 | 2,013 | 2,129 |
| 6 | Transfer payments (excluding interest): | | | | | |
| | (a) From governments (20 b) | 1,634 | 1,737 | 1,766 | 2,079 | 2,640 |
| | (b) Charitable contributions from corporations (44 b) | 26 | 29 | 34 | 36 | 36 |
| 7 | Total | 18,421 | 19,738 | 21,885 | 23,024 | 24,391 |

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

² Includes all government debt interest paid to persons.

TABLE 8. Personal Income and Expenditure Account, 1954 - 1958
Expenditure

| Item No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|---------------|---------------|---------------|---------------|
| | | millions of dollars | | | | |
| 8 | Personal direct taxes: | | | | | |
| | (a) Income taxes (12 a) | 1,296 | 1,297 | 1,496 | 1,693 | 1,553 |
| | (b) Succession duties (12 b) | 78 | 127 | 146 | 126 | 126 |
| | (c) Miscellaneous (12 c) | 63 | 75 | 90 | 98 | 112 |
| 9 | Purchases of goods and services: | | | | | |
| | (a) From business (24 a) | 15,266 | 16,375 | 17,714 | 18,762 | 19,732 |
| | (b) Direct services (1 c) | 433 | 460 | 502 | 555 | 611 |
| | (c) Travel expenditure (34 a) | 389 | 449 | 498 | 525 | 544 |
| | (d) Other expenditures abroad (34 b) | 87 | 105 | 119 | 122 | 125 |
| 10 | Personal net saving ¹ (48) | 809 | 850 | 1,320 | 1,143 | 1,588 |
| 11 | Total | 18,421 | 19,738 | 21,885 | 23,024 | 24,391 |

¹ This series includes changes in farm inventories, see Table 3.

TABLE 9. Government Revenue and Expenditure Account, 1954 - 1958¹
Revenue

| Item No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|---------------------|---|--------------|--------------|--------------|--------------|--------------|
| millions of dollars | | | | | | |
| 12 | Direct taxes — Persons: | | | | | |
| | (a) Income taxes (8a) | 1,296 | 1,297 | 1,496 | 1,693 | 1,553 |
| | (b) Succession duties (8b) | 78 | 127 | 146 | 126 | 126 |
| | (c) Miscellaneous (8c) | 63 | 75 | 90 | 98 | 112 |
| 13 | Direct taxes — Corporations: | | | | | |
| | (a) Income tax collections (44c) | 1,176 | 1,109 | 1,373 | 1,551 | 1,333 |
| | (b) Excess of income tax liabilities over income tax collections (44d) | -94 | 163 | 40 | -225 | -53 |
| 14 | Withholding taxes (44e) | 58 | 67 | 69 | 83 | 48 |
| 15 | Indirect taxes (29a) | 3,033 | 3,319 | 3,759 | 3,964 | 3,998 |
| 16 | Investment income: | | | | | |
| | (a) Interest (44f) | 237 | 238 | 258 | 294 | 340 |
| | (b) Profits of government business enterprises (44g) | 450 | 515 | 576 | 571 | 606 |
| 17 | Employer and employee contributions to social insurance and government pension funds (1d) | 422 | 476 | 532 | 589 | 619 |
| 18 | Total² | 6,719 | 7,386 | 8,339 | 8,744 | 8,682 |

¹ See also Table 36.

² Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.

TABLE 10. Government Revenue and Expenditure Account, 1954 - 1958¹
Expenditure

| Item No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|---------------------|--|--------------|--------------|--------------|--------------|--------------|
| millions of dollars | | | | | | |
| 19 | Purchase of goods and services: ² | | | | | |
| | (a) From business (24b) | 2,549 | 2,716 | 3,091 | 3,177 | 3,350 |
| | (b) Direct services: | | | | | |
| | (i) Wages and salaries (1b) | 1,545 | 1,682 | 1,871 | 2,085 | 2,309 |
| | (ii) Military pay and allowances (2) | 367 | 394 | 424 | 476 | 491 |
| 20 | Transfer payments: | | | | | |
| | (a) Interest (45) | 669 | 669 | 714 | 741 | 787 |
| | (b) Other (6a) | 1,634 | 1,737 | 1,766 | 2,079 | 2,640 |
| 21 | Subsidies (29b) | 86 | 82 | 123 | 116 | 140 |
| 22 | Surplus (+) or deficit (-) (on transactions relating to the National Accounts) ³ (51) | -131 | 106 | 350 | 70 | -1,035 |
| 23 | Total⁴ | 6,719 | 7,386 | 8,339 | 8,744 | 8,682 |

¹ See also Table 37.

² See line 2, Table 2.

³ For a reconciliation of the federal content of this consolidated surplus (or deficit) with the conventional federal budgetary surplus (or deficit) see Table 53.

⁴ In addition to total expenditure, this item includes the government surplus or deficit. Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.

TABLE 11. Business Operating Account, 1954-1958
Revenue

| Item No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|---------------|---------------|---------------|---------------|
| | | millions of dollars | | | | |
| 24 | Sales to residents: | | | | | |
| | (a) Persons (9a) | 15,266 | 16,375 | 17,714 | 18,762 | 19,732 |
| | (b) Governments ¹ (19a) | 2,549 | 2,716 | 3,091 | 3,177 | 3,350 |
| | (c) Business gross fixed capital formation: ² | | | | | |
| | (i) New residential construction (54a) | 1,227 | 1,378 | 1,526 | 1,409 | 1,762 |
| | (ii) New non-residential construction (54b) | 1,671 | 1,848 | 2,589 | 3,103 | 2,813 |
| | (iii) New machinery and equipment (54c) | 1,881 | 1,984 | 2,659 | 2,823 | 2,324 |
| | (d) Value of physical change in inventories (55) | -130 | 311 | 1,084 | 210 | -424 |
| 25 | Sales to non-residents: | | | | | |
| | (a) Travel expenditure (38b) | 305 | 328 | 337 | 363 | 352 |
| | (b) Other (38c) | 4,695 | 5,276 | 5,886 | 5,882 | 5,776 |
| 26 | Residual error of estimate | 13 | 109 | -142 | -72 | -56 |
| 27 | Total | 27,477 | 30,325 | 34,744 | 35,657 | 35,629 |

¹ See footnotes 1, 2, 3, Table 2.

² See footnote 4, Table 2.

TABLE 12. Business Operating Account, 1954-1958
Expenditure

| Item No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|---------------|---------------|---------------|---------------|
| | | millions of dollars | | | | |
| 28 | Factor costs: | | | | | |
| | (a) Wages, salaries, and supplementary labour income (1a) | 10,454 | 11,081 | 12,517 | 13,356 | 13,514 |
| | (b) Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (41) | 3,750 | 4,577 | 5,056 | 4,896 | 4,934 |
| | (c) Net income received by farm operators from farm production ¹ (3) | 1,009 | 1,200 | 1,430 | 1,002 | 1,161 |
| | (d) Adjustment on grain transactions ² (49c) | 8 | 64 | 20 | -6 | -4 |
| | (e) Net income of non-farm unincorporated business (4) | 1,656 | 1,791 | 1,965 | 2,011 | 2,119 |
| | (f) Inventory valuation adjustment (50) | 86 | -189 | -238 | -71 | -29 |
| 29 | Other costs: | | | | | |
| | (a) Indirect taxes (15) | 3,033 | 3,319 | 3,759 | 3,964 | 3,998 |
| | (b) Less subsidies (21) | -86 | -82 | -123 | -116 | -140 |
| | (c) Capital consumption allowances and miscellaneous valuation adjustments (49b) | 2,905 | 3,266 | 3,642 | 3,994 | 3,923 |
| 30 | Purchases from non-residents (33b) | 4,675 | 5,406 | 6,575 | 6,556 | 6,098 |
| 31 | Residual error of estimate | -13 | -108 | 141 | 71 | 55 |
| 32 | Total | 27,477 | 30,325 | 34,744 | 35,657 | 35,629 |

¹ See footnote 1, Table 7.

² This item is the adjustment to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. See footnote 5, Table 52.

TABLE 13. Non-Residents' Revenue and Expenditure Account, 1954-1958¹

Receipts from Canada
(Canadian Imports)

| Item No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| 33 | Receipts from business: | | | | | |
| | (a) Interest and dividends (46 a) | 354 | 416 | 455 | 515 | 508 |
| | (b) Other than interest and dividends (30) | 4,675 | 5,406 | 6,575 | 6,556 | 6,098 |
| 34 | Receipts from persons: | | | | | |
| | (a) Travel expenditure (9 c) | 389 | 449 | 498 | 525 | 544 |
| | (b) All other receipts (9 d) | 87 | 105 | 119 | 122 | 125 |
| 35 | Receipts from Government — Interest (46 b) | 69 | 67 | 68 | 78 | 86 |
| 36 | Surplus (+) or deficit (-) on current account (on transactions relating to the National Accounts) (56) | -427 | -679 | -1,350 | -1,402 | -1,072 |
| 37 | Total | 5,147 | 5,764 | 6,365 | 6,394 | 6,289 |

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 55.

TABLE 14. Non-Residents' Revenue and Expenditure Account, 1954-1958¹

Payments to Canada
(Canadian Exports)

| Item No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| 38 | Payments to business: | | | | | |
| | (a) Interest and dividends (42 a) | 61 | 80 | 73 | 76 | 73 |
| | (b) Travel expenditure (25 a) | 305 | 328 | 337 | 363 | 352 |
| | (c) Other payments (25 b) | 4,695 | 5,276 | 5,886 | 5,882 | 5,776 |
| 39 | Payments to other sectors: | | | | | |
| | Interest and dividends (42 b) | 86 | 80 | 69 | 73 | 88 |
| 40 | Total | 5,147 | 5,764 | 6,365 | 6,394 | 6,289 |

¹ See footnote 1, Table 13.

