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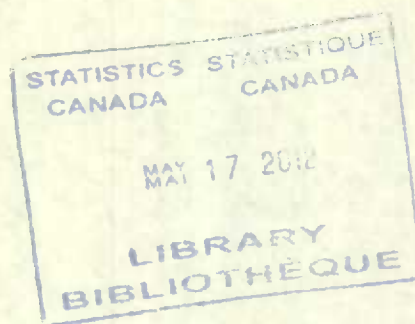
NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
1965

DOMINION BUREAU OF STATISTICS

National Accounts and Balance of
Payments Division

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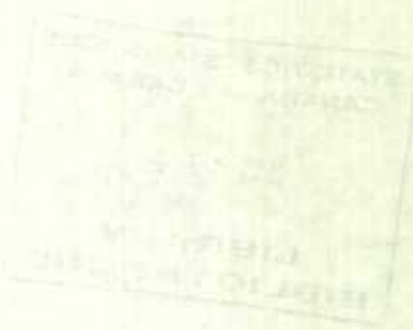
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National Accounts, Income and Expenditure, 1962 for the years 1955-58.

Revisions to primary source data for the years 1962, 1963 and 1964 have been incorporated into this publication.

July 1966.

TABLE OF CONTENTS

	Page
Annual Review 1965	5
Technical Note	14
Analytical Tables	15

Tables

Section A—Income and Expenditure Accounts

1. Summary Tables

1. National Income and Gross National Product, 1959-65	18
2. Gross National Expenditure, 1959-65	18
3. Relation between Net National Income at Factor Cost, Personal Income, Personal Disposable Income, and Personal Net Saving, 1959-65	19
4. Relation between Gross National Product at Market Prices and Gross Domestic Product at Factor Cost, 1959-65	19
5. Gross National Expenditure in Constant (1957) Dollars, 1959-65	20
6. Implicit Price Indexes—Gross National Expenditure, 1959-65 (1957 = 100.0)	20

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

7. Personal Income and Expenditure Account, 1959-65—Income	22
8. Personal Income and Expenditure Account, 1959-65—Expenditure	22
9. Government Revenue and Expenditure Account, 1959-65—Revenue	23
10. Government Revenue and Expenditure Account, 1959-65—Expenditure	23
11. Business Operating Account, 1959-65—Revenue	24
12. Business Operating Account, 1959-65—Expenditure	24
13. Non-residents' Revenue and Expenditure Account, 1959-65—Receipts from Canada (Canadian Imports)	25
14. Non-residents' Revenue and Expenditure Account, 1959-65—Payments to Canada (Canadian Exports)	25
15. Investment Income Appropriation Account, 1959-65—Source	25
16. Investment Income Appropriation Account, 1959-65—Disposition	26
17. National Saving Account, 1959-65—Source	26
18. National Saving Account, 1959-65—Disposition	27
19. Sector Accounts Consolidation, 1959-65—National Income and Gross National Product	27
20. Sector Accounts Consolidation, 1959-65—Gross National Expenditure	28

Section B—Industrial Distribution of Gross Domestic Product and Other Aggregates

21. Gross Domestic Product at Factor Cost, by Industry, 1959-65	30
22. Wages, Salaries, and Supplementary Labour Income, by Industry, 1959-65	30
23. Investment Income, by Industry, 1959-65	31
24. Accrued Net Income of Farm Operators from Farm Production and Net Income of Non-farm Unincorporated Business, by Industry, 1959-65	31
25. Business Gross Fixed Capital Formation, by Industry, 1959-65	32
26. Value of Physical Change in Inventories, by Industry, 1959-65	32
27. Corporation Profits, by Industry, 1959-65	33

TABLE OF CONTENTS – Concluded

Page

Section C – Geographical Distribution of Personal Income

28. Personal Income, Geographical Distribution, 1959-65	36
29. Personal Income per Person, Geographical Distribution, 1959-65	36
30. Personal Disposable Income, Geographical Distribution, 1959-65	37
31. Wages, Salaries, and Supplementary Labour Income, Geographical Distribution, 1959-65	37
32. Net Income Received by Farm Operators from Farm Production, Geographical Distribution, 1959-65	38
33. Net Income of Non-farm Unincorporated Business, Geographical Distribution, 1959-65	38
34. Interest, Dividends, and Net Rental Income of Persons, Geographical Distribution, 1959-65	39
35. Government Transfer Payments, excluding Interest, Geographical Distribution, 1959-65	39

Section D – Government Supplementary Tables

36. Government Revenue and Expenditure, by Level of Government, 1959-65 – Revenue	42
37. Government Revenue and Expenditure, by Level of Government, 1959-65 – Expenditure	43
38. Direct Taxes – Persons, 1959-65	43
39. Direct Taxes – Corporations, 1959-65	44
40. Indirect Taxes, 1959-65	44
41. Government Investment Income, 1959-65	45
42. Employer and Employee Contributions to Social Insurance and Government Pension Funds, 1959-65	45
43. Government Expenditure on Goods and Services, 1959-65	46
44. Government Transfer Payments, including Interest, 1959-65	46
45. Subsidies, 1959-65	47
46. Transfers to Other Levels of Government, 1959-65	47

