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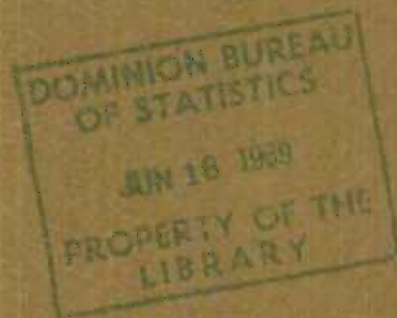
ANNUAL



CANADA

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NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
1959



DOMINION BUREAU OF STATISTICS

Research and Development Division

National Income Section

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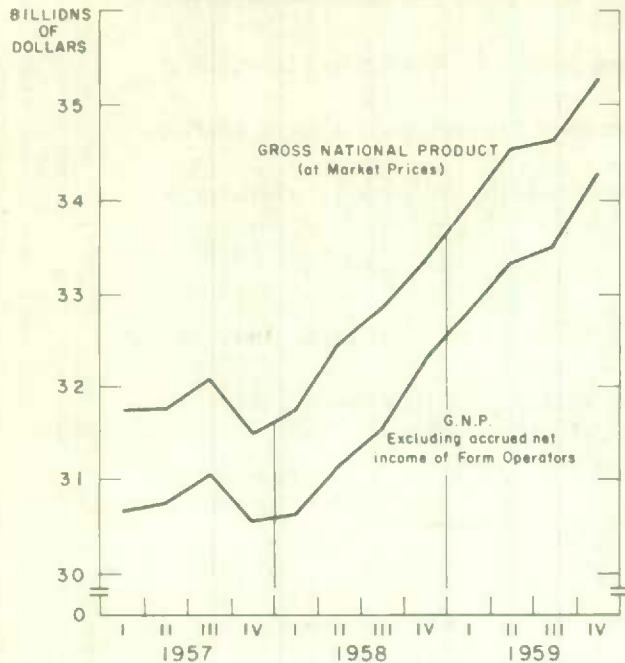
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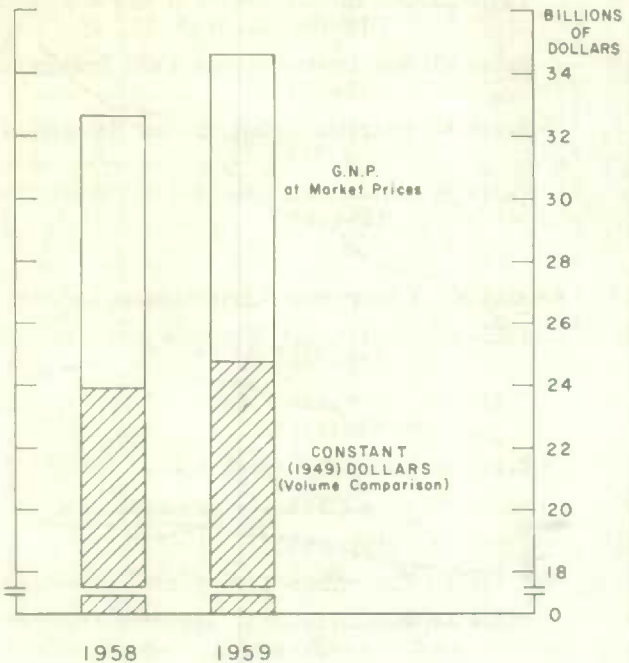
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GROSS NATIONAL PRODUCT SHOWED A
MARKED RISE IN 1959
FOLLOWING THE UPSWING
WHICH BEGAN IN 1958

(DATA SEASONALLY ADJUSTED AT ANNUAL RATES)

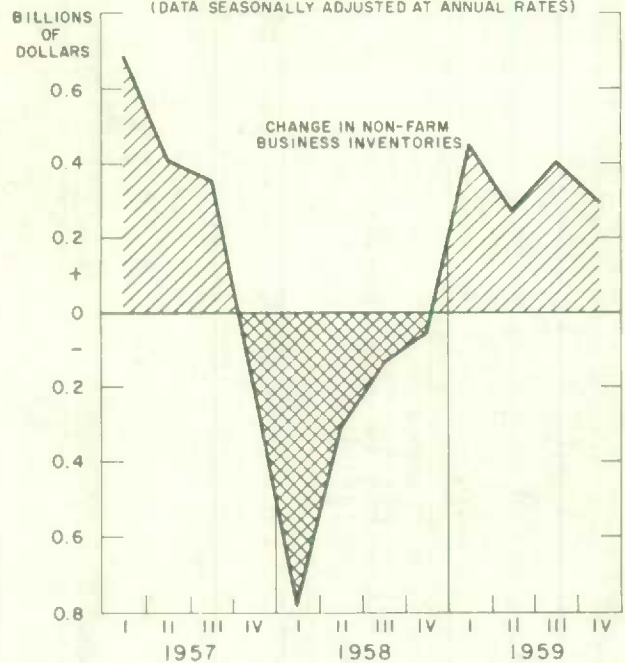


THE VALUE INCREASE FOR THE YEAR
AS A WHOLE WAS ABOUT 6 PER CENT
OVER 1958, WITH THE VOLUME OF PRODUCTION
UP BY ABOUT 4 PER CENT



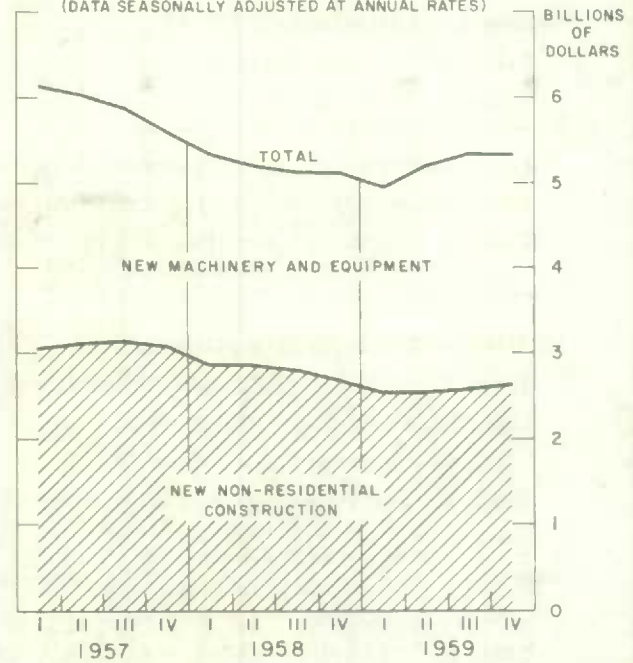
THE SWING IN BUSINESS INVENTORIES FROM
LIQUIDATION IN 1958 TO ACCUMULATION
IN 1959 CONTRIBUTED SUBSTANTIALLY TO THE
INCREASE IN GROSS NATIONAL PRODUCT

(DATA SEASONALLY ADJUSTED AT ANNUAL RATES)

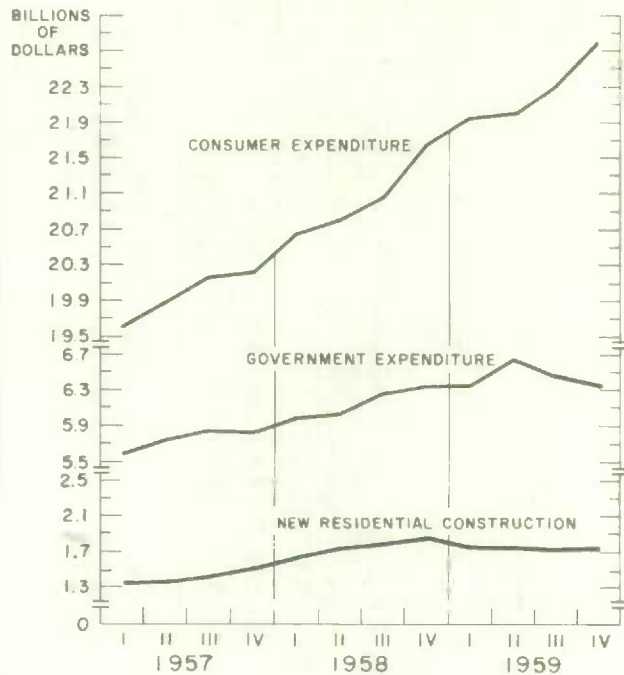


THE TWO-YEAR DOWNTREND OF BUSINESS
OUTLAYS FOR PLANT AND EQUIPMENT
WAS REVERSED IN THE EARLY
PART OF 1959

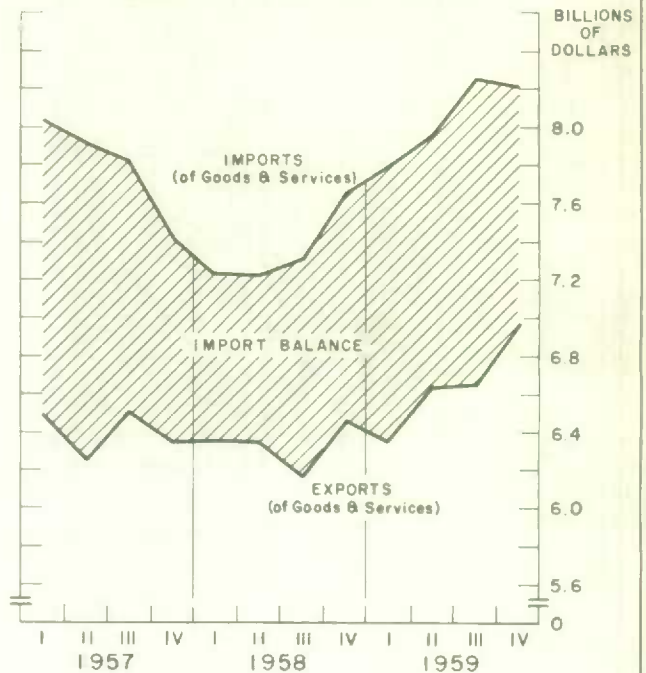
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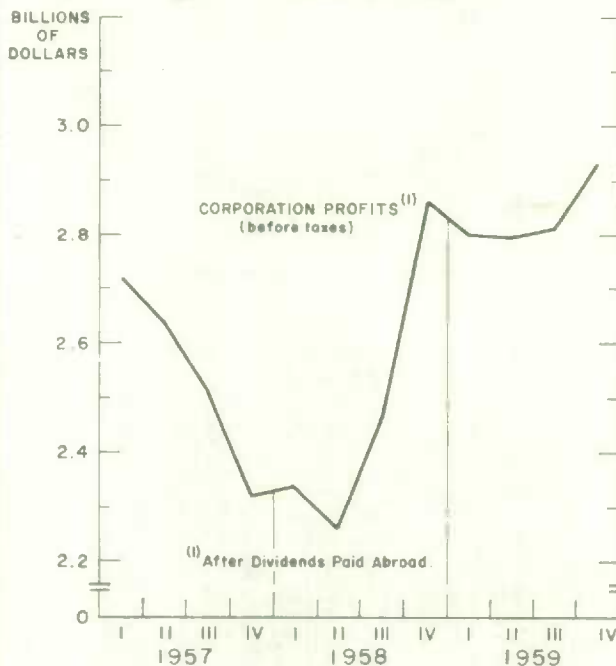
CONSUMER EXPENDITURE CONTINUED TO PROVIDE STRENGTH ON THE DEMAND SIDE. HOWEVER, THE UPWARD TRENDS IN HOUSING AND GOVERNMENT EXPENDITURE WERE INTERRUPTED DURING THE PERIOD



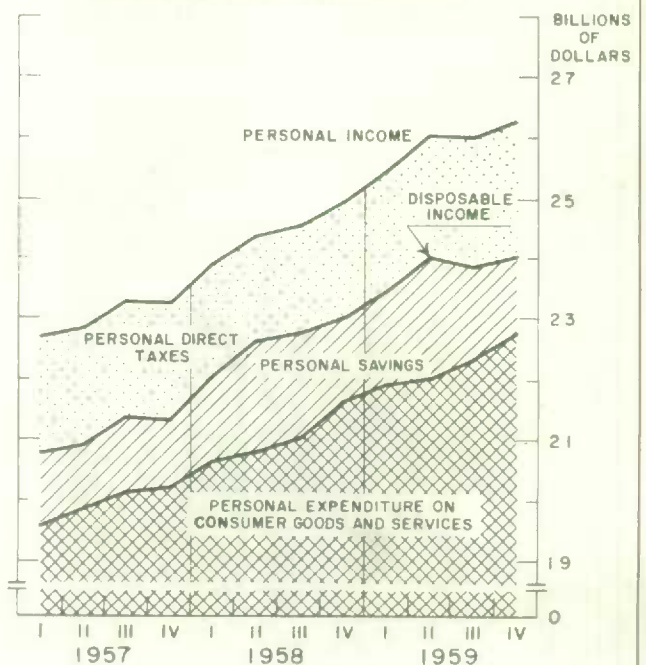
EXPORTS ROSE SUBSTANTIALLY, BUT THE RISE WAS ACCOMPANIED BY A MUCH SHARPER INCREASE IN IMPORTS, WITH A CONSEQUENT WIDENING OF THE DEFICIT



CORPORATION PROFITS LEVELLED OFF IN 1959, FOLLOWING THE SHARP UPSWING IN THE LAST HALF OF 1958



PERSONAL INCOME SHOWED A YEAR-TO-YEAR GAIN OF 6 PER CENT, WHICH WAS LARGELY ABSORBED BY THE RISE IN CONSUMER EXPENDITURES AND DIRECT TAXES



(ALL DATA AT SEASONALLY ADJUSTED ANNUAL RATES)

INTRODUCTORY REVIEW

The Year 1959 – Annual Review

The recovery in Gross National Product, which began in 1958 as the economy emerged from a mild recession, continued during 1959. The upswing carried the Gross National Product to new levels in the first half of the year, but moderated in the third quarter when the expansion was checked by a combination of factors associated in large part with industrial disputes in Canada and the United States. In the fourth quarter the advance was resumed, with a further gain in the value of the nation's total output of goods and services of about 2 per cent from the preceding quarter, seasonally adjusted. For the year as a whole, the Gross National Product averaged about 6 per cent above the year 1958, and with final product prices higher by about 2 per cent, it is estimated that the physical volume of output in 1959 was about 4 per cent above that of the preceding

year.¹ This compares with virtually no change in the physical volume of output in 1957 and 1958, and with a post-war average increase of 4 per cent per year.