TABLE 15. Investment Income Appropriation Account, 1954-1958

Source

| Item No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| 41 | Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (28 b) | 3,750 | 4,577 | 5,056 | 4,896 | 4,934 |
| 42 | Interest and dividends from non-residents received by: | | | | | |
| | (a) Corporations (38 a) | 61 | 80 | 73 | 76 | 73 |
| | (b) Other sectors (39) | 86 | 80 | 69 | 73 | 88 |
| 43 | Total | 3,897 | 4,737 | 5,198 | 5,045 | 5,095 |

TABLE 16. Investment Income Appropriation Account, 1954-1958
Disposition

| Item No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| 44 | To Canadian residents: | | | | | |
| | (a) Interest, dividends, and net rental income of persons (5) | 1,719 | 1,840 | 1,908 | 2,013 | 2,129 |
| | (b) Charitable contributions from corporations (6 b) | 26 | 29 | 34 | 36 | 36 |
| | (c) Corporation income tax collections (13 a) | 1,176 | 1,109 | 1,373 | 1,551 | 1,333 |
| | (d) Excess of corporation income tax liabilities over collections (13 b) | -94 | 163 | 40 | -225 | -53 |
| | (e) Withholding taxes (14) | 58 | 67 | 69 | 83 | 48 |
| | (f) Government interest revenue (16 a) | 237 | 238 | 258 | 294 | 340 |
| | (g) Profits of government business enterprises (16 b) | 450 | 515 | 576 | 571 | 606 |
| | (h) Undistributed corporation profits (49 a) | 571 | 962 | 1,131 | 870 | 849 |
| 45 | Less: Interest on the public debt (20 a) | -669 | -669 | -714 | -741 | -787 |
| 46 | To non-residents, interest and dividends received from: | | | | | |
| | (a) Business (33 a) | 354 | 416 | 455 | 515 | 508 |
| | (b) Government (35) | 69 | 67 | 68 | 78 | 86 |
| 47 | Total | 3,897 | 4,737 | 5,198 | 5,045 | 5,095 |

TABLE 17. National Saving Account, 1954-1958
Source

| Item No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| 48 | Personal net saving (10) | 809 | 850 | 1,320 | 1,143 | 1,588 |
| 49 | Business gross saving: | | | | | |
| | (a) Undistributed corporation profits (44 h) | 571 | 962 | 1,131 | 870 | 849 |
| | (b) Capital consumption allowances and miscellaneous valuation adjustments (29 c) | 2,905 | 3,266 | 3,642 | 3,994 | 3,923 |
| | (c) Adjustment on grain transactions (28 d) | 8 | 64 | 20 | -6 | -4 |
| 50 | Inventory valuation adjustment (28 f) | 86 | -189 | -238 | -71 | -29 |
| 51 | Government surplus (+) or deficit (-) (22) | -131 | 106 | 350 | 70 | -1,035 |
| 52 | Residual error of estimate | -13 | -108 | 141 | 71 | 55 |
| 53 | Total | 4,235 | 4,951 | 6,366 | 6,071 | 5,347 |

TABLE 18. National Saving Account, 1954-1958
Disposition

| Item No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| 54 | Business gross fixed capital formation: ¹ | | | | | |
| | (a) New residential construction (24 ci) | 1,227 | 1,378 | 1,526 | 1,409 | 1,762 |
| | (b) New non-residential construction (24 cii) | 1,671 | 1,848 | 2,589 | 3,103 | 2,813 |
| | (c) New machinery and equipment (24 ciii) | 1,881 | 1,984 | 2,659 | 2,823 | 2,324 |
| 55 | Value of physical change in inventories (24 d) | -130 | 311 | 1,084 | 210 | -424 |
| 56 | Surplus (+) or deficit (-) on current account with non-residents ² (36) | -427 | -679 | -1,350 | -1,402 | -1,072 |
| 57 | Residual error of estimate | 13 | 109 | -142 | -72 | -56 |
| 58 | Total | 4,235 | 4,951 | 6,366 | 6,071 | 5,347 |

¹ See footnote 4, Table 2. For reconciliation with "private and public investment" figures published by the Department of Trade and Commerce, see Table 54.

² See footnote 1, Table 13.

TABLE 19. Sector Accounts Consolidation, 1954 - 1958
National Income and Gross National Product

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|---------------|---------------|---------------|---------------|
| | | millions of dollars | | | | |
| | Income originating in: | | | | | |
| | Personal sector: | | | | | |
| 1 | Wages, salaries, and supplementary labour income | 433 | 460 | 502 | 555 | 611 |
| 2 | Business sector | 16,963 | 18,524 | 20,750 | 21,188 | 21,695 |
| 3 | Wages, salaries, and supplementary labour income | 10,454 | 11,081 | 12,517 | 13,356 | 13,514 |
| 4 | Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) | 3,750 | 4,577 | 5,056 | 4,896 | 4,934 |
| 5 | Net income received by farm operators from farm production | 1,009 | 1,200 | 1,430 | 1,002 | 1,161 |
| 6 | Adjustment on grain transactions | 8 | 64 | 20 | -6 | -4 |
| 7 | Net income of non-farm unincorporated business | 1,656 | 1,791 | 1,965 | 2,011 | 2,119 |
| 8 | Inventory valuation adjustment | 86 | -189 | -238 | -71 | -29 |
| 9 | Government sector | 1,912 | 2,076 | 2,295 | 2,561 | 2,800 |
| 10 | Wages, salaries, and supplementary labour income | 1,545 | 1,682 | 1,871 | 2,085 | 2,309 |
| 11 | Military pay and allowances | 367 | 394 | 424 | 476 | 491 |
| 12 | Non-residents' sector | -276 | -323 | -381 | -444 | -433 |
| | Interest and dividends paid by non-residents: | | | | | |
| 13 | (a) To Canadian corporations | 61 | 80 | 73 | 76 | 73 |
| 14 | (b) To other Canadian sectors | 86 | 80 | 69 | 73 | 88 |
| | Less interest and dividends received by non-residents: | | | | | |
| 15 | (a) From Canadian business | -354 | -416 | -455 | -515 | -508 |
| 16 | (b) From Canadian governments | -69 | -67 | -68 | -78 | -86 |
| 17 | Net national income at factor cost | 19,032 | 20,737 | 23,166 | 23,860 | 24,673 |
| 18 | Capital consumption allowances and miscellaneous valuation adjustments | 2,905 | 3,266 | 3,642 | 3,994 | 3,923 |
| 19 | Indirect taxes | 3,033 | 3,319 | 3,759 | 3,964 | 3,998 |
| 20 | Less subsidies | -86 | -82 | -123 | -116 | -140 |
| 21 | Residual error of estimate | -13 | -108 | 141 | 71 | 55 |
| 22 | Gross National Product at market prices | 24,871 | 27,132 | 30,585 | 31,773 | 32,509 |

TABLE 20. Sector Accounts Consolidation, 1954-1958
Gross National Expenditure

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|---------------|---------------|---------------|---------------|
| | | millions of dollars | | | | |
| 1 | Personal expenditure on consumer goods and services | 16,175 | 17,389 | 18,833 | 19,964 | 21,012 |
| 2 | Purchases from business | 15,266 | 16,375 | 17,714 | 18,762 | 19,732 |
| 3 | Purchases of direct services | 433 | 460 | 502 | 555 | 611 |
| 4 | Purchases from non-residents | 476 | 554 | 617 | 647 | 669 |
| 5 | Government expenditure on goods and services | 4,461 | 4,792 | 5,386 | 5,738 | 6,150 |
| 6 | Purchases from business | 2,549 | 2,716 | 3,091 | 3,177 | 3,350 |
| 7 | Wages and salaries | 1,545 | 1,682 | 1,871 | 2,085 | 2,309 |
| 8 | Military pay and allowances | 367 | 394 | 424 | 476 | 491 |
| 9 | Business gross fixed capital formation | 4,779 | 5,210 | 6,774 | 7,335 | 6,899 |
| 10 | New residential construction | 1,227 | 1,378 | 1,526 | 1,409 | 1,762 |
| 11 | New non-residential construction | 1,671 | 1,848 | 2,589 | 3,103 | 2,813 |
| 12 | New machinery and equipment | 1,881 | 1,984 | 2,659 | 2,823 | 2,324 |
| 13 | Value of physical change in inventories | -130 | 311 | 1,084 | 210 | -424 |
| 14 | Exports of goods and services | 5,147 | 5,764 | 6,363 | 6,394 | 6,289 |
| 15 | Payments to Canadian business | 5,061 | 5,684 | 6,296 | 6,321 | 6,201 |
| 16 | Payments to other sectors | 86 | 80 | 69 | 73 | 88 |
| 17 | Imports of goods and services | -5,574 | -6,443 | -7,715 | -7,796 | -7,361 |
| 18 | Receipts from Canadian business | -5,029 | -5,822 | -7,030 | -7,071 | -6,606 |
| 19 | Receipts from persons | -476 | -554 | -617 | -647 | -669 |
| 20 | Receipts from government | -69 | -87 | -68 | -78 | -86 |
| 21 | Residual error of estimate | 13 | 109 | -142 | -72 | -56 |
| 22 | Gross National Expenditure at market prices | 24,871 | 27,132 | 30,585 | 31,773 | 32,509 |

Section B

INDUSTRIAL DISTRIBUTION OF GROSS DOMESTIC
PRODUCT AND OTHER AGGREGATES

TABLE 21. Gross Domestic Product at Factor Cost, by Industry, 1954 - 1958¹

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|---------------|---------------|---------------|---------------|
| | | millions of dollars | | | | |
| 1 | Agriculture | 1,482 | 1,767 | 1,973 | 1,520 | 1,683 |
| 2 | Forestry | 406 | 438 | 462 | 407 | 329 |
| 3 | Fishing and trapping | 89 | 85 | 98 | 89 | 106 |
| 4 | Mining, quarrying, and oil wells | 887 | 1,071 | 1,196 | 1,232 | 1,166 |
| 5 | Manufacturing | 6,291 | 6,779 | 7,605 | 7,869 | 7,626 |
| 6 | Construction | 1,325 | 1,385 | 1,752 | 1,909 | 2,011 |
| 7 | Transportation | 1,499 | 1,719 | 1,983 | 2,034 | 1,951 |
| 8 | Storage | 60 | 68 | 79 | 81 | 80 |
| 9 | Communication | 422 | 473 | 532 | 583 | 617 |
| 10 | Electric power, gas, and water utilities | 594 | 664 | 768 | 860 | 949 |
| 11 | Wholesale trade | 999 | 1,080 | 1,260 | 1,376 | 1,394 |
| 12 | Retail trade | 2,075 | 2,243 | 2,437 | 2,582 | 2,731 |
| 13 | Finance, insurance, and real estate ² | 2,113 | 2,298 | 2,337 | 2,571 | 2,816 |
| 14 | Public administration and defence | 1,478 | 1,590 | 1,738 | 1,929 | 2,094 |
| 15 | Service | 2,493 | 2,666 | 2,969 | 3,256 | 3,476 |
| 16 | Total | 22,213 | 24,328 | 27,189 | 28,298 | 29,029 |

¹ For a reconciliation between Gross National Product at market prices and gross domestic product at factor cost, see Table 4. It should be noted that the data for wages, salaries, and supplementary labour income; and the inventory valuation adjustment are on an establishment basis, while the data for net income of unincorporated business; investment income; and capital consumption allowances and miscellaneous valuation adjustments are on an enterprise basis.