Section E – Miscellaneous Tables

47. Personal Expenditure on Consumer Goods and Services, 1959-65	50
48. Personal Expenditure on Consumer Goods and Services in Constant (1957) Dollars, 1959-65	51
49. Imputed Items Included in Gross National Expenditure, 1959-65	51
50. Analysis of Corporation Profits, 1959-65	52
51. Capital Consumption Allowances and Miscellaneous Valuation Adjustments by "Form of Organization", 1959-65	52

Section F – Reconciliation Statements

52. Accrued Net Income of Farm Operators from Farm Production, 1959-65	54
53. Federal Government Surplus or Deficit, 1959-65	54
54. Business Gross Fixed Capital Formation, 1959-65	55
55. Exports and Imports of Goods and Services, 1959-65	55
56. Gross National Expenditure in Constant (1949) Dollars, 1959-65	56
57. Implicit Price Indexes – Gross National Expenditure, 1959-65 (1949 = 100.0)	56
58. Personal Expenditure on Consumer Goods and Services in Constant (1949) Dollars, 1959-65	57

Appendix

I. Population of Canada, by Provinces, 1959-65	53
II. The Civilian Labour Force, 1959-65	58

ANNUAL REVIEW 1965

Introduction

The momentum which has carried the Gross National Product to successive new high levels since 1961 continued through 1965, when a 9.7 per cent increase raised the current dollar value to \$52.0 billion. As the expansion continued and the economy moved close to a full utilization of resources, price increases were more evident than in the preceding years and a 3 per cent rise in price levels reduced the gain to 6.6 per cent in real terms. If agricultural income is excluded from GNP, the increase in 1965 of 9.6 per cent is somewhat less than the 10.2 per cent increase between 1963 and 1964.

The first quarter of the year witnessed an unusually rapid rate of increase as a surge in inventory accumulation, following the previous quarter's disruption of supplies due to strikes in the automobile industry, was coupled with increased demands in all other sectors, with the exception of housing. The rate of growth eased in the following quarters from the first quarter rate, but throughout the year all areas of demand continued strong with the exception of new housing construction where most of the recorded increase in value reflected increased prices. In the final quarter of the year Gross National Product gained 2 per cent to end the year at \$53.8 billion.

The year as a whole saw gains over a wide range of economic activity. The scene was perhaps dominated by the strength of investment in non-residential construction and machinery and equipment, which were 17 per cent above 1964 levels, with particular emphasis in the manufacturing industry and electric power, gas and water utilities. The capacity of the construction industry was strained during the year, for in addition to business construction, government outlays on new fixed capital rose steeply. These latter outlays are included in overall government expenditure on goods and services which rose by 11 per cent, the main impetus coming from the provincial and municipal governments. Personal consumption once again accounted for the major part of the gain in Gross National Product, as the increase of 8 per cent, buoyed by rapidly rising labour income and expansion of credit purchasing, contributed \$2.4 billion towards the total increase in Gross National Product of \$4.6 billion. The demand for goods and services increased at the same rate, although within goods, the relative strength of demand for durable goods was more pronounced, particularly for automobiles where sales continued to increase strongly for the fourth successive year.

Business investment in inventories, although easing off in each quarter, totalled \$905 million for the year, appreciably higher than 1964. However, the level of inventories and the overall rate of accumulation when viewed against the levels of production did not appear to be unduly high.

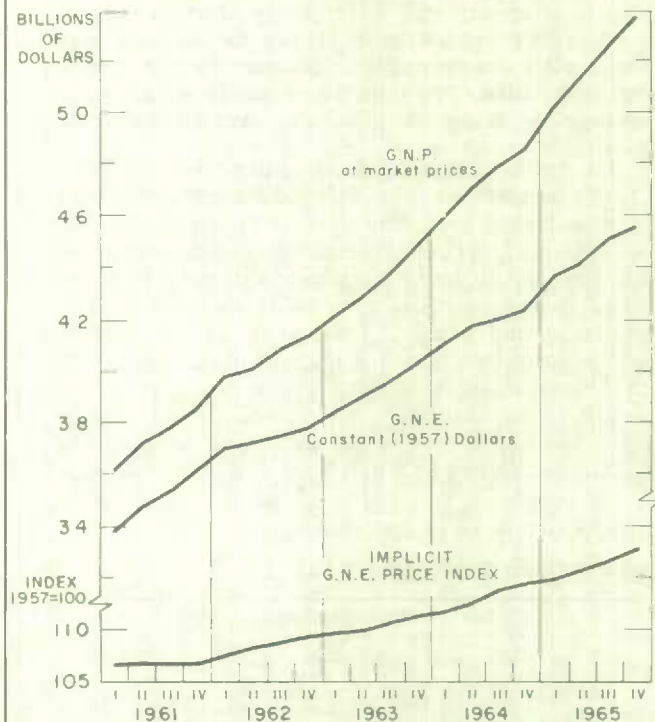
The pressures on Canadian production of the vigorous expansion in domestic demand were somewhat moderated as part of the demand was met by a sharp increase in imports, particularly towards the latter part of the year. The deficit on current account transactions with non-residents increased to \$1.1 billion in 1965 from \$0.4 billion, mainly as a result of a substantially lower growth in exports of goods combined with continued large increases in merchandise imports. Exports of goods continued to rise although at a less rapid pace than in 1964; the gains were notable however—when allowing for the substantial decline in wheat sales—particularly non-ferrous metals and automobiles and parts.