The increase in output in 1959 was accompanied by broad changes in the composition of the nation's income and outlay. Over the course of the year, reversals in trend occurred in a number of major categories of demand, and the pattern of the nation's total expenditure showed a marked change. The following table provides some perspective on the nature and magnitude of these shifts in terms of year-to-year percentage changes.

¹ The figures include the value of the 1959 grain crop, which is estimated to be about 7 per cent above the year 1958. However, the full effect of adverse weather conditions which delayed grain harvesting in the Prairie Provinces cannot yet be evaluated. It is assumed that the part of the crop now under snow will be harvested in the spring and will be of average quality.

Changes in Components of Gross National Expenditure

	Percentage changes		Change in billions of dollars
	1957 to 1958	1958 to 1959	1958 to 1959
Personal expenditure	5.4	5.8	1.2
Government expenditure	7.4	4.5	0.3
Residential construction	25.1	-1.1	—
Non-residential construction	- 9.4	-7.8	-0.2
Machinery and equipment	-14.9	9.4	0.2
Exports	- 1.0	5.1	0.3
Total final demand	2.7	4.5	1.8
Inventories	(-\$0.6 b.)	(+\$0.7 b.)	0.7
(Business only)	(-\$0.6 b.)	(+\$0.7 b.)	0.7
Imports	- 5.6	9.5	-(+0.7)
Gross National Product	2.6	6.1	2.0

Much of the support to the rising level of production in 1959 came from the renewed build-up of inventories and the reversal of the down-trend in plant and equipment outlays during the year. Business inventories shifted from a position of heavy liquidation in 1958 to one of moderate accumulation in 1959; the turn-around here was the equivalent of about \$0.7 billion in terms of new demands on production. The decline in business capital expenditures for new plant and equipment, which was moderating in the latter part of 1958, was reversed in 1959, and outlays by the business sector were providing a stimulus to the advance in final demand in

the second and third quarters of the year; the slight decline in the fourth quarter appears to have been associated with the effects of the United States' steel strike on machinery and equipment investment in Canada. For the year as a whole, however, plant and equipment outlays were unchanged. On the other hand, outlays for new housing, which rose very sharply in 1958 (by 25 per cent) were moving downward through the first three quarters of 1959, recovering slightly in the fourth quarter as new mortgage money made available by the government was taken up. For the year as a whole, housing outlays were down very slightly from 1958.

The personal and government sectors contributed significantly to the advance in output in 1959. Personal expenditure on consumer goods and services registered a slightly greater increase than in the previous year, and with prices up more moderately, the volume of consumption showed a more pronounced gain than in 1958. However, government expenditures on goods and services rose less sharply in 1959, by only 5 per cent, compared with 7 per cent in 1958. In the last half of the year, government outlays for goods and services declined.

Turning to transactions on international account, exports of goods and services, after having remained stable at a high level for two years despite the recession, rose by 5 per cent in 1959. Most of the gain was concentrated in the last half of the year. At the same time, imports of goods and services, which fell sharply in the recession period but were rising in the latter part of 1958, continued upward in 1959, and for the year as a whole showed a gain of 9 per cent. The deficit on current account widened substantially, but there was some narrowing of the merchandise deficit at year-end, on a seasonally adjusted basis.

Taken together, these shifts in the pattern of the nation's total expenditure produced a Gross National Product in 1959 which was about 6 per cent above the level of the year 1958, compared with a gain of about 2½ per cent in the 1957-1958 period.

The flow of income to the personal, business, and government sectors was also marked by changes in the trend of important income components and by shifts in the compositional pattern of the income aggregates in 1959. Transfer payments, which rose by 27 per cent between 1957 and 1958, made a much smaller contribution to the gain in personal income in 1959. The reverse is true of labour income, which showed only a small change between 1957 and 1958 but rose sharply in 1959, accounting for a much greater proportion of the increase in total personal income than in the previous year. While corporation profits showed little change over the four quarters of 1959, they were at an average rate about 14 per cent above the year 1958; this compares with a decline of less than 3 per cent between 1957 and 1958.

The shift in the pattern of profits, labour income, and transfer payments was largely responsible for the differing rates of change between national income and personal income in the two periods. In 1958, national income was affected by the small rise in labour income and the drop in profits, and showed only a 3 per cent gain; personal income advanced by 6 per cent, reflecting the sharp rise in transfer payments. In 1959, however, with profits and labour income showing substantial gains and transfer payments moderating, the advance in national income and in personal income were closely in line.

Changes in Major Income Components

	Percentage changes	
	1957 to 1958	1958 to 1959
Selected personal and business income components		
Wages, salaries, and supplementary labour income	2.7	7.8
Transfer payments	27.8	4.8
Personal income	6.2	6.4
Corporation profits after dividends paid abroad	-2.5	14.2
Capital consumption allowances	-1.8	5.3
Rents, interest, and miscellaneous investment income	5.8	3.9
Net income of non-farm unincorporated business	5.4	1.5
Accrued net income of farm operators from farm production	19.8	-7.1
National income	3.5	6.4
Selected government revenues (All levels of government)		
Direct personal taxes	-6.4	16.4
Corporation tax liabilities	-3.5	17.7
Indirect taxes	1.5	9.6

The expansion of activity in 1959 was characterized by a marked recovery in the tax revenues collected by or accruing to the government sector, reflecting the recovery in profits, higher employment and earnings, a higher level of imports, sales and shipments, and increases in tax rates. The changes in government revenues from the three major tax sources for all levels of government combined are shown in the table above.

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 1959 by about 2 per cent. The value, volume and price components of each of the main expenditure categories are shown in the accompanying table:

Percent Changes, Value, Volume and Price

	1959 1958			Price Change ¹
	Value	Volume	Price ¹	Year 1958 Year 1957
Personal expenditure.....	5.8	4.5	1.2	2.5
Goods.....	5.3	4.9	0.5	1.8
Non-durable.....	5.0	4.9	0.3	1.9
Durable.....	6.3	4.7	1.8	1.4
Services.....	6.8	3.7	2.7	3.6
Government expenditure.....	4.5	1.2	2.9	3.2
Business gross fixed capital formation.....	-0.2	-2.9	3.0	2.1
New residential construction.....	-1.1	-5.0	4.0	2.5
New non-residential construction.....	-7.8	-10.1	2.6	1.2
New machinery and equipment.....	9.4	6.9	2.5	2.7
Exports of goods and services.....	5.1	2.2	1.5	-0.2
Imports of goods and services.....	9.5	10.1	-0.4	1.3
Gross national expenditure.....	6.1	3.5	2.3	2.2

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 implicit deflators are weighted by changes in the expenditure pattern over time, and do not permit accurate measurements of price change. A specially constructed set of fixed weight price indexes has therefore been used for purposes of depicting price changes in the above table.

Final product prices continued to drift upward slightly between 1958 and 1959. In the over-the-year comparisons, the advance was about the same as that which occurred between 1957 and 1958. The rise in the price of consumer goods and services in 1959 was small, and amounted to less than half the price rise of the 1957-1958 period, but this development was accompanied by a somewhat larger increase in the price of capital goods and in exports. Prices of imported goods declined, reflecting for the most part a higher rate of exchange on the Canadian dollar.

Production and Employment

Most major industry divisions contributed to the rise in the physical volume of output in 1959. The sharpest increases were in forestry, mining, and public utilities. The almost uniformly upward trend of production in 1959 is in strong contrast to the mixed and largely offsetting movements that characterized output in the previous year. A large part of the increase from 1958 levels came in the first half of 1959; the rate of increase dropped in the second half, partly as a result of industrial disputes in Canada and the delayed effects of the steel strike in the United States.

Among the primary industries, an increase of about 9 per cent in forestry production was entirely attributable to pulpwood; output of other forest products was fractionally lower. The improvement in markets for some traditional metals and fuels and the continued expansion of output of new resource industries brought about a more than 10 per cent increase in mining production as a whole and relatively large gains in the output of several important products. Among these are nickel (31 per cent), copper (15 per cent), crude petroleum (12 per cent), uranium (18 per cent), and natural gas (24 per cent). Output of coal continued to decline as did that of

lead and zinc. The underlying trend of mining production as a whole was strongly upward throughout the year.

The output of manufacturing industries was about 7 per cent higher in 1959 than in 1958; the gain in durables was about 8 per cent and in non-durables about 6 per cent. All the major divisions of manufacturing increased their production with the single exception of transportation equipment. Production in this industry was off slightly, partly as a result of the steep drop in activity in aircraft and parts. The largest increases in output were in iron and steel products (18 per cent), rubber products (17 per cent), textiles (12 per cent), products of petroleum and coal (11 per cent) and non-metallic mineral products (9 per cent); in paper products, printing and publishing, and electrical apparatus and supplies, the rise in production was close to the average for manufacturing industries as a whole; the remaining divisions recorded smaller gains. The expansion of output was particularly marked in some individual industries, notably agricultural implements (34 per cent), and primary iron and steel (38 per cent).

The rising trend of manufacturing production in 1959 was interrupted in the third quarter, when the prolonged industrial dispute in the woods industry in British Columbia affected production of durable goods. In the closing quarter the rise in manufacturing production was restrained by November lay-offs in the automotive industry due to shortages of steel among United States' suppliers. Nevertheless, production advanced 2 per cent in the final quarter of the year, after allowing for seasonal factors. By the end of the year the index of manufacturing output was 6 per cent above its level one year earlier. Non-durable manufacturing production was running 4 per cent above its previous 1957 peak, but durable manufacturing production was still 3 per cent below the peak reached in July, 1956.

The relatively large year-to-year advance in the output of public utilities — 14 per cent — was mainly the result of a huge increase in the distribution of natural gas to final users; distribution by electric power utilities was up less than 10 per cent.

The volume of construction is estimated to have been 3 per cent lower in 1959 than in 1958. The increase in the volume of public construction did not fully offset the decline in private construction.

All the service-producing industries shared in the 4½ per cent advance in output for the group as a whole. A 6 per cent gain in volume in transportation,

communication and storage contrasts with the 4 per cent decline in 1958. Railway car loadings were only slightly higher but most other forms of transport handled a decidedly larger volume of business, notably shipping, air transport, and oil pipelines.

The gains in production outlined above were accompanied by an increase in total employment in 1959. The number of persons with jobs was close to 3 per cent higher than in 1958; the number with jobs in the non-farm sector was 3½ per cent higher. This growth in employment opportunities in 1959 reduced the number of persons without jobs and seeking work from 6.6 to 5.6 per cent of the labour force.

COMPONENTS OF GROSS NATIONAL EXPENDITURE

Personal Expenditure on Consumer Goods and Services

Moderate increases in most categories accompanied a 6 per cent rise in personal expenditure on consumer goods and services in 1959. While consumer prices continued to advance, the upward trend moderated. The greater part of the increase in spending in 1959 thus represented a gain in real consumption. On a per capita basis, consumer expenditure showed the first volume increase since 1956.

Consumer expenditure on non-durable goods rose by 5 per cent in 1959. All categories showed increases of varying magnitude, the most significant occurring in gas (34 per cent), electricity and tobacco products (each up 10 per cent), and auto parts and accessories (9 per cent); other important changes occurred in expenditures on alcoholic beverages, clothing, fuel, and soaps and cleaning supplies, all of which increased by amounts varying between 4 per cent and 6 per cent. Expenditures on food increased by about 3½ per cent, one of the more moderate increases in recent years. However, with food prices somewhat lower, the gain in real food consumption was considerably larger.

Expenditure on durables rose more than 6 per cent, the major part of which is accounted for by a 9 per cent gain in purchases of new and used automobiles. However, there was a significant advance in outlays for other durables, notably home furnishings (6 per cent) and appliances and radios (6 per cent); purchases of furniture showed little change.

The 11 per cent gain in sales of new passenger cars in 1959 was the largest since 1955 when they rose by 28 per cent. In contrast to 1955, however, sales of imported European and British models in 1959 accounted for 18 per cent by value of all new car sales, rising by 45 per cent over the year 1958. Sales of domestic and United States manufactured vehicles rose by 6 per cent.

The rise in durable goods purchases in 1959 was accompanied by an increase in consumer credit outstanding. Between December 1958 and December 1959, total consumer credit outstanding on the books

of finance companies and retail dealers rose by 6 per cent. Unsecured personal loans by chartered banks (excluding home improvement loans) rose by 30 per cent in the same period.

Continuing to make relatively large gains, expenditure on services rose almost 7 per cent. The most significant increases were in outlays for shelter (8 per cent), medical care (9 per cent) and household operation (8 per cent).

The advance in personal expenditure in 1959 was closely in line with the increase in disposable income so that the level of personal saving showed little change. As a percentage of disposable income, personal saving was 6.7 per cent in 1959 compared with 7.1 per cent in 1958, rates of saving which in both cases are relatively high by the standards of post-war years.

Investment in Business Inventories

The accumulation of business inventories in 1959 amounted to \$355 million, in contrast to a liquidation of \$323 million in 1958. This shift of nearly \$700 million between the two years was an important factor in economic recovery and accounted for almost one-third of the \$2.0 billion rise in Gross National Product in 1959.

Change in Business Inventories

	1957	1958	1959
Manufacturing	128	-257	134
Wholesale	75	- 53	72
Retail	32	- 9	134
Other	76	- 4	15
Total	311	-323	355

Nearly 60 per cent of the turn-around in business inventories took place in manufacturing. The building up of stocks did not keep pace with

the growth in sales, and ratios of stocks to shipments fell significantly between 1958 and 1959 in both the durable and non-durable segments of manufacturing. The turn-around in manufacturing was almost totally due to the durable goods industries build-up. All durable groups showed a positive year-to-year shift, the most pronounced of all being in the iron and steel, and transportation equipment industries. In the non-durables group, while stocks of food and chemicals were depleted heavily, this liquidation was counter-balanced by a build-up in the petroleum, rubber and clothing industries.

Wholesalers built up stocks in 1959, after having drawn them down in 1958. As in manufacturing, stock-sales ratios were lower in 1959 than in 1958. Accumulation of inventories was fairly widespread among durable and non-durable goods' wholesalers, and included substantial build-ups in industrial machinery and equipment and in petroleum products.