Details by industry on capital consumption allowances and miscellaneous valuation adjustments, and the inventory valuation adjustment are not given pending further research, and Tables 22 to 24 are therefore not additive to the above data.

² This group includes ownership of dwellings.

TABLE 22. Wages, Salaries, and Supplementary Labour Income, by Industry, 1954 - 1958¹

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|---------------|---------------|---------------|---------------|
| | | millions of dollars | | | | |
| 1 | Agriculture | 139 | 161 | 172 | 173 | 176 |
| 2 | Forestry | 323 | 342 | 388 | 355 | 291 |
| 3 | Fishing and trapping | 21 | 20 | 23 | 21 | 26 |
| 4 | Mining, quarrying, and oil wells | 425 | 457 | 528 | 568 | 562 |
| 5 | Manufacturing | 4,053 | 4,299 | 4,766 | 4,997 | 4,947 |
| 6 | Construction | 889 | 936 | 1,239 | 1,347 | 1,369 |
| 7 | Transportation | 1,061 | 1,123 | 1,247 | 1,302 | 1,274 |
| 8 | Storage | 41 | 44 | 49 | 53 | 55 |
| 9 | Communication | 278 | 303 | 342 | 385 | 420 |
| 10 | Electric power, gas, and water utilities | 211 | 212 | 249 | 274 | 297 |
| 11 | Wholesale trade | 693 | 739 | 830 | 916 | 953 |
| 12 | Retail trade | 1,125 | 1,187 | 1,304 | 1,418 | 1,480 |
| 13 | Finance, insurance, and real estate | 513 | 554 | 619 | 700 | 756 |
| 14 | Public administration and defence ¹ | 1,478 | 1,590 | 1,738 | 1,929 | 2,094 |
| 15 | Service | 1,549 | 1,650 | 1,820 | 2,034 | 2,225 |
| 16 | Total | 12,799 | 13,617 | 15,314 | 16,472 | 16,925 |

¹ Includes military pay and allowances.

TABLE 23. Investment Income, by Industry, 1954 - 1958¹

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|---------------------|--|--------------|--------------|--------------|--------------|--------------|
| millions of dollars | | | | | | |
| 1 | Agriculture | 43 | 44 | 48 | 53 | 54 |
| 2 | Forestry | 16 | 21 | 17 | 4 | — |
| 3 | Fishing and trapping | — | — | — | — | — |
| 4 | Mining, quarrying, and oil wells | 235 | 342 | 402 | 355 | 287 |
| 5 | Manufacturing | 1,231 | 1,552 | 1,722 | 1,581 | 1,467 |
| 6 | Construction | 95 | 86 | 122 | 146 | 167 |
| 7 | Transportation | 103 | 215 | 263 | 182 | 174 |
| 8 | Storage | 13 | 12 | 16 | 11 | 11 |
| 9 | Communication | 62 | 74 | 81 | 73 | 79 |
| 10 | Electric power, gas, and water utilities | 235 | 301 | 334 | 377 | 420 |
| 11 | Wholesale trade | 172 | 244 | 325 | 303 | 285 |
| 12 | Retail trade | 264 | 319 | 379 | 394 | 421 |
| 13 | Finance, insurance, and real estate | 1,110 | 1,178 | 1,129 | 1,173 | 1,311 |
| 14 | Public administration and defence | — | — | — | — | — |
| 15 | Service | 171 | 189 | 218 | 244 | 258 |
| 16 | Total | 3,750 | 4,577 | 5,056 | 4,896 | 4,934 |

¹ The total of this table does not agree with the sum of corporation profits; and rent, interest, and miscellaneous investment income in Table 1. Data in Table 1 are on a national concepts basis, while the data in this table are on a domestic concepts basis. Interest and dividends paid to non-residents are included in this table and interest and dividends received from non-residents are excluded from this table.

TABLE 24. Accrued Net Income of Farm Operators from Farm Production and Net Income of Non-Farm Unincorporated Business, by Industry, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|---------------------|--|--------------|--------------|--------------|--------------|--------------|
| millions of dollars | | | | | | |
| 1 | Agriculture | 1,017 | 1,264 | 1,450 | 996 | 1,157 |
| 2 | Forestry | 48 | 62 | 54 | 35 | 30 |
| 3 | Fishing and trapping | 40 | 39 | 49 | 40 | 53 |
| 4 | Mining, quarrying, and oil wells | 6 | 6 | 6 | 6 | 6 |
| 5 | Manufacturing | 151 | 151 | 176 | 188 | 176 |
| 6 | Construction | 231 | 264 | 270 | 280 | 351 |
| 7 | Transportation | 59 | 66 | 71 | 72 | 73 |
| 8 | Storage, communication; and electric power, gas, and water utilities | — | — | — | — | — |
| 9 | Retail trade | 444 | 488 | 544 | 569 | 585 |
| 10 | Wholesale trade | 52 | 55 | 59 | 59 | 60 |
| 11 | Finance, insurance, and real estate | 55 | 63 | 68 | 68 | 70 |
| 12 | Service | 570 | 597 | 668 | 694 | 715 |
| 13 | Total | 2,673 | 3,055 | 3,415 | 3,007 | 3,276 |

TABLE 25. Business Gross Fixed Capital Formation, by Industry, 1954 - 1958¹

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|---------------------|---|--------------|--------------|--------------|--------------|--------------|
| millions of dollars | | | | | | |
| 1 | Agriculture | 400 | 426 | 488 | 434 | 469 |
| 2 | Fishing and trapping | | | | | |
| 3 | Forestry | | | | | |
| 4 | Mining, quarrying, and oil wells | 278 | 336 | 542 | 606 | 362 |
| 5 | Manufacturing | 822 | 947 | 1,394 | 1,479 | 1,082 |
| 6 | Construction | 97 | 174 | 200 | 158 | 133 |
| 7 | Transportation | 430 | 384 | 717 | 1,032 | 926 |
| 8 | Storage | | | | | |
| 9 | Communication ² | | | | | |
| 10 | Electric power, gas, and water utilities ³ | 537 | 527 | 786 | 959 | 873 |
| 11 | Trade | 368 | 329 | 325 | 370 | 345 |
| 12 | Finance, insurance, and real estate ⁴ | 1,334 | 1,480 | 1,650 | 1,545 | 1,941 |
| 13 | Service ⁵ | 275 | 325 | 342 | 392 | 404 |
| 14 | Total | 4,779 | 5,210 | 6,774 | 7,335 | 6,899 |

¹ This table is derived from *Private and Public Investment in Canada, Outlook 1957, 1958 and 1959*. Additional detail has been provided by the D.B.S. Business Finance Division, and adjustments have been made to bring the data into line with National Accounting concepts. See reconciliation statement, Table 54. For an industrial distribution of total private and public investment, see Table 1 in the aforementioned publications.

² Excludes investment expenditures by the Canadian Broadcasting Corporation, which are included in "government expenditure on goods and services".

³ Includes outlays for investment of grain elevators of \$14 million in 1954, \$11 million in 1955, \$14 million in 1956, and \$10 million in 1957 and 1958. This industry is assigned to the storage group under the Standard Industrial Classification.

⁴ Includes all new residential construction, (exclusive of government other than government business enterprises). See Table 2, line 6.

⁵ Excludes government departmental expenditures, federal hospital, 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. Value of Physical Change in Inventories, by Industry, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|---------------------|--|-------------|------------|--------------|------------|-------------|
| millions of dollars | | | | | | |
| 1 | Agriculture | -75 | 198 | 241 | -152 | -115 |
| 2 | Forestry | 1 | 9 | 3 | -4 | -21 |
| 3 | Fishing and trapping | - | - | - | - | - |
| 4 | Mining, quarrying, and oil wells | 15 | -6 | 15 | 54 | 44 |
| 5 | Manufacturing | -117 | -6 | 433 | 128 | -224 |
| 6 | Construction | 6 | 18 | 29 | -6 | -13 |
| 7 | Transportation | -12 | -32 | 28 | 7 | -21 |
| 8 | Storage | | | | | |
| 9 | Communication | | | | | |
| 10 | Electric power, gas, and water utilities | - | -2 | 16 | 21 | 3 |
| Trade: | | | | | | |
| 11 | Grain in commercial channels | -15 | -20 | 35 | 51 | -33 |
| 12 | Wholesale (excluding grain in commercial channels) | 5 | 47 | 127 | 75 | -32 |
| 13 | Retail | 62 | 109 | 155 | 32 | -11 |
| 14 | Finance, insurance, and real estate | - | -4 | 2 | 4 | -1 |
| 15 | Service | | | | | |
| 16 | Total | -130 | 311 | 1,084 | 210 | -424 |

TABLE 27. Corporation Profits, by Industry, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| 1 | Agriculture..... | 15 | 21 | 16 | 4 | — |
| 2 | Forestry | | | | | |
| 3 | Fishing and trapping | | | | | |
| 4 | Mining, quarrying, and oil wells | 221 | 325 | 382 | 329 | 259 |
| 5 | Manufacturing | 1,186 | 1,515 | 1,646 | 1,474 | 1,360 |
| 6 | Construction | 89 | 77 | 106 | 129 | 151 |
| 7 | Transportation | 81 | 144 | 177 | 148 | 160 |
| 8 | Storage | 11 | 11 | 15 | 10 | 10 |
| 9 | Communication | 39 | 43 | 48 | 47 | 49 |
| 10 | Electric power, gas, and water utilities | 49 | 55 | 60 | 63 | 69 |
| 11 | Wholesale trade | 151 | 222 | 295 | 267 | 251 |
| 12 | Retail trade | 130 | 170 | 213 | 205 | 218 |
| 13 | Finance, insurance, and real estate | 269 | 326 | 318 | 275 | 327 |
| 14 | Service | 49 | 56 | 69 | 76 | 76 |
| 15 | Total¹ | 2,290 | 2,965 | 3,345 | 3,027 | 2,930 |

¹ For an analysis to total corporation profits see Table 50. For an explanation of the contents of this total, see footnote 1, Table 50.