In response to the high level of demand labour income rose rapidly throughout the year to average 11 per cent above 1964. The increase was attributable to expanded employment opportunities and to wage rate increases in excess of those experienced in the previous year. Profits moved rather unevenly through the year to a new high, 8 per cent above 1964; however the fractional declines in the first and fourth quarters were in contrast to the uninterrupted gains recorded from the beginning of 1962.

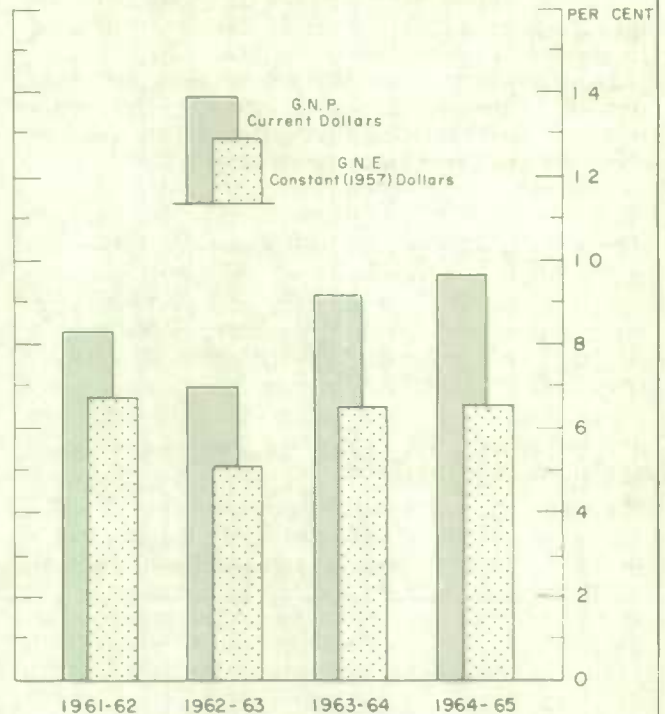
As noted earlier, some acceleration of price increases was observed in 1965, as well as a broadening of the areas over which these increases were being experienced. In the consumer field, price increases in food and services were most significant, while price increases in construction appeared to be appreciably higher in non-residential work. Although price increases were more widespread in 1965 certain price reductions should be noted in the selling prices of the motor vehicle industry, petroleum refineries and sugar refineries.

The robustness of the Canadian economy has gone hand in hand with increasing employment and gains in productivity, and against a background of economic expansion in the United States unprecedented in the post-war period.

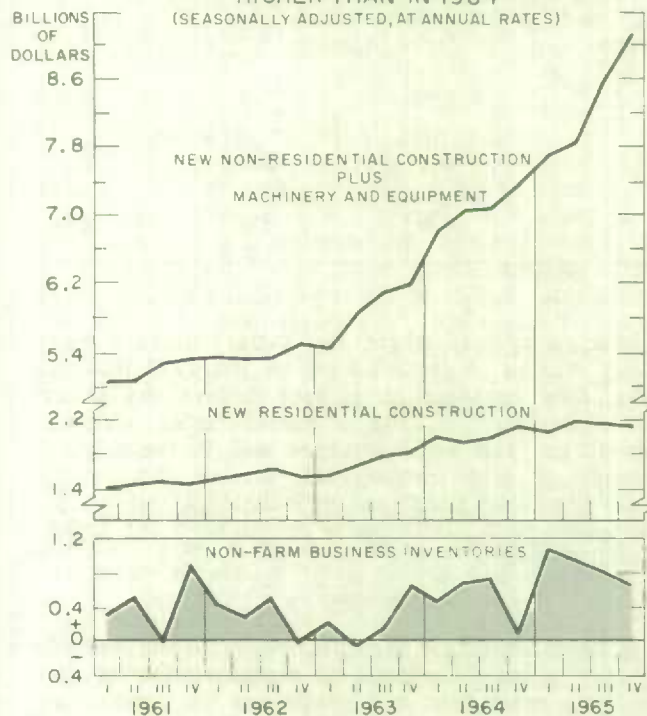
**GROSS NATIONAL PRODUCT ROSE BY 2 PER CENT
IN THE FINAL QUARTER OF 1965**
(SEASONALLY ADJUSTED, AT ANNUAL RATES)



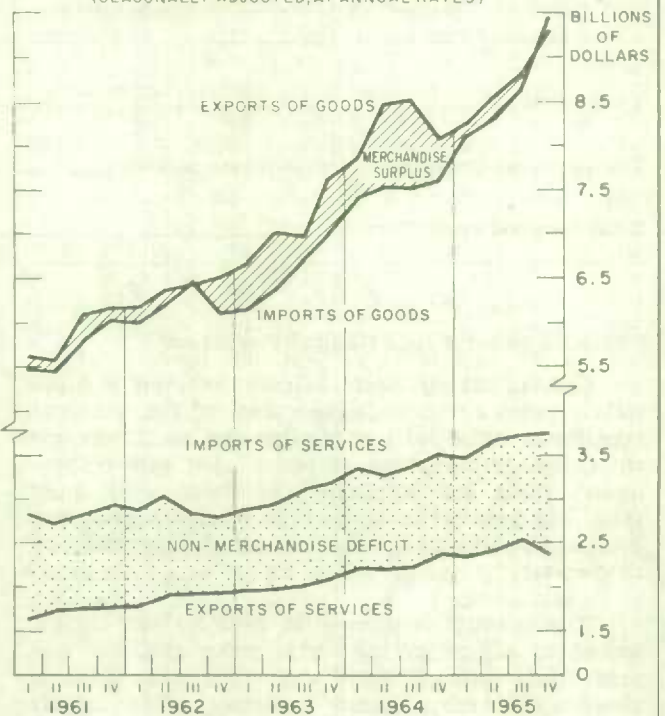
**THE YEAR AS A WHOLE INCREASED
BY 9.7 PER CENT OF WHICH PRICE INCREASES
ACCOUNTED FOR ABOUT ONE THIRD**