Retail traders also built up stocks in 1959 after having depleted them in 1958. Stock-sales ratios however appeared slightly higher than those in 1958. Both durable and non-durable goods' retailers increased their holdings of inventories in 1959.

Business Gross Fixed Capital Formation

At a level of \$7.0 billion, expenditures on construction and machinery and equipment remained almost unchanged in 1959. However, this stable aggregate conceals important changes among components.

Non-residential construction fell to \$2.6 billion, nearly 8 per cent lower than in 1958. The decline in construction, mainly concentrated in engineering works, reflected the completion of certain large projects, such as pipelines, electric power installations and the St. Lawrence Seaway, reinforced by a decided drop in expenditures for construction by manufacturing industries.

At the same time, there was an upsurge in outlays for machinery and equipment which rose to \$2.6 billion, more than 9 per cent above the level of the preceding year.² This increase was supported by higher imports and domestic shipments of machinery and equipment, which were both up more than 10 per cent. New orders in the industries producing capital goods (excluding transportation equipment) averaged higher by 20 per cent. Notable gains were recorded in purchases of farm machinery (22 per cent), and commercial vehicles (17 per cent).

The value of residential construction, at \$1.7 billion, was slightly lower than in 1958. The decline reflects a 14 per cent drop in housing units started

and virtually no change in completions. Approvals of N.H.A. loans of all kinds fell by nearly one-third. Approved lenders, in the face of strong competing demands for funds and rising interest rates, curtailed their mortgage lending sharply. From September 1st, Central Mortgage and Housing Corporation made direct loans available to builders. In these circumstances, outlays for housing rose a little in the closing quarter of the year.

Exports and Imports of Goods and Services

In a situation of vigorous recovery in the United States and expanding economic activity in other industrialized countries, exports of goods and services rose to \$6.7 billion in 1959, 5 per cent higher than the levels attained in 1957 and 1958. The rate of increase was about the same for merchandise exports as for invisible items.

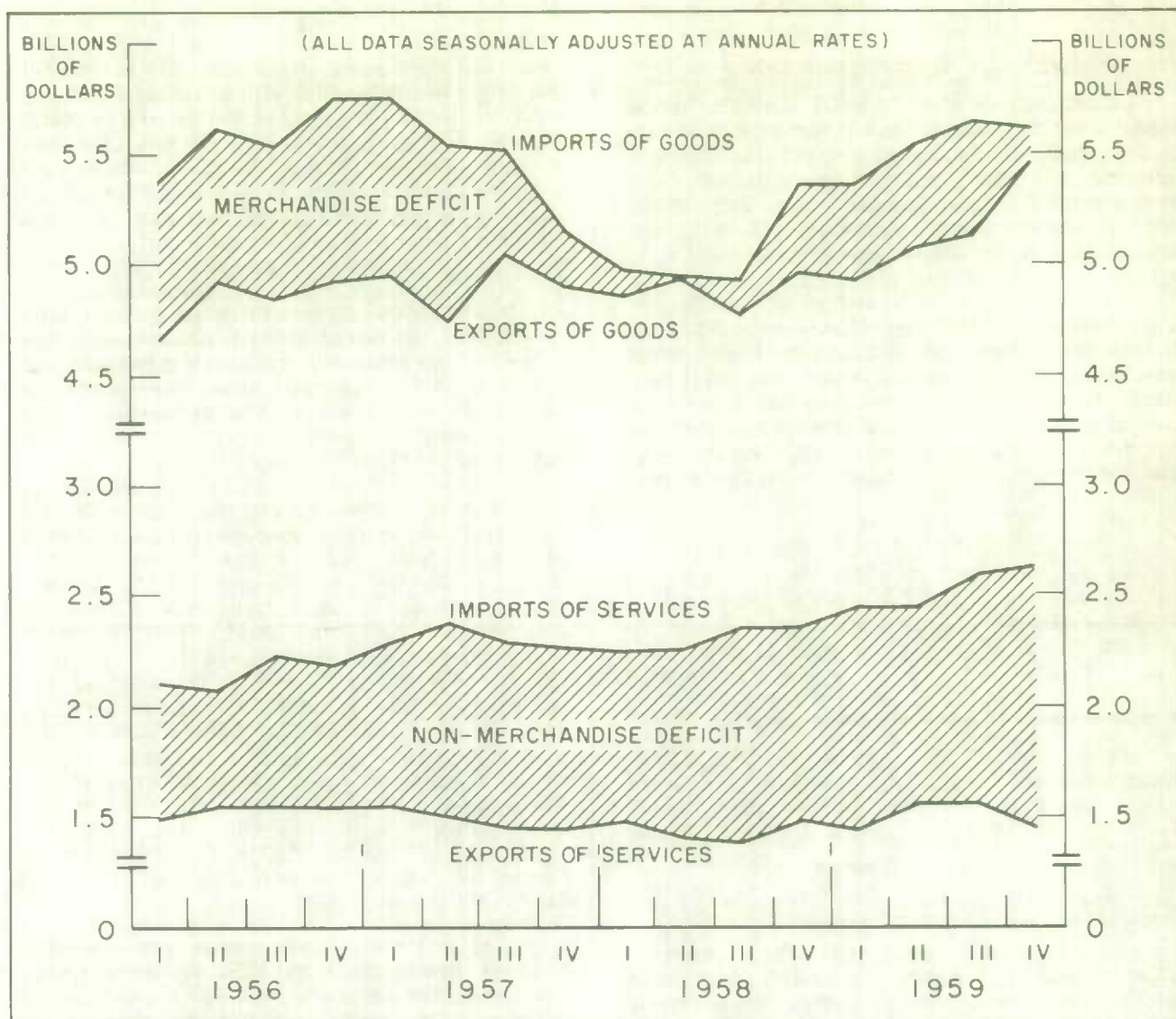
Among merchandise exports, the products of the leading primary industries were prominent in raising the total. Thus exports of forest products, metals and minerals were up over 10 per cent. Exports of iron and its products showed the largest relative gain of all the main commodity groups, rising by almost one-third, in contrast to a decline of about one-sixth in 1958. This unusually large increase was related to the strike-induced shortage of steel in the United States. Among other products showing relatively large gains were lumber, pulp and paper, uranium and some other non-ferrous metals. These gains were partially offset by lower sales of some agricultural products, including grains and cattle; and of some manufactured products, namely, aircraft and ships, sales having been extraordinarily high in the previous year.

So far as invisible items are concerned, receipts from the tourist trade, from freight and shipping, from miscellaneous services and in the form of interest and dividends were all higher in 1959 than in 1958. On the other hand, gold production available for export was lower. Receipts from services totalled \$1.5 billion, compared with \$1.4 billion the previous year.

As has been characteristic of periods of rising economic activity, imports of goods and services advanced sharply in 1959, reaching an annual total of \$8.1 billion, 9½ per cent higher than in 1958. Payments for merchandise imports and for services rose in about the same proportion.

In spite of the substantial increase in merchandise imports in 1959, the level was somewhat below the peak in 1956. The gains were well distributed and included industrial machinery, farm machinery, consumer goods, both durable and non-durable, and industrial materials to support the higher level of production and to replenish stocks. Imports of certain items, such as primary steel and steel pipe, were significantly lower. The largest increase in imports came in the second quarter of the year; thereafter there was little change, seasonal factors apart.

² The 1959 annual figure is \$150 million higher than that shown in "Private and Public Investment in Canada, Outlook 1960", to take account of later available information. This adjustment is included in the quarterly distribution of expenditures on new machinery and equipment.



Payments for all items in the service account were substantially higher in 1959 than in 1958. The 12 per cent increase in remittances of interest and dividends reflected growing indebtedness, higher interest rates, and larger dividend payments to non-residents. The rise in merchandise imports, particularly from overseas countries, swelled payments for freight and shipping. Higher economic activity brought larger payments for business services. Payments on tourist account were also up considerably.

The consequence of the changes in exports and imports of goods and services described above was a deficit on current international account (on the National Accounts basis) of \$1.4 billion, compared with one of \$1.0 billion in 1958, and slightly above the previous peak in 1957. Of this deficit about \$400 million was on merchandise account. The \$1.0

billion deficit on service account, continuing the steady growth characteristic of recent years, was more than double the deficit from this source in 1955. Prices of imports were slightly lower, while prices of exports were moderately higher. Thus there was some improvement in the terms of trade.

Government Expenditure on Goods and Services

Government expenditure on goods and services rose to \$6.4 billion, about 5 per cent higher than in 1958. All this advance is attributable to provincial and municipal governments; it reflects increased wages and salaries and larger expenditures of a capital nature. Federal government expenditures were down slightly, reflecting a decline in outlays for defence of about 6 per cent, which was largely offset by increased spending for other purposes.

COMPONENTS OF GROSS NATIONAL PRODUCT

Wages, Salaries, and Supplementary Labour Income

Labour income rose to \$17.7 billion in 1959, nearly 8 per cent higher than in the previous year. Unlike 1958, a significant part of the advance reflected gains in employment; a small part came from somewhat longer hours of work. The upward trend in average earnings continued to contribute substantially to the advance in labour income.

All major industries shared in the increase in labour income in 1959, in contrast to the situation in 1958 when income failed to rise in several important industries. The largest gain occurred in the service group,³ where income was higher by more than 13 per cent. Income in government service and in the construction industry, up more than 9 per cent, also registered better than average gains. A small

³ Includes community, business, personal and recreational services.

increase in employment (1 per cent) and in hours of work (1 per cent), together with substantially higher hourly wages (4 per cent), raised income in manufacturing by 6 per cent, in contrast to a slight decline in the preceding year. Income in mining rose 5 per cent, in spite of an unchanged volume of employment, reflecting some increase in hours worked but mainly higher average hourly earnings. The increases in income in the transportation, communications and storage group, in finance, insurance and real estate, in public utilities and in trade were all within a narrow range and somewhat below the all industry average. With a significant improvement in employment in forestry, income rose more than 6 per cent, as opposed to a sharp decline in the previous year.

The factors contributing to the advance in labour income in 1959 for two major industries for which data are available are shown in the following table:

	Employment	Hours worked per week	Average hourly earnings	Labour income
	per cent			
Manufacturing	1.2	1.2	3.6	5.8
Mining	—	—	4.1	4.9

Corporate Profits and Other Investment Income

Characteristically sensitive to changes in the tempo of economic activity, corporate profits reversed their downward trend in the middle of 1958 and rose sharply in the closing quarter; they remained high in 1959, reaching an annual total as measured in the National Accounts of \$2.8 billion, a rise of 14 per cent in contrast to a decline of 3 per cent in the previous year. Dividends paid abroad, which are not included in the figure set out above, rose by 10 per cent.

Increases in profits were widespread by industry and in many cases extremely large, particularly in those industries whose earnings had deteriorated during the recession. Thus profits in mining were up 18 per cent, following an even sharper decline in 1958. The same rate of increase occurred in manufacturing industries, with especially large gains in iron and steel (35 per cent) and in chemical products (24 per cent). Among the manufacturing industries, only non-metallic mineral products and products of petroleum and coal failed to record any rise in profits.

Earnings in the goods-handling industries, like the goods-producing industries, had felt the impact of the recession and responded to the upswing in

economic activity in 1959. Thus profits in transportation, communication and storage rose sharply, after having fallen a little in 1958. Profits in wholesale trade also recovered from their recessionary decline. In retail trade, in the financial group and in services, profits were either unchanged or slightly lower, in contrast to the situation in 1958 when profits in the service-connected industries continued to rise.

Rents, interest, and miscellaneous investment income, estimated at \$2.1 billion, rose by 4 per cent in 1959. The advance in rental income continued to reflect the growth of the housing stock and a further slight increase in rents. With the rise in interest rates, interest receipts of persons and governments were sharply higher in 1959. However, a large part of these interest receipts take the form of interest paid on the government debt which is not included as a part of National Income. Trading profits of government enterprises were slightly higher in 1959, and investment income of life insurance companies and industrial pension funds rose sharply.

Net Income of Unincorporated Business

Estimated at \$1.1 billion in 1959, accrued net income of farm operators was about 7 per cent below the preceding year. This estimate involves little

change in farm gross income, accompanied by a rise in farm operating expenses. The value of the new crop is estimated to have been higher by 7 per cent. This estimate, based on the November forecast, assumes that the part of the crop now under snow in

the Prairies will be harvested in the spring and will be of average quality. The full effects of the adverse harvesting conditions in the Prairie Provinces cannot be evaluated at the present time.

	1958	1959	Change 1959 1958	Percent change 1959 1958
millions of dollars				
Farm cash income	2,787	2,772	-15	-0.5
Income in kind	339	346	7	2.1
Farm inventory change	-79	-67	12	—
Gross income	3,047	3,051	4	0.1
Deduct:				
Farm operating expenses	1,514	1,590	76	5.0
Depreciation	288	292	4	1.4
Add:				
Adjustment on grain transactions	-4	-8	-4	—
Other adjustments ¹	-48	-53	-5	—
Accrued net income of farm operators from farm production	1,193	1,108	-85	-7.1

¹ Includes items in investment income and an estimated amount for Newfoundland.

Income of unincorporated business, non-farm, was \$2.2 billion, somewhat higher than in 1958. The major part of the increase originated in the service industries which account for about one-third of the total estimate. Income originating in retail trade and construction, which come next in order of importance, was off slightly.

Indirect Taxes Less Subsidies

Indirect taxes less subsidies reached an estimated level of \$4.2 billion in 1959, 9 per cent higher than in the previous year. The sharpest increase in indirect taxes, 11 per cent, was at the Federal level and the major part of it was in excise taxes which rose by 13 per cent. Customs import duties moved up in line with imports and were nearly 9 per cent above the previous year. The April Budget introduced higher rates of taxes and duties on tobacco products and spirits, in addition to an increase in the sales tax to help finance the old age security scheme. Thus Federal revenues from indirect taxes reflect changes in rates as well as expanding activity.

Gasoline and sales taxes, and miscellaneous taxes on natural resources account for most of the increase in indirect taxes at the Provincial level,

which were up by 7 per cent; higher real and personal property taxes largely account for the rise of 9 per cent at the municipal level.