Section C

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME

TABLE 28. Personal Income, Geographical Distribution, 1954 - 1958¹

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---------------------------------------|---------------------|---------------|---------------|---------------|---------------|
| | | millions of dollars | | | | |
| 1 | Newfoundland | 258 | 277 | 311 | 332 | 354 |
| 2 | Prince Edward Island | 69 | 69 | 78 | 78 | 86 |
| 3 | Nova Scotia | 607 | 627 | 675 | 722 | 761 |
| 4 | New Brunswick | 435 | 450 | 497 | 507 | 530 |
| 5 | Quebec | 4,647 | 4,847 | 5,318 | 5,719 | 6,013 |
| 6 | Ontario | 7,397 | 7,918 | 8,617 | 9,322 | 9,839 |
| 7 | Manitoba | 927 | 999 | 1,126 | 1,123 | 1,240 |
| 8 | Saskatchewan | 809 | 1,022 | 1,226 | 1,007 | 1,106 |
| 9 | Alberta | 1,309 | 1,410 | 1,635 | 1,641 | 1,823 |
| 10 | British Columbia | 1,911 | 2,064 | 2,332 | 2,499 | 2,567 |
| 11 | Yukon and Northwest Territories | 27 | 31 | 43 | 39 | 36 |
| 12 | Foreign Countries ² | 25 | 24 | 27 | 35 | 36 |
| 13 | Canada | 18,421 | 19,738 | 21,885 | 23,024 | 24,391 |

¹ Geographical distributions of the main components only of personal income are given in Tables 31 to 35 inclusive; these tables, therefore, do not add to the total of personal income.

² Includes receipts of income of Canadians temporarily abroad, including pay and allowances of Canadian armed forces abroad.

TABLE 29. Personal Income per Person, Geographical Distribution, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| | | dollars | | | | |
| 1 | Newfoundland | 653 | 682 | 749 | 779 | 808 |
| 2 | Prince Edward Island | 683 | 690 | 788 | 788 | 860 |
| 3 | Nova Scotia | 902 | 918 | 971 | 1,029 | 1,072 |
| 4 | New Brunswick | 806 | 823 | 895 | 897 | 919 |
| 5 | Quebec | 1,059 | 1,073 | 1,149 | 1,202 | 1,231 |
| 6 | Ontario | 1,446 | 1,504 | 1,594 | 1,658 | 1,696 |
| 7 | Manitoba | 1,126 | 1,191 | 1,325 | 1,306 | 1,425 |
| 8 | Saskatchewan | 927 | 1,164 | 1,392 | 1,146 | 1,245 |
| 9 | Alberta | 1,239 | 1,292 | 1,456 | 1,415 | 1,518 |
| 10 | British Columbia | 1,476 | 1,538 | 1,667 | 1,681 | 1,663 |
| 11 | Yukon and Northwest Territories | 1,000 | 1,069 | 1,387 | 1,258 | 1,091 |
| 12 | Canada | 1,205 | 1,257 | 1,361 | 1,388 | 1,431 |

TABLE 30. Personal Disposable Income,¹ Geographical Distribution, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---------------------------------------|---------------------|---------------|---------------|---------------|---------------|
| | | millions of dollars | | | | |
| 1 | Newfoundland | 245 | 264 | 294 | 315 | 339 |
| 2 | Prince Edward Island | 67 | 67 | 75 | 76 | 84 |
| 3 | Nova Scotia | 574 | 601 | 644 | 692 | 732 |
| 4 | New Brunswick | 410 | 431 | 474 | 483 | 499 |
| 5 | Quebec | 4,331 | 4,463 | 4,900 | 5,239 | 5,579 |
| 6 | Ontario | 6,729 | 7,219 | 7,774 | 8,402 | 8,987 |
| 7 | Manitoba | 864 | 933 | 1,051 | 1,043 | 1,160 |
| 8 | Saskatchewan | 752 | 964 | 1,178 | 953 | 1,049 |
| 9 | Alberta | 1,217 | 1,323 | 1,536 | 1,526 | 1,712 |
| 10 | British Columbia | 1,745 | 1,922 | 2,160 | 2,307 | 2,389 |
| 11 | Yukon and Northwest Territories | 25 | 28 | 40 | 36 | 34 |
| 12 | Foreign Countries ² | 25 | 24 | 27 | 35 | 36 |
| 13 | Canada | 16,984 | 18,239 | 20,153 | 21,107 | 22,600 |

¹ Personal disposable income consists of total personal income less personal direct taxes.

² Taxes paid by Canadians temporarily abroad cannot be estimated and all direct taxes are allocated to provincial personal incomes only.

TABLE 31. Wages, Salaries, and Supplementary Labour Income,¹ Geographical Distribution, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---------------------------------------|---------------------|---------------|---------------|---------------|---------------|
| | | millions of dollars | | | | |
| 1 | Newfoundland | 177 | 191 | 215 | 227 | 230 |
| 2 | Prince Edward Island | 31 | 33 | 36 | 38 | 40 |
| 3 | Nova Scotia | 390 | 405 | 440 | 467 | 478 |
| 4 | New Brunswick | 279 | 293 | 327 | 333 | 340 |
| 5 | Quebec | 3,213 | 3,377 | 3,817 | 4,100 | 4,210 |
| 6 | Ontario | 5,189 | 5,546 | 6,198 | 6,731 | 6,936 |
| 7 | Manitoba | 604 | 635 | 700 | 736 | 763 |
| 8 | Saskatchewan | 439 | 445 | 499 | 534 | 566 |
| 9 | Alberta | 784 | 839 | 961 | 1,024 | 1,088 |
| 10 | British Columbia | 1,298 | 1,426 | 1,649 | 1,761 | 1,742 |
| 11 | Yukon and Northwest Territories | 22 | 26 | 39 | 34 | 31 |
| 12 | Foreign Countries | 6 | 7 | 9 | 11 | 10 |
| 13 | Canada | 12,432 | 13,223 | 14,890 | 15,996 | 16,434 |

¹ Excludes military pay and allowances, includes employer and employee contributions to social insurance and government pension funds.

**TABLE 32. Net Income Received by Farm Operators From Farm Production,¹
Geographical Distribution, 1954 - 1958**

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---------------------------------------|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| 1 | Newfoundland | 2 | 2 | 2 | 2 | 2 |
| 2 | Prince Edward Island | 12 | 11 | 13 | 9 | 12 |
| 3 | Nova Scotia | 17 | 15 | 16 | 15 | 14 |
| 4 | New Brunswick | 21 | 17 | 25 | 19 | 18 |
| 5 | Quebec | 217 | 218 | 186 | 179 | 192 |
| 6 | Ontario | 293 | 316 | 297 | 307 | 357 |
| 7 | Manitoba | 62 | 82 | 127 | 71 | 109 |
| 8 | Saskatchewan | 145 | 296 | 443 | 174 | 182 |
| 9 | Alberta | 190 | 197 | 273 | 177 | 224 |
| 10 | British Columbia | 50 | 46 | 48 | 49 | 51 |
| 11 | Yukon and Northwest Territories | — | — | — | — | — |
| 12 | Canada | 1,009 | 1,200 | 1,430 | 1,002 | 1,161 |

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

TABLE 33. Net Income of Non-Farm Unincorporated Business, Geographical Distribution, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---------------------------------------|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| 1 | Newfoundland | 28 | 29 | 33 | 34 | 34 |
| 2 | Prince Edward Island | 9 | 8 | 10 | 10 | 10 |
| 3 | Nova Scotia | 63 | 69 | 75 | 75 | 79 |
| 4 | New Brunswick | 46 | 50 | 52 | 49 | 51 |
| 5 | Quebec | 374 | 395 | 439 | 448 | 466 |
| 6 | Ontario | 628 | 688 | 736 | 749 | 796 |
| 7 | Manitoba | 99 | 101 | 109 | 113 | 119 |
| 8 | Saskatchewan | 86 | 89 | 104 | 113 | 118 |
| 9 | Alberta | 118 | 135 | 155 | 164 | 172 |
| 10 | British Columbia | 203 | 224 | 250 | 254 | 272 |
| 11 | Yukon and Northwest Territories | 2 | 3 | 2 | 2 | 2 |
| 12 | Canada | 1,656 | 1,791 | 1,965 | 2,011 | 2,119 |

**TABLE 34. Interest, Dividends, and Net Rental Income of Persons,
Geographical Distribution, 1956 - 1958**

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---------------------------------------|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| 1 | Newfoundland | 16 | 17 | 18 | 17 | 18 |
| 2 | Prince Edward Island | 5 | 6 | 6 | 7 | 7 |
| 3 | Nova Scotia | 47 | 46 | 48 | 57 | 59 |
| 4 | New Brunswick | 34 | 33 | 34 | 34 | 35 |
| 5 | Quebec | 440 | 439 | 446 | 485 | 507 |
| 6 | Ontario | 751 | 828 | 850 | 906 | 971 |
| 7 | Manitoba | 82 | 86 | 94 | 97 | 103 |
| 8 | Saskatchewan | 54 | 78 | 83 | 75 | 77 |
| 9 | Alberta | 107 | 122 | 129 | 127 | 135 |
| 10 | British Columbia | 182 | 184 | 199 | 207 | 216 |
| 11 | Yukon and Northwest Territories | 1 | 1 | 1 | 1 | 1 |
| 12 | Foreign Countries | — | — | — | — | — |
| 13 | Canada | 1,719 | 1,840 | 1,908 | 2,013 | 2,129 |