INCREASES IN INVESTMENT IN NON-RESIDENTIAL CONSTRUCTION AND MACHINERY AND EQUIPMENT WERE ONE OF THE DOMINANT FACTORS OF THE YEAR. IN HOUSING, HOWEVER, MOST OF THE ADVANCE IN VALUE WAS DUE TO THE INCREASE IN PRICES. BUSINESS INVENTORIES WERE APPRECIABLY HIGHER THAN IN 1964



THE TOTAL DEFICIT ON CURRENT ACCOUNT INCREASED FROM \$0.4 BILLION IN 1964 TO \$1.1 BILLION IN 1965, AS AN INCREASED PORTION OF THE EXPANSION IN DEMAND WAS MET BY GREATLY INCREASED MERCHANDISE IMPORTS
(SEASONALLY ADJUSTED, AT ANNUAL RATES)



Components of Demand

Consumer Expenditure

Total consumer expenditure on goods and services reached \$32.1 billion in the year 1965, an increase of 8 per cent over its 1964 value. The purchasing power to sustain this level came primarily from an 11 per cent growth in labour income, while consumer debt outstanding continued to expand at about the same rate as in prior years.

A 2 per cent rise in consumer prices cut into the real gains for the period. The price rise was most pronounced in the service sector which registered an almost 3 per cent increase for the year. A nearly 3 per cent increase in food prices was largely responsible for the increase in non-durable goods prices. New car prices together with used car prices declined about 1 per cent while total durable goods prices declined fractionally.

All major components of consumer expenditure shared in the advance of total consumer expenditure. The rate of growth was fractionally stronger than in the preceding year. The increase in services was 8 per cent, a continuation of the pronounced rate of increase of 1964. The outlays on goods advanced at a rate similar to the advance in outlays for services.

The value of durable goods purchased continued a steady advance as prices edged downwards. Sales of new and used cars rose over 14 per cent, as compared with a 12 per cent gain shown in strike-affected 1964. Most of the major components of durable goods showed increases, more noticeably in furniture and appliances and radios. Purchases of non-durable goods rose more than 7 per cent over 1964, with notable increases in several of the components; for example, food expenditures increased by almost 6 per cent, clothing by 6½ per cent, and tobacco and alcoholic beverages by 8 and 9 per cent respectively.

Personal Expenditure – Per Cent Changes from Preceding Year

	1963	1964	1965
Total non-durables	4.3	6.4	7.3
Food (purchased)	4.8	5.1	5.7
Clothing (and footwear)	4.5	6.3	6.2
Total durables	9.7	10.7	11.4
New and used cars	14.5	11.8	14.2
Total goods	5.3	7.3	8.1
Total services (including net expenditure abroad)	7.2	9.0	8.1
Total personal expenditure	6.0	7.9	8.1

Business Gross Fixed Capital Formation

Capital expenditures in 1965 amounted to \$10.4 billion, 14½ per cent higher than in the previous year. Non-residential construction and machinery and equipment outlays rose 18 and 17 per cent respectively, while housing rose less sharply, by 5 per cent. The pace of investment in business plant and equipment quickened noticeably in the second half of the year.

The strength in demand in 1965 for new capital spread to all major industrial groupings, but was particularly pronounced in industries manufacturing chemicals, transportation equipment, and in the paper and allied industries, in electric power and transportation utilities, and in financial and com-

mercial services, where the latter increase was partly related to preparations for the 1967 World's Fair. New construction project outlays ran about one-third higher in 1965 in manufacturing, electric power, gas and water utilities and in the private commercial and institutional service industries, while increased purchases of machinery and equipment were particularly heavy in railways and urban transit systems.

The distribution of capital spending has shifted to give greater emphasis to manufacturing in the past two years than was evident at the commencement of the current expansion, and in 1965 manufacturers' outlays were double those of 1961.