Subsidies rose very sharply in 1959, reflecting mainly higher losses incurred under the Agricultural Commodities Stabilization program.

National Saving and Investment

Gross national saving increased by 9 per cent in 1959, from \$5.4 billion in 1958 to \$5.9 billion in 1959. This was the first increase in national saving since 1956. Virtually all the domestic sectors contributed towards this improvement in the national saving picture.

The business sector showed a very significant improvement with an increase of 6½ per cent, saving in the personal sector decreased by 1 per cent, while the decline in the dissaving (deficit) of the government sector amounted to over 40 per cent. With an increase of approximately 6 per cent in Gross National Product from 1958 to 1959, and an increase of 9 per cent in national saving over the same period, the proportion of national saving to Gross National Product changed slightly over the two years, from 16.6 per cent in 1958 to 17.0 per cent in 1959.

	1958	1959	Change 1958 to 1959
	billions of dollars		
Personal saving	1.6	1.6	—
Business saving	4.8	5.1	0.3
Government deficit	-1.0	-0.6	0.4
Inventory valuation adjustment	—	-0.1	-0.1
Residual error of estimate	0.1	—	
Gross national saving	5.4	5.9	0.5
Business gross fixed capital formation	7.0	7.0	—
Change in inventories	-0.4	0.3	0.7
Net foreign investment	-1.0	-1.4	-0.4
Residual error of estimate	-0.1	—	
Gross national investment	5.4	5.9	0.5

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

The nation's total fixed capital investment program for housing, non-residential construction, and machinery and equipment remained virtually unchanged between 1958 and 1959. The increase in saving took the form of increased investment in inventories, which showed a very significant change over the period, with the turn-around amounting to \$0.7 billion. As in previous years, the amount of

saving available from domestic sources was insufficient to support the investment program. The short-fall in the nation's saving was met by drawing upon foreign sources and the deficit on current account in 1959 amounted to \$1.4 billion, an increase of about 36 per cent over the deficit in 1958. The deficit in 1959 was slightly above the previous peak year 1957.

TECHNICAL NOTE

The Labour Division of the Dominion Bureau of Statistics has recently published, *Labour Income, 1926-58* (Catalogue Number 72-502) in which minor upward revisions to wages, salaries, and supplementary labour income for the years 1951 to 1954 have been made. These revisions have not yet been incorporated into the salaries, wages, and supplementary labour income of the National Accounts. They are of minor analytical significance, but for

those readers who may wish to reconcile the figures exactly, the data are given below.

Revision of Labour Income

(millions of dollars)

1951	1952	1953	1954
+ 1	+ 10	+ 15	+ 20

Percentage Distribution of Gross National Expenditure, 1954 - 59

Line No.		1954	1955	1956	1957	1958	1959
1	Personal expenditure on consumer goods and services	65.1	64.1	61.6	62.8	64.5	64.4
2	Durable goods	7.9	8.3	8.0	7.6	7.6	7.7
3	Non-durable goods	33.7	33.4	31.8	32.6	33.3	33.0
4	Services	23.5	22.4	21.8	22.6	23.6	23.7
5	Government expenditure on goods and services	17.9	17.7	17.6	18.0	18.9	18.6
6	Federal	9.8	9.3	8.8	8.6	8.7	8.1
7	Provincial	3.0	3.1	3.4	3.6	3.9	4.0
8	Municipal	5.1	5.3	5.4	5.8	6.2	6.5
9	Business gross fixed capital formation	19.2	19.2	22.2	23.1	21.4	20.1
10	New residential construction	4.9	5.1	5.0	4.4	5.4	5.0
11	New non-residential construction	6.7	6.8	8.5	9.8	8.6	7.5
12	New machinery and equipment	7.6	7.3	8.7	8.9	7.4	7.6
13	Value of physical change in inventories	-0.6	1.1	3.5	0.7	-1.3	0.9
14	Non-farm business inventories	-0.2	0.5	2.6	1.0	-1.0	1.0
15	Farm inventories and grain in commercial channels	-0.4	0.6	0.9	-0.3	-0.3	-0.1
16	Exports of goods and services	20.7	21.2	20.8	20.1	19.4	19.2
17	Imports of goods and services	-22.4	-23.7	-25.2	-24.5	-22.6	-23.3
18	Residual error of estimate	0.1	0.4	-0.5	-0.2	-0.3	0.1
19	Gross National Expenditure	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of National Income by Distributive Shares, 1954 - 59

Line No.		1954	1955	1956	1957	1958	1959
1	Wages, salaries, and supplementary labour income	65.4	63.8	64.3	67.0	66.5	67.4
2	Military pay and allowances	1.9	1.9	1.8	2.0	2.0	1.9
3	Corporation profits before taxes	10.3	12.4	12.5	10.7	10.0	10.8
4	Rent, interest, and miscellaneous investment income	7.9	8.1	7.6	8.0	8.2	8.0
5	Accrued net income of farm operators from farm production	5.3	6.1	6.3	4.2	4.8	4.2
6	Net income of non-farm unincorporated business	8.7	8.6	8.5	8.4	8.6	8.2
7	Inventory valuation adjustment	0.5	-0.9	-1.0	-0.3	-0.1	-0.5
8	Net National Income at factor cost	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Gross Domestic Product at Factor Cost, by Industry, 1954 - 59

Line No.		1954	1955	1956	1957	1958	1959
1	Agriculture	6.7	7.3	7.3	5.4	5.9	5.5
2	Forestry	1.8	1.8	1.7	1.4	1.2	1.2
3	Fishing and trapping	0.4	0.3	0.4	0.3	0.4	0.3
4	Mining, quarrying, and oil wells	4.0	4.4	4.4	4.4	4.0	4.2
5	Manufacturing	28.3	28.0	27.9	27.8	26.3	26.4
6	Construction	6.0	5.7	6.4	6.7	6.9	6.8
7	Transportation	6.7	7.1	7.3	7.2	6.7	7.0
8	Storage	0.3	0.3	0.3	0.3	0.3	0.3
9	Communication	1.9	1.9	2.0	2.1	2.1	2.1
10	Electric power, gas, and water utilities	2.7	2.7	2.8	3.0	3.2	3.3
11	Wholesale trade	4.5	4.4	4.6	4.9	4.7	4.9
12	Retail trade	9.3	9.2	9.0	9.1	9.4	9.1
13	Finance, insurance, and real estate	9.5	9.4	8.6	9.1	9.7	9.3
14	Public administration and defence	6.7	6.5	6.4	6.8	7.2	7.3
15	Service	11.2	11.0	10.9	11.5	12.0	12.3
16	Total	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Personal Income by Source, 1954 - 59

Line No.		1954	1955	1956	1957	1958	1959
1	Wages, salaries, and supplementary labour income	65.2	64.6	65.6	66.9	64.7	65.7
2	Military pay and allowances	2.0	2.0	2.0	2.1	2.0	1.9
3	Net income received by farm operators from farm production	5.5	6.1	6.5	4.4	4.9	4.3
4	Net income of non-farm unincorporated business	9.0	9.1	9.0	8.7	8.7	8.3
5	Interest, dividends, and net rental income of persons	9.3	9.3	8.7	8.7	8.7	8.9
6	Transfer payments (excluding interest)	9.0	8.9	8.2	9.2	11.0	10.9
7	Total	100.0	100.0	100.0	100.0	100.0	100.0

Selected Per Person Income and Product Series in Current and Constant Dollars, 1954 - 59

Line No.		1954	1955	1956	1957	1958	1959
Current dollars							
1	Gross National Product	1,627	1,728	1,902	1,915	1,913	1,983
2	Personal Income	1,205	1,257	1,361	1,388	1,434	1,487
3	Personal Disposable Income	1,111	1,162	1,253	1,272	1,328	1,368
4	Personal Expenditure on Consumer Goods and Services	1,058	1,108	1,171	1,203	1,234	1,276
Constant (1949) dollars							
5	Gross National Product	1,320	1,396	1,481	1,432	1,404	1,420
6	Personal Expenditure on Consumer Goods and Services	893	934	970	964	963	984

SECTION A

INCOME AND EXPENDITURE ACCOUNTS

1. Summary Tables

TABLE 1. National Income and Gross National Product, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Wages, salaries, and supplementary labour income	12,432	13,223	14,890	15,996	16,434	17,717
2	Military pay and allowances	367	394	424	476	491	496
3	Corporation profits before taxes ¹	1,963	2,570	2,908	2,547	2,483	2,836
4	Rent, interest, and miscellaneous investment income	1,511	1,684	1,767	1,905	2,015	2,094
5	Accrued net income of farm operators from farm production ²	1,017	1,264	1,450	996	1,193	1,108
6	Net income of non-farm unincorporated business ³	1,656	1,791	1,965	2,011	2,119	2,150
7	Inventory valuation adjustment ⁴	86	-189	-238	-71	-33	-120
8	Net National Income at factor cost	19,032	20,737	23,166	23,860	24,702	26,281
9	Indirect taxes less subsidies	2,947	3,237	3,636	3,848	3,883	4,220
10	Capital consumption allowances and miscellaneous valuation adjustments	2,905	3,266	3,642	3,994	3,923	4,131
11	Residual error of estimate	-13	-108	141	71	98	-39
12	Gross National Product at market prices	24,871	27,132	30,585	31,773	32,606	34,593

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

1954	- 75	1957	-152
1955	198	1958	- 79
1956	241	1959	- 67

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, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Personal expenditure on consumer goods and services	16,175	17,389	18,833	19,964	21,035	22,261
2	Government expenditure on goods and services ¹	4,461	4,792	5,386	5,738	6,161	6,437
3	Current expenditure ²	3,519	3,758	4,126	4,356	4,772	4,837
4	Gross fixed capital formation ³	942	1,034	1,260	1,382	1,389	1,600
5	Business gross fixed capital formation ⁴	4,779	5,210	6,774	7,335	6,975	6,961
6	New residential construction	1,227	1,378	1,526	1,409	1,763	1,743
7	New non-residential construction	1,671	1,848	2,589	3,103	2,811	2,592
8	New machinery and equipment	1,881	1,984	2,659	2,823	2,401	2,626
9	Value of physical change in inventories ⁵	-130	311	1,084	210	-435	300
10	Non-farm business inventories	- 40	133	808	311	-323	355
11	Farm inventories and grain in commercial channels	- 90	178	276	-101	-112	- 55
12	Exports of goods and services ⁶	5,147	5,764	6,365	6,394	6,332	6,657
13	Deduct: Imports of goods and services	-5,574	-6,443	-7,715	-7,796	-7,363	-8,062
14	Residual error of estimate	13	109	-142	-72	-99	39
15	Gross National Expenditure at market prices	24,871	27,132	30,585	31,773	32,606	34,593

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 footnote 1, Table 43, and lines 2, 3 and 4, Table 54).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, except for the year 1959 - See footnote 4, Table 54.⁵ 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, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Net National Income at factor cost	19,032	20,737	23,166	23,860	24,702	26,281
2	Add: Transfer payments (excluding interest on the public debt and charitable contributions from corporations) ¹	1,634	1,737	1,766	2,079	2,657	2,785
3	Add: Interest on the public debt ¹	669	669	714	741	781	937
4	Deduct: Earnings not paid out to persons ²	-2,914	-3,405	-3,761	-3,656	-3,700	-4,063
5	Equals: Personal income	18,421	19,738	21,885	23,024	24,440	25,940
6	Deduct: Personal direct taxes	-1,437	-1,499	-1,732	-1,917	-1,794	-2,088
7	Equals: Personal disposable income	16,984	18,239	20,153	21,107	22,646	23,852
8	Deduct: Personal expenditure on consumer goods and services	-16,175	-17,389	-18,833	-19,964	-21,035	-22,261
9	Equals: Personal net saving	809	850	1,320	1,143	1,611	1,591
10	Value of physical change in farm inventories	-75	198	241	-152	-79	-67
11	Personal saving excluding change in farm inventories	884	652	1,079	1,295	1,690	1,658

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, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Gross National Product at market prices	24,871	27,132	30,585	31,773	32,606	34,593
2	Deduct: Residual error of estimate	13	108	-141	-71	-98	39
3	Indirect taxes less subsidies	-2,947	-3,237	-3,636	-3,848	-3,883	-4,220
4	Income received from non-residents	-147	-160	-142	-149	-166	-170
5	Add: Income paid to non-residents	423	483	523	593	586	656
6	Gross domestic product at factor cost	22,213	24,326	27,189	28,298	29,045	30,898

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TABLE 5. Gross National Expenditure in Constant (1949) Dollars, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Personal expenditure on consumer goods and services	13,650	14,662	15,603	15,984	16,421	17,163
2	Government expenditure on goods and services	3,415	3,563	3,794	3,832	3,985	4,031
3	<i>Current expenditure</i>	2,676	2,767	2,869	2,866	3,031	2,956
4	<i>Gross fixed capital formation</i>	739	796	925	966	954	1,075
5	Business gross fixed capital formation	3,723	3,962	4,891	5,085	4,738	4,601
6	<i>New residential construction</i>	946	1,040	1,110	997	1,220	1,159
7	<i>New non-residential construction</i>	1,272	1,365	1,816	2,107	1,877	1,688
8	<i>New machinery and equipment</i>	1,505	1,557	1,965	1,981	1,641	1,754
9	Change in inventories	-216	419	955	138	-380	204
10	<i>Non-farm business inventories</i>	-39	134	648	270	-228	281
11	<i>Farm inventories and grain in commercial channels</i>	-177	285	307	-132	-152	-77
12	Exports of goods and services	4,616	4,969	5,340	5,360	5,440	5,557
13	Deduct: Imports of goods and services	-5,013	-5,742	-6,662	-6,596	-6,198	-6,821
14	Residual error of estimate	11	87	-110	-54	-73	28
15	Gross National Expenditure in constant (1949) dollars	20,186	21,920	23,811	23,749	23,933	24,763
16	Index, line 15, 1949 = 100	123.5	134.1	145.7	145.3	146.4	151.5