TABLE 35. Government Transfer Payments, Excluding Interest, Geographical Distribution, 1956 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---------------------------------------|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| 1 | Newfoundland | 38 | 42 | 47 | 55 | 74 |
| 2 | Prince Edward Island | 10 | 11 | 11 | 13 | 16 |
| 3 | Nova Scotia | 69 | 72 | 73 | 84 | 104 |
| 4 | New Brunswick | 59 | 59 | 62 | 75 | 89 |
| 5 | Quebec | 443 | 467 | 483 | 564 | 697 |
| 6 | Ontario | 525 | 541 | 549 | 651 | 805 |
| 7 | Manitoba | 78 | 90 | 89 | 99 | 142 |
| 8 | Saskatchewan | 93 | 121 | 105 | 120 | 174 |
| 9 | Alberta | 109 | 118 | 121 | 149 | 207 |
| 10 | British Columbia | 208 | 214 | 224 | 267 | 329 |
| 11 | Yukon and Northwest Territories | 1 | 1 | 1 | 1 | 2 |
| 12 | Foreign Countries | 1 | 1 | 1 | 1 | 1 |
| 13 | Canada | 1,634 | 1,737 | 1,766 | 2,079 | 2,640 |

Section D

GOVERNMENT SUPPLEMENTARY TABLES

TABLE 36. Government Revenue and Expenditure, by Level of Government, 1954-1958¹
Revenue

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| 1 | Direct taxes — Persons | 1,437 | 1,499 | 1,732 | 1,917 | 1,791 |
| 2 | Federal | 1,319 | 1,325 | 1,550 | 1,723 | 1,581 |
| 3 | Provincial | 112 | 159 | 165 | 176 | 192 |
| 4 | Municipal | 6 | 15 | 17 | 18 | 18 |
| 5 | Direct taxes — Corporations | 1,082 | 1,272 | 1,413 | 1,326 | 1,280 |
| 6 | Federal ² | 1,018 | 1,210 | 1,334 | 1,120 | 1,047 |
| 7 | Provincial | 64 | 62 | 79 | 206 | 223 |
| | Withholding taxes: | | | | | |
| 8 | Federal | 58 | 67 | 69 | 83 | 48 |
| 9 | Indirect taxes | 3,033 | 3,319 | 3,759 | 3,964 | 3,998 |
| 10 | Federal | 1,612 | 1,744 | 1,972 | 1,990 | 1,912 |
| 11 | Provincial | 655 | 739 | 846 | 932 | 955 |
| 12 | Municipal | 766 | 836 | 941 | 1,042 | 1,131 |
| 13 | Investment income | 687 | 753 | 834 | 865 | 946 |
| 14 | Federal | 234 | 267 | 296 | 276 | 308 |
| 15 | Provincial | 289 | 309 | 346 | 383 | 415 |
| 16 | Municipal | 164 | 177 | 192 | 206 | 223 |
| 17 | Employer and employee contributions to social insurance and government pension funds | 422 | 476 | 532 | 589 | 619 |
| 18 | Federal | 287 | 324 | 357 | 384 | 391 |
| 19 | Provincial | 126 | 140 | 162 | 191 | 213 |
| 20 | Municipal | 9 | 12 | 13 | 14 | 15 |
| 21 | Transfers from other levels of government | 704 | 799 | 865 | 989 | 1,198 |
| 22 | Provinces — From Canada | 428 | 443 | 476 | 504 | 639 |
| 23 | From municipalities | 15 | 22 | 18 | 26 | 23 |
| 24 | Municipalities — From Canada | 2 | 7 | 9 | 16 | 22 |
| 25 | From provinces | 259 | 327 | 362 | 443 | 514 |
| 26 | Total revenue | 7,423 | 8,185 | 9,204 | 9,733 | 9,880 |
| 27 | Federal | 4,528 | 4,937 | 5,578 | 5,576 | 5,287 |
| 28 | Provincial | 1,689 | 1,874 | 2,092 | 2,418 | 2,670 |
| 29 | Municipal | 1,206 | 1,374 | 1,534 | 1,739 | 1,923 |

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² For details of tax collections and tax liabilities, see Table 50.

TABLE 37. Government Revenue and Expenditure, by Level of Government, 1954 - 1958¹
Expenditure

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|---------------------|--|--------------|--------------|--------------|--------------|---------------|
| millions of dollars | | | | | | |
| 1 | Goods and services | 4,461 | 4,792 | 5,386 | 5,738 | 6,150 |
| 2 | Federal ² | 2,449 | 2,510 | 2,683 | 2,727 | 2,847 |
| 3 | Provincial | 747 | 846 | 1,041 | 1,149 | 1,265 |
| 4 | Municipal | 1,265 | 1,436 | 1,662 | 1,862 | 2,038 |
| 5 | Transfer payments | 2,303 | 2,406 | 2,480 | 2,820 | 3,427 |
| 6 | Federal | 1,665 | 1,726 | 1,748 | 1,982 | 2,445 |
| 7 | Provincial | 526 | 560 | 605 | 685 | 809 |
| 8 | Municipal | 112 | 120 | 127 | 153 | 173 |
| 9 | Subsidies | 86 | 82 | 123 | 116 | 140 |
| 10 | Federal | 84 | 75 | 118 | 108 | 132 |
| 11 | Provincial | 2 | 7 | 5 | 8 | 8 |
| 12 | Transfers to other levels of governments | 704 | 799 | 865 | 989 | 1,198 |
| 13 | Canada - To provinces | 428 | 443 | 476 | 504 | 639 |
| 14 | To municipalities | 2 | 7 | 9 | 16 | 22 |
| 15 | Provinces - To municipalities | 259 | 327 | 362 | 443 | 514 |
| 16 | Municipalities - To provinces | 15 | 22 | 18 | 26 | 23 |
| 17 | Total expenditure | 7,554 | 8,079 | 8,854 | 9,663 | 10,915 |
| 18 | Federal | 4,628 | 4,761 | 5,034 | 5,337 | 6,085 |
| 19 | Provincial | 1,534 | 1,740 | 2,013 | 2,285 | 2,596 |
| 20 | Municipal | 1,392 | 1,578 | 1,807 | 2,041 | 2,234 |
| 21 | Deficit (-) or surplus (+) | -131 | 106 | 350 | 70 | -1,035 |
| 22 | Federal ³ | -100 | 176 | 544 | 239 | -798 |
| 23 | Provincial | 155 | 134 | 79 | 133 | 74 |
| 24 | Municipal | -186 | -204 | -273 | -302 | -311 |
| 25 | Total expenditure minus deficit (or plus surplus) | 7,423 | 8,185 | 9,204 | 9,733 | 9,880 |
| 26 | Federal | 4,528 | 4,937 | 5,578 | 5,576 | 5,287 |
| 27 | Provincial | 1,689 | 1,874 | 2,092 | 2,418 | 2,670 |
| 28 | Municipal | 1,206 | 1,374 | 1,534 | 1,739 | 1,923 |

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² Defence expenditures included in these figures are as follows 1954, \$1,727 million; 1955, \$1,760 million; 1956, \$1,802 million; 1957, \$1,765 million; 1958, \$1,661 million.

³ For the difference between this item and the conventional budgetary surplus or deficit, see reconciliation, Table 53.

TABLE 38. Direct Taxes - Persons, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|---------------------|---|--------------|--------------|--------------|--------------|--------------|
| millions of dollars | | | | | | |
| Federal: | | | | | | |
| 1 | Income | 1,277 | 1,269 | 1,461 | 1,652 | 1,509 |
| 2 | Succession duties | 41 | 55 | 88 | 69 | 70 |
| 3 | Miscellaneous | 1 | 1 | 1 | 2 | 2 |
| 4 | Total | 1,319 | 1,325 | 1,550 | 1,723 | 1,581 |
| Provincial: | | | | | | |
| 5 | Income | 19 | 28 | 35 | 41 | 44 |
| 6 | Motor vehicle licences and permits ¹ | 32 | 36 | 47 | 50 | 51 |
| 7 | Succession duties | 37 | 72 | 58 | 57 | 56 |
| 8 | Hospital | 9 | 9 | 7 | 11 | 22 |
| 9 | Miscellaneous | 15 | 14 | 18 | 17 | 19 |
| 10 | Total | 112 | 159 | 165 | 176 | 192 |
| Municipal: | | | | | | |
| 11 | Miscellaneous | 6 | 15 | 17 | 18 | 18 |
| 12 | Grand total | 1,437 | 1,499 | 1,732 | 1,917 | 1,791 |

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

TABLE 39. Direct Taxes — Corporations, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| | Federal: | | | | | |
| 1 | Income | 1,018 | 1,210 | 1,334 | 1,120 | 1,047 |
| | Provincial: | | | | | |
| 2 | Income | 53 | 51 | 63 | 185 | 211 |
| 3 | Tax on mining and logging profits | 11 | 11 | 16 | 21 | 22 |
| 4 | Total | 64 | 62 | 79 | 206 | 233 |
| 5 | Grand total | 1,082 | 1,272 | 1,413 | 1,326 | 1,280 |