Changes in Industrial Composition of Business Plant and Equipment Outlays

	1965 millions of dollars	Per cent		
		Distribution		Increase 1961 to 1965
		1961	1965	
Goods industries:				
Agriculture, fishing and trapping	928	11.1	11.2	61
Forestry	102	1.0	1.2	104
Mining, quarrying and oil wells	687	8.7	8.3	53
Manufacturing:				
Durable	803	7.7	9.7	102
Non-durable	1,435	13.3	17.2	109
Electric power, gas and water utilities	1,141	13.6	13.8	62
Construction	235	2.6	2.8	73
Sub-totals	5,331	58.0	64.2	78
Service industries:				
Transportation and storage	810	12.5	9.8	26
Communication	455	6.6	5.5	34
Trade	368	5.9	4.4	20
Finance, insurance and real estate	413	6.0	5.0	32
Recreation, business and personal	923	11.0	11.1	62
Sub-totals	2,969	42.0	35.8	37
Total	8,300	100.0	100.0	60

The value of residential building amounted to \$2.1 billion with a gain of 5 per cent over 1964 representing largely increased prices. Housing expenditures rose 2½ per cent in the first half of 1965 over the latter half of 1964 but were little changed between the first and second halves of 1965. The tightened supply of mortgage money in the latter part of 1965 contributed to a slowing down in the number of apartments started in the final months of the year. Housing starts in 1965 were

virtually unchanged at 166.6 thousand, with completions increasing slightly to 153.0 thousand; the number of dwellings under construction consequently increased and stood at a record 120.0 thousand at the year-end. The housing market was assisted by CMHC direct loans which helped to offset the decline in both conventional and NHA lending by institutions. Mortgage approvals in the last quarter of 1965 were considerably lower than the previous year's level.

Mortgage Loan Approvals Gross Basis

Dwelling units

	1963	1964	1965	Per cent change 1964 to 1965
Under National Housing Act:				
Central Mortgage and Housing Corporation	25,034	29,939	33,942	13.4
Approved lenders	31,225	28,197	25,516	- 9.5
Sub-totals	56,259	58,136	59,458	2.3
Conventional lenders	76,601	93,925	90,221	- 3.9
Totals	132,860	152,061	149,679	- 1.6

During 1965 as a result of the heavy construction program, pressures developed on construction wage and material costs. Costs rose by about 6 per cent in 1965 compared with increases of about 4 per cent in the preceding year.

Business capital spending plans for 1966, published in "Private and Public Investment in Canada—Outlook 1966", indicate a substantial increase in investment; thus the sector is expected to add to domestic demand and cost pressures. However, some Federal Government budgetary measures, announced in late March, were aimed at restraining the expenditures on capital.

Non-farm Business Inventories

The tempo of investment in business inventories accelerated in 1965, amounting to \$905 million as compared to \$516 million in 1964. Although this was by far the biggest stock accumulation during the current economic expansion, the accumulation in relation to the levels of production does not appear to be unduly high. Investment in manufacturing and retail trade was the major force of expansion, contributing about 50 and 28 per cent respectively of the total accumulation in 1965. The year 1965 has been noteworthy for the strength of durable goods. The quarterly pattern revealed that after a substantial accumulation in the first quarter of the current year, there was some slowing down in the rate of accumulation in the last three quarters of the year. The substantial build-up in the first quarter in part reflected unusually heavy restocking of automobiles

in dealers' hands as a result of a sizeable involuntary depletion in the previous quarter due to strikes in the automobile industry.

The strongest influence in the 1965 accumulation was provided by the investment in manufacturers' durable goods, with significant increases in the stocks of primary metal, metal fabricating, machinery, transportation, and electrical goods-producing industries. Among non-durables, the increase in chemicals was noticeable. An offsetting movement in the stocks of other non-durable goods-producing industries left on balance a very small accumulation. The ratio of stock-to-shipments throughout the year remained below the average of the current expansion and slipped noticeably at the year-end.

Almost all the increase in the rate of accumulation in the stocks of wholesale trade was accounted for by the durable lines, in particular in the industrial and transportation machinery and equipment group. The movements in the non-durables were mixed, leaving a very small accumulation. The stock-to-sales ratio for the year as a whole was below the average of the current expansion.

A considerable amount of accumulation was concentrated in the holdings of retail traders. Modest increases in stocks were registered in non-durable goods, whilst there was a sharp accumulation in durable goods, concentrated mainly in the hands of motor vehicle dealers. The stock-to-sales ratio throughout the year was above the average of the current expansion.

Change in Non-farm Business Inventories, Years 1964 and 1965

	1964	1965	1965 minus 1964
	millions of dollars		
Manufacturing	235	442	207
Durables	142	366	224
Non-durables	93	76	- 17
Wholesale	65	118	53
Retail	192	249	57
"Other" industries	24	96	72
Totals	516	905	389

Exports and Imports of Goods and Services

During 1965 the deficit in Canada's external account jumped to \$1,141 million from \$412 million in 1964 on the National Accounts basis. The change of \$729 million resulted from a fall of \$599 million in the surplus on merchandise trade as the increased

demand for imports outpaced the growth in export sales, and a further deterioration of \$130 million in non-merchandise trade. About 80 per cent of the latter can be ascribed to higher deficits in the interest and dividend account and the freight and shipping account.

Exports and Imports of Goods and Services

	Goods			Services			Current balance
	Exports	Imports	Net	Exports	Imports	Net	
	millions of dollars						
1961	5,889	5,716	173	1,742	2,826	- 1,084	- 911
1962	6,380	6,203	177	1,879	2,879	- 1,000	- 823
1963	7,082	6,579	503	2,029	3,039	- 1,010	- 507
1964	8,240	7,540	700	2,267	3,379	- 1,112	- 412
1965	8,737	8,636	101	2,419	3,661	- 1,242	- 1,141
1964-65 per cent change	6.0	14.5		6.7	8.3		

Export gains were made in live animals, crude materials such as metal ores, fabricated materials including pulp and paper and metals, and such products as machinery and transportation (cars, trucks and parts) and communication equipment. After showing little gain in the first part of the year compared with the latter half of 1964, exports climbed 8 per cent in the second half of the year.