TABLE 6. Implicit Price Indexes - Gross National Expenditure, 1954-59¹

Line No.		1954	1955	1956	1957	1958	1959
1	Personal expenditure on consumer goods and services	118.5	118.6	120.7	124.9	128.1	129.7
2	Government expenditure on goods and services	130.6	134.5	142.0	149.7	154.6	159.7
3	<i>Current expenditure</i>	131.5	135.8	143.8	152.0	157.4	163.6
4	<i>Gross fixed capital formation</i>	127.5	129.9	136.2	143.1	145.6	148.8
5	Business gross fixed capital formation	128.4	131.5	138.5	144.2	147.2	151.3
6	<i>New residential construction</i>	129.7	132.5	137.5	141.3	144.5	150.4
7	<i>New non-residential construction</i>	131.4	135.4	142.6	147.3	149.0	153.6
8	<i>New machinery and equipment</i>	125.0	127.4	135.3	142.5	146.3	149.7
9	Exports of goods and services	111.5	116.0	119.2	119.3	116.4	119.8
10	Imports of goods and services	111.2	112.2	115.8	118.2	118.8	118.2
11	Residual error of estimate	122.5	124.7	129.1	133.7	135.6	139.3
12	Gross National Expenditure at market prices	123.2	123.8	128.4	133.8	136.2	139.7

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, 1954-59
Income

Item No.		1954	1955	1956	1957	1958	1959
		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	14,467
	(b) From governments (19 bi)	1,545	1,682	1,871	2,085	2,309	2,597
	(c) From persons (9 b)	433	460	502	555	611	653
2	(d) Deduct employer and employee contributions to social insurance and government pension funds (17)	-422	-476	-532	-589	-614	-664
2	Military pay and allowances (19 bii)	367	394	424	476	491	496
3	Net income received by farm operators from farm production ¹ (28 c)	1,009	1,200	1,430	1,002	1,197	1,116
4	Net income of non-farm unincorporated business (28 e)	1,656	1,791	1,965	2,011	2,119	2,150
5	Interest, dividends, and net rental income of persons ² (44 a)	1,719	1,840	1,908	2,013	2,120	2,300
6	Transfer payments (excluding interest):						
	(a) From governments (20 b)	1,634	1,737	1,766	2,079	2,657	2,785
	(b) Charitable contributions from corporations (44 b)	26	29	34	36	36	40
7	Total	18,421	19,738	21,885	23,024	24,440	25,940

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, 1954-59
Expenditure

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
8	Personal direct taxes:						
	(a) Income taxes (12 a)	1,296	1,297	1,496	1,693	1,555	1,747
	(b) Succession duties (12 b)	78	127	146	126	126	130
	(c) Miscellaneous (12 c)	63	75	90	98	113	211
9	Purchases of goods and services:						
	(a) From business (24 a)	15,266	16,375	17,714	18,762	19,758	20,891
	(b) Direct services (1 c)	433	460	502	555	611	653
	(c) Travel expenditure (34 a)	389	449	498	525	542	589
	(d) Other expenditures abroad (34 b)	87	105	119	122	124	128
10	Personal net saving ¹ (48)	809	850	1,320	1,143	1,611	1,591
11	Total	18,421	19,738	21,885	23,024	24,440	25,940

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

TABLE 9. Government Revenue and Expenditure Account, 1954-59¹
Revenue

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
12	Direct taxes — Persons:						
	(a) Income taxes (8 a)	1,296	1,297	1,496	1,693	1,555	1,747
	(b) Succession duties (8 b)	78	127	146	126	126	130
	(c) Miscellaneous (8 c)	63	75	90	98	113	211
13	Direct taxes — Corporations:						
	(a) Income tax collections (44 c)	1,176	1,109	1,373	1,551	1,333	1,437
	(b) Excess of income tax liabilities over income tax collections (44 d)	-94	163	40	-225	-53	69
14	Withholding taxes (44 e)	58	67	69	83	48	72
15	Indirect taxes (29 a)	3,033	3,319	3,759	3,964	4,022	4,410
16	Investment income:						
	(a) Interest (44 f)	237	238	258	294	356	387
	(b) Profits of government business enterprises (44 g)	450	515	576	571	587	605
17	Employer and employee contributions to social insurance and government pension funds (1 d)	422	476	532	589	614	664
18	Total²	6,719	7,386	8,339	8,744	8,701	9,732

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, 1954-59¹
Expenditure

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
19	Purchase of goods and services: ²						
	(a) From business (24 b)	2,549	2,716	3,091	3,177	3,361	3,344
	(b) Direct services:						
	(i) Wages and salaries (1 b)	1,545	1,682	1,871	2,085	2,309	2,597
	(ii) Military pay and allowances (2)	367	394	424	476	491	496
20	Transfer payments:						
	(a) Interest (45)	669	669	714	741	781	937
	(b) Other (6 a)	1,634	1,737	1,766	2,079	2,657	2,785
21	Subsidies (29 b)	86	82	123	116	139	190
22	Surplus (+) or deficit (-) (on transactions relating to the National Accounts) ³ (51)	-131	106	350	70	-1,037	-617
23	Total⁴	6,719	7,386	8,339	8,744	8,701	9,732

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, 1954-59
Revenue

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
24	Sales to residents:						
	(a) Persons (9 a)	15,266	16,375	17,714	18,762	19,758	20,891
	(b) Governments ¹ (19 a)	2,549	2,716	3,091	3,177	3,361	3,344
	(c) Business gross fixed capital formation: ²						
	(i) New residential construction (54 a)	1,227	1,378	1,526	1,409	1,763	1,743
	(ii) New non-residential construction (54 b)	1,671	1,848	2,589	3,103	2,811	2,592
	(iii) New machinery and equipment (54 c)	1,881	1,984	2,659	2,823	2,401	2,626
	(d) Value of physical change in inventories (55)	-130	311	1,084	210	-435	300
25	Sales to non-residents:						
	(a) Travel expenditure (38 b)	305	328	337	363	349	397
	(b) Other (38 c)	4,695	5,276	5,886	5,882	5,817	6,090
26	Residual error of estimate	13	109	-142	-72	-99	39
27	Total	27,477	30,325	34,744	35,657	35,726	38,022

¹ See footnotes 1, 2, 3, Table 2.² See footnote 4, Table 2.

TABLE 12. Business Operating Account, 1954-59
Expenditure

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
28	Factor costs:						
	(a) Wages, salaries, and supplementary labour income (1 a)	10,454	11,081	12,517	13,356	13,514	14,467
	(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	4,918	5,416
	(c) Net income received by farm operators from farm production ¹ (3)	1,009	1,200	1,430	1,002	1,197	1,116
	(d) Adjustment on grain transactions ² (49 c)	8	64	20	-6	-4	-8
	(e) Net income of non-farm unincorporated business(4)	1,656	1,791	1,965	2,011	2,119	2,150
	(f) Inventory valuation adjustment (50)	86	-189	-238	-71	-33	-120
29	Other costs:						
	(a) Indirect taxes (15)	3,033	3,319	3,759	3,964	4,022	4,410
	(b) Less subsidies (21)	-86	-82	-123	-116	-139	-190
	(c) Capital consumption allowances and miscellaneous valuation adjustments (49 b)	2,905	3,266	3,642	3,994	3,923	4,131
30	Purchases from non-residents (33 b)	4,675	5,406	6,575	6,556	6,111	6,689
31	Residual error of estimate	-13	-108	141	71	98	-39
32	Total	27,477	30,325	34,744	35,657	35,726	38,022

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 - 59¹

Receipts from Canada
(Canadian Imports)

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
33	Receipts from business:						
	(a) Interest and dividends (46a)	354	416	455	515	500	557
	(b) Other than interest and dividends (30)	4,675	5,406	6,575	6,556	6,111	6,689
34	Receipts from persons:						
	(a) Travel expenditure (9c)	389	449	498	525	542	589
	(b) All other receipts (9d)	87	105	119	122	124	128
35	Receipts from Government - Interest (46b)	69	67	68	78	86	99
36	Surplus (+) or deficit (-) on current account (on transactions relating to the National Accounts) (56)	-427	-679	-1,350	-1,402	-1,031	-1,405
37	Total	5,147	5,764	6,365	6,394	6,332	6,657

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 - 59¹

Payments to Canada
(Canadian Exports)

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
38	Payments to business:						
	(a) Interest and dividends (42a)	61	80	73	76	78	78
	(b) Travel expenditure (25a)	305	328	337	363	349	397
	(c) Other payments (25b)	4,695	5,276	5,886	5,882	5,817	6,090
39	Payments to other sectors:						
	Interest and dividends (42b)	86	80	69	73	88	92
40	Total	5,147	5,764	6,365	6,394	6,332	6,657

¹ See footnote 1, Table 13.

TABLE 15. Investment Income Appropriation Account, 1954 - 59

Source

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
41	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (28b)	3,750	4,577	5,056	4,896	4,918	5,416
42	Interest and dividends from non-residents received by:						
	(a) Corporations (38a)	61	80	73	76	78	78
	(b) Other sectors (39)	86	80	69	73	88	92
43	Total	3,897	4,737	5,198	5,045	5,084	5,586

TABLE 16. Investment Income Appropriation Account, 1954 - 59
Disposition

Item No.		1954	1955	1956	1957	1958	1959
		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	2,120	2,300
	(b) Charitable contributions from corporations (6b)	26	29	34	36	36	40
	(c) Corporation income tax collections (13a)	1,176	1,109	1,373	1,551	1,333	1,437
	(d) Excess of corporation income tax liabilities over collections (13b)	-94	163	40	-225	-53	69
	(e) Withholding taxes (14)	58	67	69	83	48	72
	(f) Government interest revenue (16a)	237	238	258	294	356	387
	(g) Profits of government business enterprises (16b)	450	515	576	571	587	605
	(h) Undistributed corporation profits (49a)	571	962	1,131	870	852	957
45	Less: Interest on the public debt (20a)	-669	-669	-714	-741	-781	-937
46	To non-residents, interest and dividends received from:						
	(a) Business (33a)	354	416	455	515	500	557
	(b) Government (35)	69	67	68	78	86	99
47	Total	3,897	4,737	5,198	5,045	5,084	5,586

TABLE 17. National Saving Account, 1954 - 59
Source

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
48	Personal net saving (10)	809	850	1,320	1,143	1,611	1,591
49	Business gross saving:						
	(a) Undistributed corporation profits (44h)	571	962	1,131	870	852	957
	(b) Capital consumption allowances and miscellaneous valuation adjustments (29c)	2,905	3,266	3,642	3,994	3,923	4,131
	(c) Adjustment on grain transactions (28d)	8	64	20	-6	-4	-8
50	Inventory valuation adjustment (28f)	86	-189	-238	-71	-33	-120
51	Government surplus (+) or deficit (-) (22)	-131	106	350	70	-1,037	-617
52	Residual error of estimate	-13	-108	141	71	98	-39
53	Total	4,235	4,951	6,366	6,071	5,410	5,895

TABLE 18. National Saving Account, 1954 - 59
Disposition

Item No.		1954	1955	1956	1957	1958	1959
millions of dollars							
54	Business gross fixed capital formation: ¹						
	(a) New residential construction (24 ci)	1,227	1,378	1,526	1,409	1,763	1,743
	(b) New non-residential construction (24 cii)	1,671	1,848	2,589	3,103	2,811	2,592
	(c) New machinery and equipment (24 ciii)	1,881	1,984	2,659	2,823	2,401	2,626
55	Value of physical change in inventories (24 d)	-130	311	1,084	210	-435	300
56	Surplus (+) or deficit (-) on current account with non-residents ² (36)	-427	-679	-1,350	-1,402	-1,031	-1,405
57	Residual error of estimate	13	109	-142	-72	-99	39
58	Total	4,235	4,951	6,366	6,071	5,410	5,895

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 - 59
National Income and Gross National Product

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
	Income originating in:						
	Personal sector:						
1	Wages, salaries, and supplementary labour income	433	460	502	555	611	653
2	Business sector	16,963	18,524	20,750	21,188	21,711	23,021
3	Wages, salaries, and supplementary labour income	10,454	11,081	12,517	13,356	13,514	14,467
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	4,918	5,416
5	Net income received by farm operators from farm production	1,009	1,200	1,430	1,002	1,197	1,116
6	Adjustment on grain transactions	8	64	20	-6	-4	-8
7	Net income of non-farm unincorporated business	1,656	1,791	1,965	2,011	2,119	2,150
8	Inventory valuation adjustment	86	-189	-238	-71	-33	-120
9	Government sector	1,912	2,076	2,295	2,561	2,800	3,093
10	Wages, salaries, and supplementary labour income	1,545	1,682	1,871	2,085	2,309	2,597
11	Military pay and allowances	367	394	424	476	491	496
12	Non-residents' sector	-276	-323	-381	-444	-420	-486
	Interest and dividends paid by non-residents:						
13	(a) To Canadian corporations	61	80	73	76	78	78
14	(b) To other Canadian sectors	86	80	69	73	88	92
	Less interest and dividends received by non-residents:						
15	(a) From Canadian business	-354	-416	-455	-515	-500	-557
16	(b) From Canadian governments	-69	-67	-68	-78	-86	-99
17	Net national income at factor cost	19,032	20,737	23,166	23,860	24,702	26,281
18	Capital consumption allowances and miscellaneous valuation adjustments	2,905	3,266	3,642	3,994	3,923	4,131
19	Indirect taxes	3,033	3,319	3,759	3,964	4,022	4,410
20	Less subsidies	-86	-82	-123	-116	-139	-190
21	Residual error of estimate	-13	-108	141	71	98	-39
22	Gross National Product at market prices	24,871	27,132	30,585	31,773	32,606	34,593