TABLE 40. Indirect Taxes, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| | Federal: | | | | | |
| 1 | Banks and insurance companies | 14 | 14 | 15 | 17 | — |
| 2 | Customs import duties | 387 | 452 | 545 | 523 | 478 |
| 3 | Excise duties | 225 | 242 | 267 | 287 | 313 |
| 4 | Excise taxes | 974 | 1,028 | 1,131 | 1,150 | 1,107 |
| 5 | Miscellaneous | 12 | 8 | 14 | 13 | 14 |
| 6 | Total | 1,612 | 1,744 | 1,972 | 1,990 | 1,912 |
| | Provincial: | | | | | |
| 7 | Amusement | 23 | 21 | 21 | 21 | 22 |
| 8 | Corporation tax (not on profits) | 18 | 18 | 22 | 23 | 25 |
| 9 | Gasoline | 235 | 261 | 290 | 339 | 353 |
| 10 | Licences, fees, and permits | 22 | 24 | 25 | 26 | 26 |
| 11 | Motor vehicle licences and permits ¹ | 56 | 61 | 78 | 78 | 86 |
| 12 | Miscellaneous taxes on natural resources | 83 | 104 | 119 | 123 | 111 |
| 13 | Real and personal property | 7 | 9 | 8 | 8 | 8 |
| 14 | Retail sales tax (including liquor and tobacco) | 139 | 158 | 191 | 201 | 202 |
| 15 | Miscellaneous | 72 | 83 | 92 | 113 | 122 |
| 16 | Total | 655 | 739 | 846 | 932 | 955 |
| | Municipal: | | | | | |
| 17 | Amusement | 3 | 2 | 2 | 2 | 3 |
| 18 | Licences, fees, and permits | 22 | 26 | 27 | 32 | 33 |
| 19 | Real and personal property | 626 | 682 | 765 | 853 | 916 |
| 20 | Retail sales tax | 37 | 44 | 52 | 53 | 68 |
| 21 | Miscellaneous | 78 | 82 | 95 | 102 | 111 |
| 22 | Total | 766 | 836 | 941 | 1,042 | 1,131 |
| 23 | Grand total | 3,033 | 3,319 | 3,759 | 3,964 | 3,998 |

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

TABLE 41. Government Investment Income, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|------------|------------|------------|------------|
| | | millions of dollars | | | | |
| | Federal: | | | | | |
| 1 | Interest on government-held public funds | 63 | 68 | 77 | 86 | 90 |
| 2 | Interest on loans, advances and investments | 69 | 60 | 55 | 63 | 92 |
| 3 | Profits (net of losses) of government business enterprises | 102 | 139 | 164 | 127 | 126 |
| 4 | Total | 234 | 267 | 296 | 276 | 308 |
| | Provincial: | | | | | |
| 5 | Interest on government-held public funds | 37 | 38 | 41 | 47 | 50 |
| 6 | Interest on loans, advances and investments | 42 | 43 | 53 | 62 | 68 |
| 7 | Profits (net of losses) of government business enterprises | 210 | 228 | 252 | 274 | 297 |
| 8 | Total | 289 | 309 | 346 | 383 | 415 |
| | Municipal: | | | | | |
| 9 | Interest on government-held public funds | 7 | 8 | 9 | 9 | 10 |
| 10 | Interest on loans, advances and investments | 19 | 21 | 23 | 27 | 30 |
| 11 | Profits (net of losses) of government business enterprises | 138 | 148 | 160 | 170 | 183 |
| 12 | Total | 164 | 177 | 192 | 206 | 223 |
| 13 | Grand total | 687 | 753 | 834 | 865 | 946 |

TABLE 42. Employer and Employee Contributions to Social Insurance and Government Pension Funds, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---------------------------------------|---------------------|------------|------------|------------|------------|
| | | millions of dollars | | | | |
| | Federal: | | | | | |
| 1 | Public service pensions | 129 | 159 | 173 | 193 | 206 |
| 2 | Unemployment insurance | 158 | 165 | 184 | 191 | 185 |
| 3 | Total | 287 | 324 | 357 | 384 | 391 |
| | Provincial: | | | | | |
| 4 | Public service pensions | 41 | 49 | 54 | 65 | 75 |
| 5 | Workmen's compensation | 71 | 77 | 90 | 106 | 118 |
| 6 | Industrial employees' vacations | 14 | 14 | 18 | 20 | 20 |
| 7 | Total | 126 | 140 | 162 | 191 | 213 |
| | Municipal: | | | | | |
| 8 | Public service pensions | 9 | 12 | 13 | 14 | 15 |
| 9 | Grand total | 422 | 476 | 532 | 589 | 619 |

TABLE 43. Government Expenditure on Goods and Services, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| | Federal: | | | | | |
| 1 | Wages, salaries, and supplementary labour income | 619 | 664 | 736 | 810 | 889 |
| 2 | Military pay and allowances | 367 | 394 | 424 | 476 | 491 |
| 3 | Other purchases of goods and services | 1,463 | 1,452 | 1,523 | 1,441 | 1,467 |
| 4 | Total¹ | 2,449 | 2,510 | 2,683 | 2,727 | 2,847 |
| | Provincial: | | | | | |
| 5 | Wages, salaries, and supplementary labour income | 320 | 350 | 390 | 438 | 501 |
| 6 | Other purchases of goods and services | 427 | 496 | 651 | 711 | 764 |
| 7 | Total¹ | 747 | 846 | 1,041 | 1,149 | 1,265 |
| | Municipal: | | | | | |
| 8 | Wages, salaries, and supplementary labour income | 606 | 668 | 745 | 837 | 919 |
| 9 | Other purchases of goods and services | 659 | 768 | 917 | 1,025 | 1,119 |
| 10 | Total¹ | 1,265 | 1,436 | 1,662 | 1,862 | 2,038 |
| 11 | Grand total | 4,461 | 4,792 | 5,386 | 5,738 | 6,150 |

¹ Includes fixed capital formation by governments. The major portion of this fixed capital formation is in "other purchases of goods and services". A small portion of the total fixed capital formation is also in the line called "wages, salaries, and supplementary labour income" for work done by the governments' own work force. Fixed capital formation by levels of government is shown below:

| | 1954 | 1955 | 1956 | 1957 | 1958 |
|--------------------|---------------------|--------------|--------------|--------------|--------------|
| | millions of dollars | | | | |
| Federal | 290 | 297 | 379 | 365 | 400 |
| Provincial | 300 | 351 | 460 | 535 | 599 |
| Municipal | 352 | 386 | 421 | 482 | 519 |
| Total | 942 | 1,034 | 1,260 | 1,382 | 1,518 |

TABLE 44. Government Transfer Payments Including Interest, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| | Federal: | | | | | |
| 1 | Family allowances | 362 | 378 | 394 | 423 | 470 |
| 2 | Re-establishment credits | 6 | 4 | 3 | 2 | 2 |
| 3 | Rehabilitation benefits | 3 | 2 | 1 | 1 | 1 |
| 4 | Pensions World Wars I and II ¹ | 117 | 119 | 119 | 128 | 137 |
| 5 | War veterans' allowances | 31 | 39 | 44 | 49 | 59 |
| 6 | Unemployment insurance benefits | 241 | 229 | 210 | 305 | 492 |
| 7 | Prairie farm assistance act | 2 | 33 | 5 | 2 | 21 |
| 8 | Pensions to government employees | 25 | 38 | 42 | 46 | 50 |
| 9 | Interest on the public debt | 504 | 494 | 524 | 519 | 544 |
| 10 | Old age security fund payments | 350 | 363 | 376 | 433 | 555 |
| 11 | Payments to western grain producers | | | | | 39 |
| 12 | Grants to universities | 24 | 27 | 30 | 28 | 30 |
| 13 | Assistance to immigrants | | | | 14 | 9 |
| 14 | Miscellaneous | | | | 32 | 36 |
| 15 | Total | 1,665 | 1,726 | 1,748 | 1,982 | 2,445 |
| | Provincial: | | | | | |
| 16 | Direct relief | 14 | 17 | 20 | 21 | 29 |
| 17 | Workmen's compensation benefits | 58 | 62 | 70 | 77 | 84 |
| 18 | Old age pensions | 56 | 57 | 60 | 65 | 81 |
| 19 | Mothers' and dependents' allowances | 27 | 33 | 37 | 49 | 63 |
| 20 | Pensions to government employees | 20 | 23 | 25 | 28 | 31 |
| 21 | Grants to private non-commercial institutions | 228 | 248 | 264 | 287 | 358 |
| 22 | Interest on the public debt | 97 | 97 | 105 | 118 | 126 |
| 23 | Miscellaneous | 26 | 23 | 24 | 40 | 37 |
| 24 | Total | 526 | 560 | 605 | 685 | 809 |
| | Municipal: | | | | | |
| 25 | Direct relief | 16 | 18 | 19 | 21 | 23 |
| 26 | Pensions to government employees | 5 | 7 | 7 | 8 | 8 |
| 27 | Grants to private non-commercial institutions | 23 | 17 | 16 | 20 | 25 |
| 28 | Interest on the public debt | 68 | 78 | 85 | 104 | 117 |
| 29 | Total | 112 | 120 | 127 | 153 | 173 |
| 30 | Grand total | 2,303 | 2,406 | 2,480 | 2,820 | 3,427 |

¹ Excludes pensions paid to non-residents, which are treated as government expenditure on goods and services. The amount in the terminal years 1954 and 1958 were \$12 million and \$14 million, respectively.

TABLE 45. Subsidies, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|-----------|------------|------------|------------|
| | | millions of dollars | | | | |
| | Federal: | | | | | |
| | Agricultural: | | | | | |
| 1 | Feed freight assistance, western grain | 19 | 16 | 17 | 17 | 19 |
| 2 | Hog premiums | 5 | 6 | 6 | 6 | 6 |
| 3 | Agricultural commodities stabilization board loss | 3 | 6 | 5 | 6 | 15 |
| 4 | Assistance re storage costs on grain | — | — | 44 | 32 | 37 |
| 5 | Miscellaneous | 6 | 2 | 1 | 2 | 4 |
| 6 | Total | 33 | 30 | 73 | 63 | 81 |
| | Other subsidies: | | | | | |
| 7 | Emergency gold mines assistance | 15 | 11 | 9 | 9 | 10 |
| 8 | Maritime freight rates act | 11 | 11 | 12 | 12 | 15 |
| 9 | Movement of coal | 12 | 11 | 9 | 9 | 9 |
| 10 | Miscellaneous | 13 | 12 | 15 | 15 | 17 |
| 11 | Total other | 51 | 45 | 45 | 45 | 51 |
| 12 | Total federal subsidies | 84 | 75 | 118 | 108 | 132 |
| 13 | Total provincial subsidies | 2 | 7 | 5 | 8 | 8 |
| 14 | Grand total | 86 | 82 | 123 | 116 | 140 |