Domestic exports, on a Trade of Canada basis, were \$429 million higher in 1965 than in the previous year. A gain of \$568 million in United States' markets offset declines of \$25 and \$114 million in United Kingdom and other markets. Fabricated materials and end-products contributed 43 and 36 per

cent of gains made in the United States. A drop of \$214 million in the category "food, feed, beverages, and tobacco" accounted for the overall decline in exports to markets outside the United States and United Kingdom. Whereas shipments of wheat and flour under the first major contract with the Soviet Union were important throughout the first half of 1964, shipments on the second large contract began late in the third quarter of 1965.

Available import statistics indicate strength in Canadian demand for imported fabricated chemicals, metal and metal products, machinery, transportation and communication equipment and other equipment such as laboratory requirements and computers.

Merchandise Trade
Trade of Canada basis

	Domestic exports			Imports		
	1964	1965	Per cent change	1964	1965	Per cent change
	millions of dollars			millions of dollars		
Live animals	34	79	132.4	17	11	- 35.3
Food, feed, beverages, tobacco ¹	1,806	1,630	- 9.7	778	759	- 2.4
Inedible crude materials	1,616	1,763	9.1	961	1,006	4.7
Metals	803	862	7.3	190	196	3.2
Inedible fabricated materials	3,503	3,729	6.5	1,813	2,114	16.6
Lumber and wood	589	602	2.2	69	70	1.4
Pulp, paper, allied	1,359	1,432	5.4	65	72	10.8
Chemicals, allied	296	323	9.1	401	459	14.5
Metals and metal products	1,085	1,182	9.0	589	750	27.3
Inedible end products	1,109	1,298	17.1	3,701	4,477	21.0
Machinery	276	322	16.7	1,211	1,372	13.3
Transportation and communication equipment ²	539	668	23.9	1,191	1,614	35.5
Other equipment, tools	173	175	1.2	607	713	17.5
Personal, household goods	51	52	2.0	292	318	8.9
Miscellaneous	69	81	17.4	400	460	15.0
Special trade transactions	26	24	- 7.7	218	266	22.0
Totals	8,094	8,523	5.3	7,488	8,633	15.3

¹ Wheat clearances - Domestic exports - 12 months: 1964, \$988 million; 1965, \$853 million; per cent change, - 13.7.

² Before allowance for progress payments and deliveries.

The Government Sector

Total revenues of governments combined (excluding intergovernmental transfers) increased by \$1,676 million to a level of \$16,373 million, about 11½ per cent over the 1964 level of \$14,697 million. Total expenditures increased less sharply, by 9½ per cent above 1964 totals, to a level of \$16,127 million, resulting in a surplus of \$246 million (on a National Accounts basis) compared to a small deficit of \$21 million in 1964. The improvement in the overall position came entirely at the federal level. The increase in revenues was at a greater rate than the increase in expenditures and resulted in an increase in the surplus to \$568 million from \$296 million in 1964, making this the second year in a row to record a federal surplus. The deficit at the provincial-municipal level of \$322 million was little changed from 1964.

All components of government revenue increased over the year, reflecting the continued buoyancy and expansion of activity in the economy in 1965. The largest increases occurred in revenues from indirect taxes and personal direct taxes.

Total indirect tax revenue rose by approximately 12 per cent, with the federal government and the provincial-municipal governments sharing almost equally in the absolute increase. The major part of the gain at the federal level was in excise taxes, which rose 19 per cent compared to 14 per cent for all federal indirect taxes; this was in part a reflection of the final stage of the imposition of the higher excise tax on production equipment and building materials. Provincial revenues from gasoline and sales taxes rose by 11 per cent and 16 per cent respectively, partially caused by some upward revision in rates. The gain in property taxes, due to both increased rates and bases, accounts for most of the rise at the municipal level.

Total corporate and personal direct taxes reached a level of \$6,076 million, an increase of 12 per cent from 1964. Reflecting the sustained improvement in employment conditions and rising incomes, total revenue from federal and provincial personal income taxes was 13½ per cent higher than in 1964, even after allowing for a reduction of about 10 per cent in the federal personal income tax rates from July 1, 1965. The provincial share of personal income taxes increased markedly during the year, a reflection of the increased abatement under the terms of the Federal-Provincial Fiscal Arrangements Act.

Total expenditures of all levels of government (excluding intergovernmental transfers) advanced by approximately 10 per cent or \$1.4 billion in 1965, with most of the gain occurring at the provincial-municipal level. Outlays on goods and services which increased by 11 per cent were strongly reinforced by a 29 per cent or \$533 million increase in capital expenditure with four fifths of the increase occurring at the provincial-municipal level. Provincial-municipal expenditures on goods and services rose sharply by approximately 13 per cent. Federal outlays on goods and services rose by more than 7 per cent, which was accounted for by an increase of almost 14 per cent in non-defence goods and services and a decrease of 1 per cent in defence goods and services.