TABLE 20. Sector Accounts Consolidation, 1954-59
Gross National Expenditure

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Personal expenditure on consumer goods and services	16,175	17,389	18,833	19,964	21,035	22,261
2	Purchases from business	15,266	16,375	17,714	18,762	19,758	20,891
3	Purchases of direct services	433	460	502	555	611	653
4	Purchases from non-residents	476	554	617	647	666	717
5	Government expenditure on goods and services	4,461	4,792	5,386	5,738	6,161	6,437
6	Purchases from business	2,549	2,716	3,091	3,177	3,361	3,344
7	Wages and salaries	1,545	1,682	1,871	2,085	2,309	2,597
8	Military pay and allowances	367	394	424	476	491	496
9	Business gross fixed capital formation	4,779	5,210	6,774	7,335	6,975	6,961
10	New residential construction	1,227	1,378	1,526	1,409	1,763	1,743
11	New non-residential construction	1,671	1,848	2,589	3,103	2,811	2,592
12	New machinery and equipment	1,881	1,984	2,659	2,823	2,401	2,626
13	Value of physical change in inventories	-130	311	1,084	210	-435	300
14	Exports of goods and services	5,147	5,764	6,365	6,394	6,332	6,657
15	Payments to Canadian business	5,061	5,684	6,296	6,321	6,244	6,565
16	Payments to other sectors	86	80	69	73	88	92
17	Imports of goods and services	-5,574	-6,443	-7,715	-7,796	-7,363	-8,062
18	Receipts from Canadian business	-5,029	-5,822	-7,030	-7,071	-6,611	-7,246
19	Receipts from persons	-476	-554	-617	-647	-666	-717
20	Receipts from government	-69	-67	-68	-78	-86	-99
21	Residual error of estimate	13	109	-142	-72	-99	39
22	Gross National Expenditure at market prices	24,871	27,132	30,585	31,773	32,606	34,593

SECTION B

INDUSTRIAL DISTRIBUTION OF GROSS DOMESTIC PRODUCT AND OTHER AGGREGATES

TABLE 21. Gross Domestic Product at Factor Cost, by Industry, 1954-59¹

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Agriculture	1,482	1,767	1,973	1,520	1,717	1,685
2	Forestry	406	438	462	407	340	359
3	Fishing and trapping	89	85	98	89	106	98
4	Mining, quarrying, and oil wells	887	1,071	1,196	1,232	1,158	1,299
5	Manufacturing	6,291	6,779	7,605	7,869	7,653	8,166
6	Construction	1,325	1,385	1,752	1,909	2,007	2,113
7	Transportation	1,499	1,719	1,983	2,034	1,955	2,148
8	Storage	60	68	79	81	80	85
9	Communication	422	473	532	583	613	655
10	Electric power, gas, and water utilities	594	664	768	860	926	1,005
11	Wholesale trade	999	1,080	1,260	1,376	1,377	1,508
12	Retail trade	2,075	2,243	2,437	2,582	2,729	2,824
13	Finance, insurance, and real estate ²	2,113	2,298	2,337	2,571	2,816	2,874
14	Public administration and defence	1,478	1,590	1,738	1,929	2,094	2,265
15	Service	2,493	2,666	2,969	3,256	3,474	3,814
16	Total	22,213	24,326	27,189	28,298	29,045	30,898

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 company 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, 1954-59¹

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Agriculture	139	161	172	173	176	221
2	Forestry	323	342	388	355	291	309
3	Fishing and trapping	21	20	23	21	26	24
4	Mining, quarrying, and oil wells	425	457	528	568	562	588
5	Manufacturing	4,053	4,299	4,766	4,997	4,947	5,223
6	Construction	889	936	1,239	1,347	1,369	1,497
7	Transportation	1,061	1,123	1,247	1,302	1,274	1,355
8	Storage	41	44	49	53	55	57
9	Communication	278	303	342	385	420	436
10	Electric power, gas, and water utilities	211	212	249	274	297	314
11	Wholesale trade	693	739	830	916	953	1,022
12	Retail trade	1,125	1,187	1,304	1,418	1,480	1,582
13	Finance, insurance, and real estate	513	554	619	700	756	804
14	Public administration and defence ¹	1,478	1,590	1,738	1,929	2,094	2,265
15	Service	1,549	1,650	1,820	2,034	2,225	2,516
16	Total	12,799	13,617	15,314	16,472	16,925	18,213

¹ Includes military pay and allowances.

TABLE 23. Investment Income, by Industry, 1954-59¹

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	<i>mortgages and by farmers</i> Agriculture	43	44	48	53	56	59
2	Forestry	16	21	17	4	1	1
3	Fishing and trapping	—	—	—	—	—	—
4	Mining, quarrying, and oil wells	235	342	402	355	281	359
5	Manufacturing	1,231	1,552	1,722	1,581	1,497	1,723
6	Construction	95	86	122	146	163	163
7	Transportation	103	215	263	182	178	228
8	Storage	13	12	16	11	11	14
9	Communication	62	74	81	73	75	90
10	Electric power, gas, and water utilities	235	301	334	377	397	439
11	Wholesale trade	172	244	325	303	272	308
12	Retail trade	264	319	379	394	420	434
13	Finance, insurance, and real estate	1,110	1,178	1,129	1,173	1,313	1,328
14	Public administration and defence	—	—	—	—	—	—
15	Service	171	189	218	244	254	270
16	Total	3,750	4,577	5,056	4,896	4,918	5,416

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 concept basis, while the data in this table are on a domestic concept 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, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Agriculture	1,017	1,264	1,450	996	1,193	1,108
2	Forestry	48	62	54	35	30	34
3	Fishing and trapping	40	39	49	40	53	49
4	Mining, quarrying, and oil wells	6	6	6	6	6	6
5	Manufacturing	151	151	176	188	176	184
6	Construction	231	264	270	280	351	347
7	Transportation	59	66	71	72	73	85
8	Storage; communication; and electric power, gas, and water utilities	—	—	—	—	—	—
9	Retail trade	444	488	544	569	585	574
10	Wholesale trade	52	55	59	59	60	60
11	Finance, insurance, and real estate	55	63	68	68	70	72
12	Service	570	597	668	694	715	739
13	Total	2,673	3,055	3,415	3,007	3,312	3,258

TABLE 25. Business Gross Fixed Capital Formation, by Industry, 1954-59¹

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Agriculture	400	426	488	434	465	555
2	Fishing and trapping						
3	Forestry	46	63	76	48	33	46
4	Mining, quarrying, and oil wells	278	336	542	606	342	344
5	Manufacturing	822	947	1,394	1,479	1,095	1,074
6	Construction	97	174	200	158	157	183
7	Transportation						
8	Storage ²	444	395	731	1,042	967	718
9	Communication ³	192	219	254	312	336	325
10	Electric power, gas, and water utilities ²	523	516	772	949	845	799
11	Trade	368	329	325	370	356	333
12	Finance, insurance, and real estate ⁴	1,334	1,480	1,650	1,545	1,943	1,987
13	Service ⁵	275	325	342	392	436	447
14	Adjustment (not allocated) ⁶	—	—	—	—	—	150
15	Total	4,779	5,210	6,774	7,335	6,975	6,961

¹ This table is derived from *Private and Public Investment in Canada, 1946-1957* and *Private and Public Investment in Canada, Outlook, 1960*. Additional detail has been provided by the D.B.S. Business Finance Division and adjustments have been made to classify the data according to National Accounting concepts. (See reconciliation statement, Table 54). For an industrial distribution of both private and public investment see Table 3 and Table 1 respectively in the aforementioned publications.

² In accordance with the Standard Industrial Classification, outlays for investment of grain elevators are included in the storage industry. Prior to 1954 this item was assigned to the electric power, gas and water utilities industry. To facilitate historical comparison of the affected industries, the grain elevators investment figures are as follows: 1954, \$14 million; 1955, \$11 million; 1956, \$14 million; 1957, \$10 million; 1958, \$12 million; and 1959, \$24 million.

³ Excludes investment expenditures by the Canadian Broadcasting Corporation, which are included in "Government expenditure on goods and services".

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

⁵ Excludes expenditures by government departments and government operated institutions which are included with "government expenditure on goods and services". Expenditures of government business enterprises (railways, power commissions, etc.) are included under appropriate industry headings.

⁶ This figure represents an upward revision to data published in *Public and Private Investment in Canada, Outlook 1960* to take account of later available information.

TABLE 26. Value of Physical Change in Inventories, by Industry, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Agriculture	-75	198	241	-152	-79	-67
2	Forestry	1	9	3	-4	-15	9
3	Fishing and trapping	—	—	—	—	—	—
4	Mining, quarrying, and oil wells	15	-6	15	54	42	-2
5	Manufacturing	-117	-6	433	128	-257	134
6	Construction	6	18	29	-6	-13	-3
7	Transportation						
8	Storage	-12	-32	28	7	-21	11
9	Communication						
10	Electric power, gas, and water utilities	—	-2	16	21	3	-1
	Trade:						
11	Grain in commercial channels	-15	-20	35	51	-33	12
12	Wholesale (excluding grain in commercial channels)	5	47	127	75	-53	72
13	Retail	62	109	155	32	-9	134
14	Finance, insurance, and real estate						
15	Service	—	-4	2	4	—	1
16	Total	-130	311	1,084	210	-435	300

TABLE 27. Corporation Profits, by Industry, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Agriculture	15	21	16	4	4	4
2	Forestry						
3	Fishing and trapping						
4	Mining, quarrying, and oil wells	221	325	382	329	253	335
5	Manufacturing	1,186	1,515	1,646	1,474	1,388	1,633
6	Construction	89	77	106	129	147	146
7	Transportation	81	144	177	148	157	198
8	Storage	11	11	15	10	10	12
9	Communication	39	43	48	47	49	61
10	Electric power, gas, and water utilities	49	55	60	63	69	82
11	Wholesale trade	151	222	295	267	241	274
12	Retail trade	130	170	213	205	219	231
13	Finance, insurance, and real estate	269	326	318	275	305	300
14	Service	49	56	69	76	73	74
	Adjustment ¹	—	—	—	—	15	-24
15	Total²	2,290	2,965	3,345	3,027	2,930	3,326

¹ A recent revision to the quarterly corporation profits survey has, for technical reasons, not yet been incorporated into the tabular framework of the National Accounts. The above adjustment, however, permits agreement for the industrial detail between the quarterly corporation profits survey and the National Accounts data.

² For an analysis of 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 - 59¹

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Newfoundland	258	277	311	332	359	378
2	Prince Edward Island	69	69	78	78	85	93
3	Nova Scotia	607	627	675	722	752	799
4	New Brunswick	435	450	497	507	533	571
5	Quebec	4,647	4,847	5,318	5,719	6,002	6,337
6	Ontario	7,397	7,918	8,617	9,322	9,837	10,520
7	Manitoba	927	999	1,126	1,123	1,252	1,317
8	Saskatchewan	809	1,022	1,226	1,007	1,138	1,181
9	Alberta	1,309	1,410	1,635	1,641	1,843	1,956
10	British Columbia	1,911	2,064	2,332	2,499	2,567	2,715
11	Yukon and Northwest Territories	27	31	43	39	36	37
12	Foreign Countries ²	25	24	27	35	36	36
13	Canada	18,421	19,738	21,885	23,024	24,440	25,940

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 - 59

Line No.		1954	1955	1956	1957	1958	1959
		dollars					
1	Newfoundland	653	682	749	779	820	842
2	Prince Edward Island	683	690	788	788	850	912
3	Nova Scotia	902	918	971	1,029	1,059	1,116
4	New Brunswick	806	823	895	897	924	968
5	Quebec	1,059	1,073	1,149	1,202	1,229	1,268
6	Ontario	1,446	1,504	1,594	1,658	1,695	1,768
7	Manitoba	1,126	1,191	1,325	1,306	1,439	1,488
8	Saskatchewan	927	1,164	1,392	1,146	1,282	1,309
9	Alberta	1,239	1,292	1,456	1,415	1,535	1,574
10	British Columbia	1,476	1,538	1,667	1,681	1,663	1,729
11	Yukon and Northwest Territories	1,000	1,069	1,387	1,258	1,091	1,088
12	Canada	1,205	1,257	1,361	1,388	1,434	1,487

TABLE 30. Personal Disposable Income,¹ Geographical Distribution, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Newfoundland	245	264	294	315	345	363
2	Prince Edward Island	67	67	75	76	83	91
3	Nova Scotia	574	601	644	692	716	760
4	New Brunswick	410	431	474	483	497	536
5	Quebec	4,331	4,463	4,900	5,239	5,598	5,880
6	Ontario	6,729	7,219	7,774	8,402	9,013	9,518
7	Manitoba	864	933	1,051	1,043	1,170	1,219
8	Saskatchewan	752	964	1,178	953	1,067	1,105
9	Alberta	1,217	1,323	1,536	1,526	1,719	1,818
10	British Columbia	1,745	1,922	2,160	2,307	2,369	2,492
11	Yukon and Northwest Territories	25	28	40	36	33	34
12	Foreign Countries ²	25	24	27	35	36	36
13	Canada	16,984	18,239	20,153	21,107	22,646	23,852

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, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Newfoundland	177	191	215	227	230	247
2	Prince Edward Island	31	33	36	38	40	48
3	Nova Scotia	390	405	440	467	478	510
4	New Brunswick	279	293	327	333	340	372
5	Quebec	3,213	3,377	3,817	4,100	4,210	4,517
6	Ontario	5,189	5,546	6,198	6,731	6,936	7,467
7	Manitoba	604	635	700	736	763	832
8	Saskatchewan	439	445	499	534	566	608
9	Alberta	784	839	961	1,024	1,088	1,192
10	British Columbia	1,298	1,426	1,649	1,761	1,742	1,881
11	Yukon and Northwest Territories	22	26	39	34	31	33
12	Foreign Countries	6	7	9	11	10	10
13	Canada	12,432	13,223	14,890	15,996	16,434	17,717

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 - 59**

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Newfoundland	2	2	2	2	2	2
2	Prince Edward Island	12	11	13	9	12	11
3	Nova Scotia	17	15	16	15	14	14
4	New Brunswick	21	17	25	19	18	17
5	Quebec	217	218	186	179	192	176
6	Ontario	293	316	297	307	357	305
7	Manitoba	62	82	127	71	115	97
8	Saskatchewan	145	296	443	174	203	214
9	Alberta	190	197	273	177	233	231
10	British Columbia	50	46	48	49	51	49
11	Yukon and Northwest Territories	—	—	—	—	—	—
12	Canada	1,009	1,200	1,430	1,002	1,197	1,116

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 - 59**

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Newfoundland	28	29	33	34	33	35
2	Prince Edward Island	9	8	10	10	10	10
3	Nova Scotia	63	69	75	75	79	81
4	New Brunswick	46	50	52	49	55	57
5	Quebec	374	395	439	448	457	466
6	Ontario	628	688	736	749	802	815
7	Manitoba	99	101	109	113	119	120
8	Saskatchewan	86	89	104	113	114	115
9	Alberta	118	135	155	164	181	184
10	British Columbia	203	224	250	254	267	265
11	Yukon and Northwest Territories	2	3	2	2	2	2
12	Canada	1,656	1,791	1,965	2,011	2,119	2,150