TABLE 46. Transfers to Other Levels of Government, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|-----------------------------------|---------------------|------------|------------|------------|--------------|
| | | millions of dollars | | | | |
| | Federal: | | | | | |
| | To provinces: | | | | | |
| 1 | Old age and blind pensions | 23 | 21 | 24 | 24 | 34 |
| 2 | Disabled persons allowances | — | 4 | 7 | 9 | 15 |
| 3 | Subsidies to provinces | 20 | 20 | 20 | 21 | 21 |
| 4 | Taxation agreements | 330 | 329 | 359 | 362 | 425 |
| 5 | Health grants to provinces | 31 | 34 | 34 | 33 | 39 |
| 6 | Miscellaneous | 24 | 35 | 32 | 55 | 105 |
| 7 | Sub-total | 428 | 443 | 476 | 504 | 639 |
| | To municipalities: | | | | | |
| 8 | Payments to municipalities | 2 | 7 | 9 | 16 | 22 |
| 9 | Total | 430 | 450 | 485 | 520 | 661 |
| | Provincial: | | | | | |
| 10 | To municipalities | 259 | 327 | 362 | 443 | 514 |
| | Municipal: | | | | | |
| 11 | To provinces | 15 | 22 | 18 | 26 | 23 |
| 12 | Grand total | 704 | 799 | 865 | 989 | 1,198 |

Section E
MISCELLANEOUS TABLES

TABLE 47. Personal Expenditure on Consumer Goods and Services, 1954-1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|---------------------|---|---------------|---------------|---------------|---------------|---------------|
| millions of dollars | | | | | | |
| 1 | Food | 4,030 | 4,236 | 4,571 | 4,920 | 5,167 |
| 2 | Tobacco and alcoholic beverages | 1,114 | 1,181 | 1,278 | 1,370 | 1,424 |
| 3 | Tobacco products and smokers' accessories | 461 | 480 | 527 | 571 | 587 |
| 4 | Alcoholic beverages | 653 | 701 | 751 | 799 | 837 |
| 5 | Clothing and personal furnishings | 1,826 | 1,900 | 2,037 | 2,099 | 2,159 |
| 6 | Men's and boys' clothing | 411 | 430 | 463 | 471 | 477 |
| 7 | Women's and children's clothing | 779 | 808 | 871 | 898 | 921 |
| 8 | Footwear | 226 | 231 | 242 | 252 | 269 |
| 9 | Laundry and dry cleaning | 135 | 142 | 156 | 166 | 169 |
| 10 | Other | 275 | 289 | 305 | 312 | 323 |
| 11 | Shelter¹ | 2,192 | 2,454 | 2,621 | 2,871 | 3,090 |
| 12 | Gross rents paid by tenants | 639 | 694 | 729 | 797 | 859 |
| 13 | Expenses (taxes, insurance, etc.) paid by owner occupants | 689 | 788 | 911 | 1,039 | 1,144 |
| 14 | Net imputed residential rent and imputed residential capital consumption allowances | 668 | 770 | 760 | 804 | 856 |
| 15 | Other | 196 | 202 | 221 | 231 | 231 |
| 16 | Household operation | 2,104 | 2,272 | 2,509 | 2,585 | 2,704 |
| 17 | Fuel | 334 | 358 | 415 | 420 | 431 |
| 18 | Electricity | 191 | 212 | 235 | 257 | 272 |
| 19 | Gas | 44 | 47 | 52 | 60 | 69 |
| 20 | Telephone | 172 | 188 | 221 | 241 | 267 |
| 21 | Furniture | 249 | 284 | 315 | 307 | 308 |
| 22 | Home furnishings | 211 | 224 | 245 | 251 | 259 |
| 23 | Appliances, radios and television sets | 412 | 460 | 491 | 489 | 493 |
| 24 | Other | 491 | 499 | 535 | 560 | 605 |
| 25 | Transportation | 1,800 | 2,023 | 2,211 | 2,339 | 2,444 |
| 26 | Street-car, railway and other fares | 313 | 317 | 338 | 361 | 370 |
| 27 | New automobiles, used automobiles (net) and house trailers | 859 | 1,018 | 1,090 | 1,093 | 1,134 |
| 28 | Automotive operating expenses | 628 | 688 | 783 | 885 | 940 |
| 29 | Personal and medical care and death expenses | 1,091 | 1,166 | 1,316 | 1,430 | 1,526 |
| 30 | Medical and dental care | 225 | 240 | 280 | 292 | 307 |
| 31 | Hospital care, private duty nursing, accident and sickness insurance prepaid medical care | 406 | 440 | 490 | 551 | 602 |
| 32 | Other | 460 | 486 | 546 | 587 | 617 |
| 33 | Miscellaneous | 2,018 | 2,157 | 2,290 | 2,350 | 2,498 |
| 34 | Motion picture theatres ² | 97 | 86 | 81 | 77 | 77 |
| 35 | Newspapers and magazines | 175 | 182 | 184 | 187 | 209 |
| 36 | Net expenditure abroad | 108 | 156 | 204 | 204 | 234 |
| 37 | Other | 1,638 | 1,733 | 1,821 | 1,882 | 1,978 |
| 38 | Grand total | 16,175 | 17,389 | 18,833 | 19,964 | 21,012 |
| 39 | Durable goods | 1,970 | 2,245 | 2,431 | 2,431 | 2,499 |
| 40 | Major durable goods ³ | 1,731 | 1,986 | 2,142 | 2,139 | 2,194 |
| 41 | Miscellaneous durable goods ⁴ | 239 | 259 | 289 | 292 | 305 |
| 42 | Non-durable goods⁵ | 8,373 | 9,065 | 9,736 | 10,357 | 10,860 |
| 43 | Services⁶ | 5,832 | 6,079 | 6,666 | 7,176 | 7,653 |

¹ Excludes transient shelter.² Excludes amusement taxes.³ Includes house trailers, new automobiles, net expenditure on used automobiles, home furnishings, furniture, and appliances, radios and television sets.⁴ Includes jewellery, watches, clocks, silverware, toys, sporting and wheeled goods, and tools and garden equipment.⁵ Beginning with the year 1955, the classification of the items electricity and gas (items 18 and 19 above) was changed from services to non-durable goods.⁶ Includes net expenditure abroad.

TABLE 48. Personal Expenditure on Consumer Goods and Services in Constant (1949) Dollars, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|---------------|---------------|---------------|---------------|
| | | millions of dollars | | | | |
| 1 | Food | 3,598 | 3,785 | 4,023 | 4,154 | 4,237 |
| 2 | Tobacco and alcoholic beverages | 1,049 | 1,109 | 1,198 | 1,265 | 1,304 |
| 3 | Clothing and personal furnishings | 1,662 | 1,744 | 1,855 | 1,905 | 1,934 |
| 4 | Shelter | 1,536 | 1,645 | 1,710 | 1,794 | 1,879 |
| 5 | Household operation | 1,795 | 1,966 | 2,169 | 2,202 | 2,275 |
| 6 | Transportation | 1,541 | 1,817 | 1,928 | 1,927 | 1,983 |
| 7 | Personal and medical care and death expenses | 842 | 883 | 968 | 992 | 1,003 |
| 8 | Miscellaneous | 1,627 | 1,713 | 1,752 | 1,745 | 1,788 |
| 9 | Grand total | 13,650 | 14,662 | 15,603 | 15,984 | 16,403 |
| 10 | Durable goods | 1,724 | 2,066 | 2,209 | 2,127 | 2,157 |
| 11 | Non-durable goods ¹ | 7,535 | 8,187 | 8,705 | 9,021 | 9,276 |
| 12 | Services ^{1 2} | 4,391 | 4,409 | 4,689 | 4,836 | 4,970 |

¹ See footnote 5, table 47.² Includes net expenditure abroad.**TABLE 49. Imputed Items Included in Gross National Expenditure, 1954 - 1958¹**

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| | Expenditure on consumer goods and services: | | | | | |
| | Food: | | | | | |
| 1 | Farm consumed farm produce | 182 | 179 | 170 | 167 | 172 |
| 2 | Other ² | 91 | 95 | 103 | 104 | 101 |
| | Shelter: | | | | | |
| 3 | Imputed net residential rent and imputed residential capital consumption allowances | 668 | 770 | 760 | 804 | 856 |
| 4 | Imputed lodging, non-residential ³ | 29 | 29 | 33 | 36 | 38 |
| 5 | Other ⁴ | 160 | 153 | 159 | 165 | 169 |
| 6 | Total of imputed items in consumer expenditure | 1,130 | 1,226 | 1,225 | 1,276 | 1,336 |
| | Government expenditure on goods and services: | | | | | |
| 7 | Imputed gross rent on government-owned buildings | 153 | 168 | 181 | 194 | 207 |
| 8 | Total of imputed items | 1,283 | 1,394 | 1,406 | 1,470 | 1,543 |

¹ All these items are also included in the various components of Gross National Product.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 without specific charge.

TABLE 50. Analysis of Corporation Profits, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|--------|--------|--------|--------|
| | | millions of dollars | | | | |
| 1 | Corporation profits before taxes ¹ | 1,963 | 2,570 | 2,908 | 2,547 | 2,475 |
| 2 | Add: Dividends paid to non-residents | 327 | 395 | 437 | 480 | 455 |
| 3 | Corporation profits including dividends paid to non-residents | 2,290 | 2,965 | 3,345 | 3,027 | 2,930 |
| 4 | Deduct: Corporation income tax liabilities ² | -1,082 | -1,272 | -1,413 | -1,326 | -1,280 |
| 5 | Excess of tax liabilities over collections | -94 | 163 | 40 | -225 | -53 |
| 6 | Tax collections | 1,176 | 1,109 | 1,373 | 1,551 | 1,333 |
| 7 | Corporation profits after taxes | 1,208 | 1,693 | 1,932 | 1,701 | 1,650 |
| 8 | Deduct: Dividends paid to non-residents | -327 | -395 | -437 | -480 | -455 |
| 9 | Corporation profits retained in Canada | 881 | 1,298 | 1,495 | 1,221 | 1,195 |
| 10 | Deduct: Dividends paid to Canadian persons | -284 | -307 | -330 | -315 | -310 |
| 11 | Charitable contributions from corporations | -26 | -29 | -34 | -36 | -36 |
| 12 | Undistributed corporation profits | 571 | 962 | 1,131 | 870 | 849 |

¹ Line 1 is identical with the total shown in Table 1 and represents corporation profits before taxes on a national concept basis. As dividends paid to non-residents — which must be excluded on a national concept basis — are really a distribution of profits, it is necessary to add them back to arrive at a figure of total profits as such — line 3. Lines 4 to 12 provide an analytical breakdown of line 3. For an industrial distribution of total profits (line 3) see Table 27.