Transfer payments to persons (excluding interest on the public debt) showed a total increase of 9 per cent. The federal government recorded an increase of 3 per cent, but the increase at the provincial-municipal level was 15 per cent. The substantial increase by the provincial-municipal governments was caused by larger grants to hospitals and educational institutions.

Per Cent Change in Government Revenue and Expenditure from Preceding Year

	1964	1965
Government expenditure:		
Goods and services	7.2	10.9
Transfer payments to persons	7.4	8.9
Interest on the public debt	7.2	7.1
Subsidies	3.9	- 4.0
Capital assistance	34.4	2.4
Totals ¹	7.3	9.6
Government revenue:		
Direct taxes—Persons	17.6	14.1
Direct taxes—Corporations	9.3	8.4
Withholding taxes	10.2	20.0
Indirect taxes	13.3	11.8
Investment income	9.4	10.6
Employer-employee contributions	7.0	5.2
Totals ¹	12.8	11.4

¹ Excludes intergovernmental transfers.

Price Movements

With prices advancing by nearly 3 per cent between 1964 and 1965, the increase of 9.7 per cent in the value of GNP was reduced to a gain of 6.6 per cent when expressed in real terms. The following table shows annual price changes for the major components of GNE over the past three years. From this table it is apparent that there has been a moderate increase in the rate of over-all price increase over the past two years.

In 1965 the price component of personal expenditure advanced by 2 per cent, as compared with 1.6 per cent in the preceding year. Prices associated with business gross fixed capital formation exhibited approximately the same rate of increase in both 1964 and 1965, while prices for both exports and imports showed a smaller increase in 1965 than in 1964.

Within personal expenditure, the various components showed somewhat diverse movements. Durable goods prices declined fractionally in 1965 as compared with a 1 per cent decline in 1964. Within 1965, the prices of new automobiles and appliances decreased by approximately one half of 1 per cent, while prices of furniture increased by 2 per cent. Food prices, increasing by about 2½ per cent largely as the result of greatly increased meat prices brought about by short supply conditions in the United States, dominated the movement of non-durable goods prices. Prices of non-food commodities continued to increase by slightly less than 1 per cent. Prices of services rose by close to 3 per cent in 1965, reflecting advances of 3½ per cent or over in all major components other than rents and communication-related services, both of which increased by about one half of 1 per cent.

Implicit Price Indexes — Percentage Change from Preceding Year

	1963	1964	1965
Personal expenditure	1.5	1.6	2.0
Durable goods	0.3	- 1.0	- 0.3
Non-durable goods	1.7	1.7	2.0
Total goods	1.4	1.0	1.4
Food	2.6	1.6	2.6
Goods other than food	0.7	0.9	0.8
Services including net expenditure abroad	1.4	2.3	2.8
Government expenditure	4.1	3.1	4.4
Business gross fixed capital formation	3.1	4.4	4.3
New residential construction	3.4	5.5	4.9
New non-residential construction	3.4	4.4	6.1
New machinery and equipment	2.6	3.8	2.6
Final domestic demand	2.2	2.4	2.9
Exports	1.2	1.9	1.2
Total final demand	2.0	2.3	2.6
Imports	2.9	1.2	0.4
Gross National Expenditure	1.8	2.5	2.9

Prices associated with residential building showed somewhat less of an increase in 1965 than in 1964. This appeared to be associated with building material prices, wherein the price index of lumber and its products had increased by over 8 per cent in 1964, compared with 5 per cent in 1965, while prices of roofing materials, which had risen by about 6 per cent in 1964, fell by 3 per cent in 1965. The labour component of both the residential and non-residential price indexes increased by somewhat more in 1965 than the 4½ per cent increase recorded in 1964. Shifting expenditure patterns affected machinery and equipment prices both in 1964 and in 1965. Had a fixed pattern of expenditures been used to estimate price changes the increases in the price

of machinery and equipment would have been 3.3 per cent in 1964 and 2.9 per cent in 1965.

Within merchandise exports, price changes were somewhat diverse. The drop in the price of wheat early in 1965 was largely responsible for a 1½ per cent price decline in the food, feed, beverages and tobacco group. Both the crude materials inedible and the end products inedible groups increased by a little over 1 per cent while the fabricated materials inedible group showed a gain of 2 per cent. Within the last-mentioned group, the price of newsprint showed only a fractional change, while certain metal prices, responding to world market conditions, showed significant increases.

The movement of merchandise import prices was again dominated by changes in the price of sugar, which declined by more than 50 per cent in 1965 relative to 1964. The fractional increase in the overall import price index resulted from moderate in-

creases in the crude materials inedible and the end products inedible groups, an increase of approximately 3 per cent in the fabricated materials group, and a decrease of over 16 per cent in the food, feed, beverages and tobacco group.

Income Flows

Labour Income

Wages, salaries, and supplementary labour income totalled \$26.0 billion for 1965 and were 11 per cent higher than in 1964. Labour income originating in the goods-producing industries advanced more rapidly than the service-producing group in 1965.

The rise in labour income resulted in part from the continued sharp increase in employment in non-agricultural industries, where expanded job opportunities more than absorbed new entries to the labour force, and the number of unemployed fell. Numbers in the labour force as a proportion of the population 14 and over rose in 1965 to a level not achieved since the late 1940's. In addition to the increased numbers employed, the year also witnessed an appreciable increase in average weekly wages and salaries.