**TABLE 34. Interest, Dividends, and Net Rental Income of Persons,
Geographical Distribution, 1954 - 59**

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Newfoundland	16	17	18	17	18	19
2	Prince Edward Island	5	6	6	7	7	7
3	Nova Scotia	47	46	48	57	49	53
4	New Brunswick	34	33	34	34	36	39
5	Quebec	440	439	446	485	495	535
6	Ontario	751	828	850	906	980	1,067
7	Manitoba	82	86	94	97	103	112
8	Saskatchewan	54	78	83	75	79	85
9	Alberta	107	122	129	127	137	149
10	British Columbia	182	184	199	207	215	233
11	Yukon and Northwest Territories	1	1	1	1	1	1
12	Foreign Countries	—	—	—	—	—	—
13	Canada	1,719	1,840	1,908	2,013	2,120	2,300

**TABLE 35. Government Transfer Payments, Excluding Interest, Geographical Distribution,
1954 - 59**

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Newfoundland	38	42	47	55	77	77
2	Prince Edward Island	10	11	11	13	15	16
3	Nova Scotia	69	72	73	84	104	113
4	New Brunswick	59	59	62	75	88	91
5	Quebec	443	467	483	564	709	711
6	Ontario	525	541	549	651	794	915
7	Manitoba	78	90	89	99	147	152
8	Saskatchewan	93	121	105	120	186	173
9	Alberta	109	118	121	149	207	207
10	British Columbia	208	214	224	267	327	328
11	Yukon and Northwest Territories	1	1	1	1	2	1
12	Foreign Countries	1	1	1	1	1	1
13	Canada	1,634	1,737	1,766	2,079	2,657	2,785

SECTION D

GOVERNMENT SUPPLEMENTARY TABLES

TABLE 36. Government Revenue and Expenditure, by Level of Government, 1954-59¹
Revenue

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Direct taxes – Persons	1,437	1,499	1,732	1,917	1,794	2,088
2	Federal	1,319	1,325	1,550	1,723	1,581	1,770
3	Provincial	112	159	165	176	195	298
4	Municipal.....	6	15	17	18	18	20
5	Direct taxes – Corporations	1,082	1,272	1,413	1,326	1,280	1,506
6	Federal ²	1,018	1,210	1,334	1,120	1,047	1,248
7	Provincial	64	62	79	206	233	258
Withholding taxes:							
8	Federal	58	67	69	83	48	72
9	Indirect taxes	3,033	3,319	3,759	3,964	4,022	4,410
10	Federal	1,612	1,744	1,972	1,990	1,912	2,131
11	Provincial	655	739	846	932	963	1,033
12	Municipal.....	766	836	941	1,042	1,147	1,246
13	Investment income	687	753	834	865	943	992
14	Federal	234	267	296	276	319	326
15	Provincial	289	309	346	383	394	430
16	Municipal.....	164	177	192	206	230	236
17	Employer and employee contributions to social insurance and government pension funds.....	422	476	532	589	614	664
18	Federal	287	324	357	384	391	413
19	Provincial	126	140	162	191	201	227
20	Municipal.....	9	12	13	14	22	24
21	Transfers from other levels of government.....	704	799	865	989	1,225	1,514
22	Provinces – From Canada	428	443	476	504	644	861
23	From municipalities	15	22	18	26	21	22
24	Municipalities – From Canada	2	7	9	16	22	20
25	From provinces	259	327	362	443	538	611
26	Total revenue	7,423	8,185	9,204	9,733	9,926	11,246
27	Federal	4,528	4,937	5,578	5,576	5,298	5,960
28	Provincial	1,689	1,874	2,092	2,418	2,651	3,129
29	Municipal.....	1,206	1,374	1,534	1,739	1,977	2,157

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, 1954-59¹
Expenditure

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Goods and services	4,461	4,792	5,386	5,738	6,161	6,437
2	Federal ²	2,449	2,510	2,683	2,727	2,849	2,818
3	Provincial	747	846	1,041	1,149	1,274	1,377
4	Municipal	1,265	1,436	1,662	1,862	2,038	2,242
5	Transfer payments	2,303	2,406	2,480	2,820	3,438	3,722
6	Federal	1,665	1,726	1,748	1,982	2,454	2,479
7	Provincial	526	560	605	685	815	1,057
8	Municipal	112	120	127	153	169	186
9	Subsidies	86	82	123	116	139	190
10	Federal	84	75	118	108	132	181
11	Provincial	2	7	5	8	7	9
12	Transfers to other levels of governments	704	799	865	989	1,225	1,514
13	Canada - To provinces	428	443	476	504	644	861
14	To municipalities	2	7	9	16	22	20
15	Provinces - To municipalities	259	327	362	443	538	611
16	Municipalities - To provinces	15	22	18	26	21	22
17	Total expenditure	7,554	8,079	8,854	9,663	10,963	11,863
18	Federal	4,628	4,761	5,034	5,337	6,101	6,359
19	Provincial	1,534	1,740	2,013	2,285	2,634	3,054
20	Municipal	1,392	1,578	1,807	2,041	2,228	2,450
21	Deficit (-) or surplus (+)	-131	106	350	70	-1,037	-617
22	Federal ³	-100	176	544	239	-803	-399
23	Provincial	155	134	79	133	17	75
24	Municipal	-186	-204	-273	-302	-251	-293
25	Total expenditure minus deficit (or plus surplus)	7,423	8,185	9,204	9,733	9,926	11,246
26	Federal	4,528	4,937	5,578	5,576	5,298	5,960
27	Provincial	1,689	1,874	2,092	2,418	2,651	3,129
28	Municipal	1,206	1,374	1,534	1,739	1,977	2,157

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; 1959, \$1,560 million.

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

TABLE 38. Direct Taxes - Persons, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
	Federal:						
1	Income	1,277	1,269	1,461	1,652	1,509	1,692
2	Succession duties	41	55	88	69	70	76
3	Miscellaneous	1	1	1	2	2	2
4	Total	1,319	1,325	1,550	1,723	1,581	1,770
	Provincial:						
5	Income	19	28	35	41	46	55
6	Motor vehicle licences and permits ¹	32	36	47	50	52	60
7	Succession duties	37	72	58	57	56	54
8	Hospital	9	9	7	11	22	109
9	Miscellaneous	15	14	18	17	19	20
10	Total	112	159	165	176	195	298
	Municipal:						
11	Miscellaneous	6	15	17	18	18	20
12	Grand total	1,437	1,499	1,732	1,917	1,794	2,088

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

TABLE 39. Direct Taxes – Corporations, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
	Federal:						
1	Income	1,018	1,210	1,334	1,120	1,047	1,248
	Provincial:						
2	Income	53	51	63	185	211	240
3	Tax on mining and logging profits	11	11	16	21	22	18
4	Total	64	62	79	206	233	258
5	Grand total	1,082	1,272	1,413	1,326	1,280	1,506

TABLE 40. Indirect Taxes, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
	Federal:						
1	Banks and insurance companies	14	14	15	17	—	—
2	Customs import duties	387	452	545	523	478	520
3	Excise duties	225	242	267	287	313	332
4	Excise taxes	974	1,028	1,131	1,150	1,107	1,255
5	Miscellaneous	12	8	14	13	14	24
6	Total	1,612	1,744	1,972	1,990	1,912	2,131
	Provincial:						
7	Amusement	23	21	21	21	22	22
8	Corporation tax (not on profits)	18	18	22	23	27	28
9	Gasoline	235	261	290	339	354	378
10	Licences, fees, and permits	22	24	25	26	26	29
11	Motor vehicle licences and permits ¹	56	61	78	78	87	88
12	Miscellaneous taxes on natural resources	83	104	119	123	114	134
13	Real and personal property	7	9	8	8	8	9
14	Retail sales tax (including liquor and tobacco)	139	158	191	201	204	225
15	Miscellaneous	72	83	92	113	121	120
16	Total	655	739	846	932	963	1,033
	Municipal:						
17	Amusement	3	2	2	2	2	2
18	Licences, fees, and permits	22	26	27	32	33	34
19	Real and personal property	626	682	765	853	936	1,021
20	Retail sales tax	37	44	52	53	59	61
21	Miscellaneous	78	82	95	102	117	128
22	Total	766	836	941	1,042	1,147	1,246
23	Grand total	3,033	3,319	3,759	3,964	4,022	4,410

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

TABLE 41. Government Investment Income, 1954 - 59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
	Federal:						
1	Interest on government-held public funds	63	68	77	86	101	102
2	Interest on loans, advances and investments	69	60	55	63	92	105
3	Profits (net of losses) of government business enterprises	102	139	164	127	126	119
4	Total	234	267	296	276	319	326
	Provincial:						
5	Interest on government-held public funds	37	38	41	47	53	56
6	Interest on loans, advances and investments	42	43	53	62	70	80
7	Profits (net of losses) of government business enterprises	210	228	252	274	271	294
8	Total	289	309	346	383	394	430
	Municipal:						
9	Interest on government-held public funds	7	8	9	9	10	10
10	Interest on loans, advances and investments	19	21	23	27	30	34
11	Profits (net of losses) of government business enterprises	138	148	160	170	190	192
12	Total	164	177	192	206	230	236
13	Grand total	687	753	834	865	943	992

TABLE 42. Employer and Employee Contributions to Social Insurance and Government Pension Funds, 1954 - 59

		1954	1955	1956	1957	1958	1959
		millions of dollars					
	Federal:						
1	Public service pensions	129	159	173	193	206	209
2	Unemployment insurance	158	165	184	191	185	204
3	Total	287	324	357	384	391	413
	Provincial:						
4	Public service pensions	41	49	54	65	77	88
5	Workmen's compensation	71	77	90	106	104	118
6	Industrial employees' vacations	14	14	18	20	20	21
7	Total	126	140	162	191	201	227
	Municipal:						
8	Public service pensions	9	12	13	14	22	24
9	Grand total	422	476	532	589	614	664

TABLE 43. Government Expenditure on Goods and Services, 1954 - 59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
Federal:							
1	Wages, salaries, and supplementary labour income	619	664	736	810	889	960
2	Military pay and allowances	367	394	424	476	491	496
3	Other purchases of goods and services	1,463	1,452	1,523	1,441	1,469	1,362
4	Total¹	2,449	2,510	2,683	2,727	2,849	2,818
Provincial:							
5	Wages, salaries, and supplementary labour income	320	350	390	438	501	554
6	Other purchases of goods and services	427	496	651	711	773	823
7	Total¹	747	846	1,041	1,149	1,274	1,377
Municipal:							
8	Wages, salaries, and supplementary labour income	606	668	745	837	919	1,083
9	Other purchases of goods and services	659	768	917	1,025	1,119	1,159
10	Total¹	1,265	1,436	1,662	1,862	2,038	2,242
11	Grand total	4,461	4,792	5,386	5,738	6,161	6,437

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	1959
	millions of dollars					
Federal	290	297	379	365	360	413
Provincial	300	351	460	535	518	637
Municipal	352	386	421	482	511	550
Total	942	1,034	1,260	1,382	1,389	1,600

TABLE 44. Government Transfer Payments Including Interest, 1954 - 59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
Federal:							
1	Family allowances	362	378	394	423	470	487
2	Re-establishment credits	6	4	3	2	2	2
3	Rehabilitation benefits	3	2	1	1	1	1
4	Pensions World Wars I and II ¹	117	119	119	128	137	137
5	War veterans' allowances	31	39	44	49	59	62
6	Unemployment insurance benefits	241	229	210	305	492	406
7	Prairie farm assistance act	2	33	5	2	21	20
8	Pensions to government employees	25	38	42	46	50	54
9	Interest on the public debt	504	494	524	519	544	678
10	Old age security fund payments	350	363	376	433	555	571
11	Payments to western grain producers					39	2
12	Grants to universities					30	
13	Assistance to immigrants	24	27	30	28	14	9
14	Miscellaneous				32	45	58
15	Total	1,665	1,726	1,748	1,982	2,454	2,479
Provincial:							
16	Direct relief	14	17	20	21	26	32
17	Workmen's compensation benefits	58	62	70	77	80	85
18	Old age pensions	56	57	60	65	80	82
19	Mothers' and dependents' allowances	27	33	37	49	69	72
20	Pensions to government employees	20	23	25	28	31	34
21	Grants to private non-commercial institutions	228	248	264	287	363	573
22	Interest on the public debt	97	97	105	118	129	137
23	Miscellaneous	26	23	24	40	37	42
24	Total	526	560	605	685	815	1,057
Municipal:							
25	Direct relief	16	18	19	21	31	32
26	Pensions to government employees	5	7	7	8	10	10
27	Grants to private non-commercial institutions	23	17	16	20	20	22
28	Interest on the public debt	68	78	85	104	108	122
29	Total	112	120	127	153	169	186
30	Grand total	2,303	2,406	2,480	2,820	3,438	3,722

¹ Excludes pensions paid to non-residents, which are treated as government expenditure on goods and services. The amounts in the terminal years 1954 and 1959 were \$12 million and \$13 million, respectively.