² Includes elective tax on undistributed income of \$7 million in 1954 and \$8 million in 1955.

TABLE 51. Capital Consumption Allowances and Miscellaneous Valuation Adjustments by "Form of Organization", 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|-------|-------|-------|-------|
| | | millions of dollars | | | | |
| 1 | Corporations | 1,521 | 1,733 | 1,976 | 2,227 | 2,142 |
| 2 | Individuals and unincorporated businesses | 1,170 | 1,281 | 1,366 | 1,432 | 1,432 |
| 3 | Government business enterprises | 214 | 252 | 300 | 335 | 349 |
| 4 | Capital consumption allowances and miscellaneous valuation adjustments ¹ | 2,905 | 3,266 | 3,642 | 3,994 | 3,923 |

¹ Including net bad debt allowances (charges less recoveries) as follows:

| 1954 | 1955 | 1956 | 1957 | 1958 |
|---------------------|------|------|------|------|
| millions of dollars | | | | |
| 57 | 40 | 41 | 43 | 47 |

Section F

RECONCILIATION STATEMENTS

TABLE 52. Accrued Net Income of Farm Operators from Farm Production, 1954 - 1958
Reconciliation Statement

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| 1 | Net income of farm operators from farming operations ¹ | 1,029 | 1,290 | 1,458 | 1,062 | 1,278 |
| 2 | Deduct: Amounts included in investment income ² | -43 | -45 | -46 | -46 | -51 |
| 3 | Deduct: Transfer payments under prairie farm assistance act and payments to western grain producers ³ | -2 | -33 | - 5 | - 2 | -60 |
| 4 | Other adjustments ⁴ | 25 | -12 | 23 | -12 | - 6 |
| 5 | Equals: Net income received by farm operators from farm production | 1,009 | 1,200 | 1,430 | 1,002 | 1,161 |
| 6 | Adjustment on grain transactions ⁵ | 8 | 64 | 20 | -6 | -4 |
| 7 | Accrued net income of farm operators from farm production⁶ | 1,017 | 1,264 | 1,450 | 996 | 1,157 |

¹ These figures are published by the Agriculture Division, Dominion Bureau of Statistics.

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 These adjustments consist of an estimate of net income of farm operators from farming operations in Newfoundland and an adjustment for the difference in the valuation of the physical change in inventories. The Agriculture Division values the change in the quantity of farm held grain at average annual prices, whereas the National Accounts estimates value this quantity change each quarter in terms of average quarterly prices.

⁵ Since the National Income measures earnings arising 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 has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board.

⁶ See also Table 1, line 5.

TABLE 53. Federal Government Surplus or Deficit, 1954 - 1958
Reconciliation of Federal Government Transactions Related to the National Accounts with
Public Accounts Data, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|---------------------|------------|------------|------------|-------------|
| | | millions of dollars | | | | |
| 1 | Surplus or deficit as per Public Accounts, 1953- 54 to 1957- 58 | 46 | -152 | - 33 | 258 | - 38 |
| 2 | Difference between fiscal and calendar year ² | -195 | 11 | 305 | - 73 | -409 |
| 3 | Extra-budgetary receipts, pension and social insurance funds ³ | 654 | 700 | 790 | 859 | 859 |
| 4 | Excess of corporation tax accruals over collections | - 94 | 163 | 40 | -225 | - 53 |
| 5 | Revenue items omitted | - 79 | - 21 | - 37 | - 68 | - 22 |
| 6 | Extra-budgetary expenditures, pension and social insurance funds .. | -618 | -663 | -633 | -787 | -1,119 |
| 7 | Reserves, write-offs and similar items charged to expenditures | 145 | 104 | 118 | 247 | 219 |
| 8 | Shipment of previously produced military equipment to NATO (less expenditures of defence equipment replacement account) | 5 | - 2 | - 22 | - 32 | -188 |
| 9 | Other adjustments | 36 | 36 | 16 | 60 | - 47 |
| 10 | Surplus or deficit as per National Accounts | -100 | 176 | 544 | 239 | -798 |

¹ Source: Public Accounts of the Federal Government.

² 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 1956-57 includes only January to March 1957, the balance of the fiscal year being in the calendar year 1956. An adjustment is therefore necessary to the fiscal figures to exclude the nine months which apply to the calendar year 1956, and to include the nine months of the calendar year 1957 not covered by the 1956-57 fiscal year.

³ Includes the two per cent portion of the personal income tax, the corporation income tax and the sales tax allocated to the old age security fund.

TABLE 54. Business Gross Fixed Capital Formation, 1954-1958
Reconciliation Statement

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| 1 | Total private and public investment in Canada¹ | 5,721 | 6,244 | 8,034 | 8,717 | 8,417 |
| 2 | Deduct: New residential construction by governments ^{2 3} | -11 | -19 | -21 | -21 | -19 |
| 3 | New non-residential construction by governments ³ | -828 | -924 | -1,137 | -1,251 | -1,361 |
| 4 | New machinery and equipment outlays by governments ³ .. | -103 | -91 | -102 | -110 | -138 |
| 5 | Business gross capital formation | 4,779 | 5,210 | 6,774 | 7,335 | 6,899 |

¹ As presented in the publication *Private and Public Investment in Canada, Outlook, 1957, 1958 and 1959*.

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 36, National Housing Act) which are included under line 5.

³ Included in "government fixed capital formation", line 4, Table 2.

TABLE 55. Exports and Imports of Goods and Services, 1954-1958
Reconciliation Statement

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|--|---------------------|--------------|--------------|--------------|--------------|
| | | millions of dollars | | | | |
| | Exports of goods and services: | | | | | |
| 1 | Merchandise exports | 3,929 | 4,332 | 4,837 | 4,909 | 4,890 |
| 2 | Gold production available for export | 155 | 155 | 150 | 147 | 160 |
| 3 | Interest and dividends received from non-residents | 147 | 160 | 142 | 149 | 161 |
| 4 | Other receipts from services rendered to non-residents | 1,289 | 1,425 | 1,492 | 1,420 | 1,311 |
| 5 | Sub-total: "Current receipts" as per <i>Canadian Balance of International Payments</i> | 5,520 | 6,072 | 6,621 | 6,625 | 6,522 |
| 6 | Adjustments—Mutual aid to NATO countries | -284 | -222 | -157 | -107 | -142 |
| 7 | Inheritances and immigrants' funds | -89 | -86 | -99 | -124 | -91 |
| 8 | Total "exports of goods and services" as per National Accounts² .. | 5,147 | 5,764 | 6,365 | 6,394 | 6,289 |
| | Imports of goods and services: | | | | | |
| 9 | Merchandise imports | 3,916 | 4,543 | 5,565 | 5,488 | 5,064 |
| 10 | Interest and dividends paid to non-residents | 423 | 483 | 523 | 593 | 594 |
| 11 | Other payments for services rendered by non-residents | 1,613 | 1,744 | 1,899 | 1,944 | 1,976 |
| 12 | Sub-total: "Current payments" as per <i>Canadian Balance of International Payments</i> | 5,952 | 6,770 | 7,987 | 8,025 | 7,634 |
| 13 | Adjustments—Mutual aid to NATO countries | -284 | -222 | -157 | -107 | -142 |
| 14 | Inheritances and emigrants' funds | -94 | -105 | -115 | -122 | -131 |
| 15 | Total "imports of goods and services" as per National Accounts² .. | 5,574 | 6,443 | 7,715 | 7,796 | 7,361 |

¹ Data sources are reports on the *Canadian Balance of International Payments* (Balance of Payments Section, Dominion Bureau of Statistics) and other information received from the Balance of Payments Section. Figures include mutual aid to NATO countries.

² See also Table 2.

APPENDIX

TABLE I. Population of Canada, by Provinces, 1954 - 1958
Estimated as of June 1 for Intercensal Years

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| | | in thousands | | | | |
| 1 | Newfoundland | 395 | 406 | 415 | 426 | 438 |
| 2 | Prince Edward Island | 101 | 100 | 99 | 99 | 100 |
| 3 | Nova Scotia | 673 | 683 | 695 | 702 | 710 |
| 4 | New Brunswick | 540 | 547 | 555 | 565 | 577 |
| 5 | Quebec | 4,388 | 4,517 | 4,628 | 4,758 | 4,884 |
| 6 | Ontario | 5,115 | 5,266 | 5,405 | 5,622 | 5,803 |
| 7 | Manitoba | 823 | 839 | 850 | 860 | 870 |
| 8 | Saskatchewan | 873 | 878 | 881 | 879 | 888 |
| 9 | Alberta | 1,057 | 1,091 | 1,123 | 1,160 | 1,201 |
| 10 | British Columbia | 1,295 | 1,342 | 1,399 | 1,487 | 1,544 |
| 11 | Yukon | 10 | 11 | 12 | 12 | 13 |
| 12 | Northwest Territories | 17 | 18 | 19 | 19 | 20 |
| 13 | Canada | 15,287 | 15,698 | 16,081 | 16,589 | 17,048 |

TABLE II. The Civilian Labour Force, 1954 - 1958

| Line No. | | 1954 | 1955 | 1956 | 1957 | 1958 |
|----------|---|--------------|--------------|--------------|--------------|--------------|
| | | in thousands | | | | |
| 1 | Civilian non-institutional population, 14 years of age and over | 10,391 | 10,597 | 10,805 | 11,108 | 11,357 |
| | Civilian labour force: | | | | | |
| | Persons with jobs: | | | | | |
| 2 | Non-agricultural | 4,380 | 4,559 | 4,826 | 5,002 | 5,010 |
| 3 | Agricultural | 878 | 819 | 776 | 744 | 712 |
| 4 | Total persons with jobs | 5,258 | 5,378 | 5,602 | 5,746 | 5,722 |
| 5 | Persons without jobs and seeking work | 235 | 232 | 180 | 257 | 405 |
| 6 | Total civilian labour force | 5,493 | 5,610 | 5,782 | 6,003 | 6,127 |

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