TABLE 45. Subsidies, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
	Federal:						
	Agricultural:						
1	Feed freight assistance, western grain	19	16	17	17	19	22
2	Hog premiums	5	6	6	6	6	8
3	Agricultural commodities stabilization board loss	3	6	5	6	15	50
4	Assistance re storage costs on grain	—	—	44	32	37	42
5	Miscellaneous	6	2	1	2	4	2
6	Total	33	30	73	63	81	124
	Other subsidies:						
7	Emergency gold mines assistance	15	11	9	9	10	13
8	Maritime freight rates act	11	11	12	12	15	14
9	Movement of coal	12	11	9	9	9	13
10	Miscellaneous	13	12	15	15	17	17
11	Total other	51	45	45	45	51	57
12	Total federal subsidies	84	75	118	108	132	181
13	Total provincial subsidies	2	7	5	8	7	9
14	Grand total	86	82	123	116	139	190

TABLE 46. Transfers to Other Levels of Government, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
	Federal:						
	To provinces:						
1	Old age and blind pensions	23	21	24	24	34	35
2	Disabled persons allowances	—	4	7	9	15	16
3	Subsidies to provinces	20	20	20	21	21	21
4	Taxation agreements	330	329	359	362	425	476
5	Health grants to provinces	31	34	34	33	39	52
6	Trans-Canada highway	12	20	17	38	55	50
7	Government contribution under the Hospital Insurance and Diagnostic Act	—	—	—	—	17	130
8	Unemployment assistance	—	—	4	6	18	31
9	Other	12	15	11	11	20	50
10	Sub-total	428	443	476	504	644	861
	To municipalities:						
11	Payments to municipalities	2	7	9	16	22	20
12	Total	430	450	485	520	666	881
	Provincial:						
13	To municipalities	259	327	362	443	538	611
	Municipal:						
14	To provinces	15	22	18	26	21	22
15	Grand total	704	799	865	989	1,225	1,514

SECTION E
MISCELLANEOUS TABLES

TABLE 47. Personal Expenditure on Consumer Goods and Services, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Food	4,030	4,236	4,571	4,920	5,225	5,401
2	Tobacco and alcoholic beverages	1,114	1,181	1,278	1,370	1,456	1,555
3	Tobacco products and smokers' accessories	461	480	527	571	628	693
4	Alcoholic beverages	653	701	751	799	828	862
5	Clothing and personal furnishings	1,826	1,900	2,037	2,099	2,177	2,258
6	Men's and boys' clothing	411	430	463	471	482	499
7	Women's and children's clothing	779	808	871	898	933	971
8	Footwear	226	231	242	252	269	284
9	Laundry and dry cleaning	135	142	156	166	169	170
10	Other	275	289	305	312	324	334
11	Shelter ¹	2,192	2,454	2,621	2,871	3,090	3,337
12	Gross rents paid by tenants	639	694	729	797	859	931
13	Expenses (taxes, insurance, etc.) paid by owner occupants	689	788	911	1,039	1,144	1,245
14	Net imputed residential rent and imputed residential capital consumption allowances	668	770	760	804	856	929
15	Other	196	202	221	231	231	232
16	Household operation	2,104	2,272	2,509	2,585	2,697	2,872
17	Fuel	334	358	415	420	421	443
18	Electricity	191	212	235	257	272	299
19	Gas	44	47	52	60	69	93
20	Telephone	172	188	221	241	268	293
21	Furniture	249	284	315	307	310	313
22	Home furnishings	211	224	245	251	259	275
23	Appliances, radios and television sets	412	460	491	489	494	524
24	Other	491	499	535	560	604	632
25	Transportation	1,800	2,023	2,211	2,339	2,501	2,642
26	Street-car, railway and other fares	313	317	338	361	367	389
27	New automobiles, used automobiles (net) and house trailer	859	1,018	1,090	1,093	1,130	1,229
28	Automotive operating expenses	628	688	783	885	1,004	1,024
29	Personal and medical care and death expenses	1,091	1,166	1,316	1,430	1,538	1,661
30	Medical and dental care	225	240	280	292	308	321
31	Hospital care, private duty nursing, accident and sickness insurance, prepaid medical care	406	440	490	551	602	673
32	Other	460	486	546	587	628	667
33	Miscellaneous	2,018	2,157	2,290	2,350	2,351	2,535
34	Motion picture theatres ²	97	86	81	77	75	68
35	Newspapers and magazines	175	182	184	187	209	222
36	Net expenditure abroad	108	156	204	204	236	234
37	Other	1,638	1,733	1,821	1,882	1,831	2,011
38	Grand total	16,175	17,389	18,833	19,964	21,035	22,261
39	Durable goods	1,970	2,245	2,431	2,431	2,500	2,658
40	Major durable goods ³	1,731	1,986	2,142	2,139	2,193	2,340
41	Miscellaneous durable goods ⁴	239	259	289	292	307	318
42	Non-durable goods ⁵	8,373	9,065	9,736	10,357	10,853	11,400
43	Services ^{1,6}	5,832	6,079	6,666	7,176	7,682	8,203

¹ Excludes transients' 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 - 59

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Food	3,598	3,785	4,023	4,154	4,282	4,470
2	Tobacco and alcoholic beverages	1,049	1,109	1,198	1,265	1,336	1,377
3	Clothing and personal furnishings	1,662	1,744	1,855	1,905	1,951	2,020
4	Shelter	1,536	1,645	1,710	1,794	1,880	1,984
5	Household operation ^{1,2}	1,795	1,966	2,169	2,202	2,269	2,400
6	Transportation	1,541	1,817	1,928	1,927	2,034	2,103
7	Personal and medical care and death expenses	842	883	968	992	1,012	1,051
8	Miscellaneous	1,627	1,713	1,752	1,745	1,657	1,758
9	Grand total	13,650	14,662	15,603	15,984	16,421	17,163
10	Durable goods	1,724	2,066	2,209	2,127	2,158	2,259
11	Non-durable goods ^{1,2}	7,535	8,187	8,705	9,021	9,270	9,726
12	Services ^{1,2,3}	4,391	4,409	4,689	4,836	4,993	5,178

¹ Personal expenditure on electricity and gas in constant (1949) dollars were as follows:

	1955	1956	1957	1958	1959
	millions of dollars				
	224	251	279	300	344

² See footnote 5, Table 47.

³ Includes net expenditure abroad.

TABLE 49. Imputed Items Included in Gross National Expenditure, 1954 - 59¹

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
Expenditure on consumer goods and services:							
Food:							
1	Farm consumed farm produce	182	179	170	167	172	172
2	Other ²	91	95	103	104	101	103
Shelter:							
3	Imputed net residential rent and imputed residential capital consumption allowances	668	770	760	804	856	929
4	Imputed lodging, non-residential ³	29	29	33	36	38	39
5	Other ⁴	160	153	159	165	169	181
6	Total of imputed items in consumer expenditure	1,130	1,226	1,225	1,276	1,336	1,424
Government expenditure on goods and services:							
7	Imputed gross rent on government-owned buildings	153	168	181	194	207	220
8	Total of imputed items	1,283	1,394	1,406	1,470	1,543	1,644

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, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Corporation profits before taxes ¹	1,963	2,570	2,908	2,547	2,483	2,836
2	Add: Dividends paid to non-residents	327	395	437	480	447	490
3	Corporation profits including dividends paid to non-residents	2,290	2,965	3,345	3,027	2,930	3,326
4	Deduct: Corporation income tax liabilities ²	-1,082	-1,272	-1,413	-1,326	-1,280	-1,506
5	Excess of tax liabilities over collections	-94	163	40	-225	-53	69
6	Tax collections	1,176	1,109	1,373	1,551	1,333	1,437
7	Corporation profits after taxes	1,208	1,693	1,932	1,701	1,650	1,820
8	Deduct: Dividends paid to non-residents	-327	-395	-437	-480	-447	-490
9	Corporation profits retained in Canada	881	1,298	1,495	1,221	1,203	1,330
10	Deduct: Dividends paid to Canadian persons	-284	-307	-330	-315	-315	-333
11	Charitable contributions from corporations	-26	-29	-34	-36	-36	-40
12	Undistributed corporation profits	571	962	1,131	870	852	957

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", 1954-59

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Corporations	1,521	1,733	1,976	2,227	2,142	2,273
2	Individuals and unincorporated business	1,170	1,281	1,366	1,432	1,432	1,468
3	Government business enterprises	214	252	300	335	349	390
4	Capital consumption allowances and miscellaneous valuation adjustments ¹	2,905	3,266	3,642	3,994	3,923	4,131

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

1954	1955	1956	1957	1958	1959
millions of dollars					
57	40	41	43	47	49

SECTION F
RECONCILIATION STATEMENTS

TABLE 52. Accrued Net Income of Farm Operators from Farm Production, 1954-59
Reconciliation Statement

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Net income of farm operators from farming operations ¹	1,029	1,290	1,458	1,062	1,278	1,189
2	Deduct: Amounts included in investment income ²	-43	-45	-46	-46	-51	-55
3	Deduct: Transfer payments under prairie farm assistance act and payments to western grain producers ³	- 2	-33	- 5	- 2	-60	-22
4	Other adjustments ⁴	25	-12	23	-12	30	4
5	Equals: Net income received by farm operators from farm production	1,009	1,200	1,430	1,002	1,197	1,116
6	Adjustment on grain transactions ⁵	8	64	20	- 6	- 4	- 8
7	Accrued net income of farm operators from farm production⁶	1,017	1,264	1,450	996	1,193	1,108

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 line 5, Table 1.

TABLE 53. Federal Government Surplus or Deficit, 1954-59
Reconciliation of Federal Government Transactions Related to the National Accounts with
Public Accounts Data, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Surplus or deficit as per Public Accounts, 1953-54 to 1958-59 ¹	46	-152	- 33	258	- 38	- 609
2	Difference between fiscal and calendar year ²	-195	11	305	- 73	- 409	34
3	Extra-budgetary receipts, pension and social insurance funds ³	654	700	790	859	869	1,011
4	Excess of corporation tax accruals over collections	- 94	163	40	-225	- 53	69
5	Revenue items omitted	- 79	- 21	- 37	- 68	- 22	- 23
6	Extra-budgetary expenditures, pension and social insurance funds	-618	-663	-633	-787	-1,118	-1,052
7	Reserves, write-offs and similar items charged to expenditures	145	104	118	247	219	253
8	Shipment of previously produced military equipment to NATO (less expenditures of defence equipment replacement account)	5	- 2	- 22	- 32	- 188	- 36
9	Other adjustments	36	36	16	60	- 63	- 46
10	Surplus or deficit as per National Accounts	-100	176	544	239	- 803	- 399

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 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 - 59
Reconciliation Statement

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Total private and public investment in Canada¹	5,721	6,244	8,034	8,717	8,364	8,411
2	Deduct: New residential construction by governments ^{2,3} ..	- 11	- 19	- 21	- 21	- 19	- 16
3	New non-residential construction by governments ³	-828	-924	-1,137	-1,251	-1,237	-1,447
4	New machinery and equipment outlays by governments ³	-103	- 91	- 102	- 110	- 133	- 137
5	Add: Unallocated adjustment ⁴	-	-	-	-	-	150
6	Business gross fixed capital formation	4,779	5,210	6,774	7,335	6,975	6,961

¹ As presented in the publication *Private and Public Investment in Canada, 1946-1957* and *Private and Public Investment, Outlook 1960*.

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 in line 6.

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

⁴ This figure represents an upward revision to data published in *Public and Private Investment in Canada, Outlook 1960*, to take account of later available information.

TABLE 55. Exports and Imports of Goods and Services, 1954 - 59¹
Reconciliation Statement

Line No.		1954	1955	1956	1957 ²	1958	1959
		millions of dollars					
	Exports of goods and services:						
1	Merchandise exports	3,929	4,332	4,837	4,909	4,890	5,152
2	Gold production available for export	155	155	150	147	160	147
3	Interest and dividends received from non-residents	147	160	142	149	166	170
4	Other receipts from services rendered to non-residents	1,289	1,425	1,492	1,420	1,349	1,351
5	Sub-total: "Current receipts" as per <i>Canadian Balance of International Payments</i>	5,520	6,072	6,621	6,625	6,565	6,820
6	Adjustments - Mutual aid to NATO countries	-284	-222	-157	-107	-142	- 63
7	Inheritances and immigrants' funds	- 89	- 86	- 99	-124	- 91	-100
8	Total "exports of goods and services" as per National Accounts³	5,147	5,764	6,365	6,394	6,332	6,657
	Imports of goods and services:						
9	Merchandise imports	3,916	4,543	5,565	5,488	5,060	5,538
10	Interest and dividends paid to non-residents	423	483	523	593	586	656
11	Other payments for services rendered by non-residents	1,613	1,744	1,899	1,944	2,004	2,086
12	Sub-total: "Current payments" as per <i>Canadian Balance of International Payments</i>	5,952	6,770	7,987	8,025	7,650	8,280
13	Adjustments - Mutual aid to NATO countries	-284	-222	-157	-107	-142	- 63
14	Inheritances and emigrants' funds	- 94	-105	-115	-122	-145	-155
15	Total "imports of goods and services" as per National Accounts³	5,574	6,443	7,715	7,796	7,363	8,062

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 The latest *Canadian Balance of International Payments* figures for current receipts and current payments have not yet been incorporated for the year 1957. The revised "Current receipts" of \$6,637 million and "Current payments" of \$8,061 million are published in detail in *The Canadian Balance of International Payments, 1958*.

³ See also Table 2.

APPENDIX

TABLE I. Population of Canada, by Provinces, 1954 - 59
Estimated as of June 1 for Intercensal Years

Line No.		1954	1955	1956	1957	1958	1959
		thousands					
1	Newfoundland	395	406	415	426	438	449
2	Prince Edward Island	101	100	99	99	100	102
3	Nova Scotia	673	683	695	702	710	716
4	New Brunswick	540	547	555	565	577	590
5	Quebec	4,388	4,517	4,628	4,758	4,884	4,999
6	Ontario	5,115	5,266	5,405	5,622	5,803	5,952
7	Manitoba	823	839	850	860	870	885
8	Saskatchewan	873	878	881	879	888	902
9	Alberta	1,057	1,091	1,123	1,160	1,201	1,243
10	British Columbia	1,295	1,342	1,399	1,487	1,544	1,570
11	Yukon	10	11	12	12	13	13
12	Northwest Territories	17	18	19	19	20	21
13	Canada	15,287	15,698	16,081	16,589	17,048	17,442

TABLE II. The Civilian Labour Force, 1954 - 59

Line No.		1954	1955	1956	1957	1958	1959
		thousands					
1	Civilian non-institutional population, 14 years of age and over	10,391	10,597	10,805	11,108	11,357	11,562
	Civilian labour force:						
	Persons with jobs:						
2	Non-agricultural	4,380	4,559	4,826	5,002	5,010	5,186
3	Agricultural	878	819	776	744	712	692
4	Total persons with jobs	5,258	5,378	5,602	5,746	5,722	5,878
5	Persons without jobs and seeking work	235	232	180	257	405	350
6	Total civilian labour force	5,493	5,610	5,782	6,003	6,127	6,228

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