Wages and salaries in the goods-producing industries rose 12½ per cent with the largest gain, 24 per cent, occurring in construction, where about ¾ of the increase resulted from a higher volume of labour input. The mining industry advanced 13 per cent and the forestry and manufacturing groups each increased about 10½ per cent. Gains in mining, manufacturing and construction wage and salary payments were the largest recorded in the past decade.

Wages and salaries in the service-producing industries were about 10½ per cent above the 1964 total. The finance and service industries increased about 12½ per cent and wages and salaries in trade advanced 10½ per cent. Somewhat smaller increases were recorded in the transportation, communication and other utilities group, 8½ per cent, and in government non-military wages and salaries, 7½ per cent.

Corporation Profits

Corporation profits (before taxes and before dividends paid to non-residents) reached a new record level of \$5.2 billion in 1965, and were 8 per cent higher than in 1964. Starting the year with a moderate first quarter (about level with the exceptionally high fourth quarter of 1964) profits continued to climb through the second and third quarters before levelling off in the fourth.

Profits in the manufacturing group rose about 7 per cent over last year due to the general strength evident in most industries. Of particular significance were the increases in food and beverages (8 per cent), and metals (15 per cent), the latter reflecting

the return to more stable production conditions in the transportation equipment industry. These movements were partly offset by increased costs in the wood and paper industries, the profits of each of which declined 15 per cent.

There was a 9 per cent rise in the profits of the transportation, storage and communication industry. The continued strength of consumer demand contributed to the 15 per cent increase in retail trade profits, while wholesale trade profits showed an upward movement of 10 per cent. The performance of banks and the improved revenues of insurance carriers resulted in a 9 per cent advance in the finance, insurance and real estate group. The profits of service industries continued to grow and increased 22.0 per cent, this rate being second only to that of 1962, the first full year of the current expansion.

The marginal decline in the profits of the mining, quarrying and oil wells group was due to the irregularly high level of foreign dividend receipts in 1964.

Investment Income

Rents, interest and miscellaneous investment income increased by 9 per cent over 1964, one of the larger increases in recent years. This item was marked by an increase in the government component as the profits of government business enterprises and other investment income showed a notable rise. The increase was largest at the provincial level.

Among the other investment income items the rental income of persons showed mixed movements with residential rents declining, reflecting rising expenses, while the rental income of farms increased sharply.

Net Income of Non-farm Unincorporated Business

Benefitting from strong second and third quarters, net income of non-farm unincorporated business in 1965 reached a level of \$2,877 million, 6 per cent above the 1964 figure. The largest gain, 7½ per cent, was in service industries which contributed more than half to the total increase in the net income of non-farm unincorporated business.

Accrued Net Income of Farm Operators

Accrued net income of farm operators from farm production in 1965 was \$1,645 million, 12 per cent higher than in 1964 but slightly lower than in the bumper crop year 1963. Farm cash receipts, the

largest component of farm income, increased 8 per cent and farm operating expenses 5 per cent from the corresponding 1964 data. Both items attained new record levels.

A large part of the increase in the accrued net income of farm operators can be attributed to considerably higher grain production. The value of crop production in 1965 was estimated to have been

\$1,301 million, the third highest on record and close to 15 per cent above 1964. On the other hand, value of grain marketings in 1965 was smaller than in 1964.

Reflecting considerably higher receipts from sales of cattle, calves and hogs, livestock production increased 9 per cent above the 1964 level. Sales of potatoes, dairy products and eggs also increased.

Farm Income

	1964	1965	1965 minus 1964	Per cent change 1964 to 1965
	millions of dollars			
Farm cash income	3,456	3,741	285	8.2
Income-in-kind	368	398	30	8.2
Farm inventory change	- 99	56	155	-
Gross income	3,725	4,195	470	12.6
Deduct:				
Farm operating expenses	1,957	2,058	101	5.2
Depreciation	349	376	27	7.7
Add:				
Adjustment on grain transactions ¹	111	- 44	- 155	-
Other adjustments	- 66	- 72	- 6	-
Accrued net income of farm operators	1,464	1,645	181	12.4

¹ This adjustment takes account of the undistributed profits of the Canadian Wheat Board.

Production by Industry

Gross domestic product less agriculture for the year 1965 was 6½ per cent above the level of the previous year, with manufacturing contributing over one third of this gain. Most major industry groupings showed increases well over their post-war average rates of growth. The exceptions were the primary industries and the public administration and defence

and the finance, insurance and real estate groups from among the service-producing industries. The largest year-to-year gains were recorded by durable manufacturing, electric power and gas utilities, and wholesale trade, all of which increased by about 10 per cent in 1965. Gains of about 8 per cent occurred in construction and transportation, while non-durable manufacturing and retail trade advanced by 5½ and 6 per cent respectively.

Technical Note

Grants by governments to business for capital purposes had hitherto been omitted from the national accounts estimates of government expenditures on the grounds that they constituted a capital transfer for which there is no place in a current income and expenditure account. Furthermore, the amounts involved have, in the past, been small. With the introduction by the federal government of such measures as the bonus for winter housebuilding and capital subsidies for the construction of commercial and fishing vessels, the amounts have both increased substantially in recent years and become a fairly regular expenditure flow on the part of government. Since they will therefore regularly affect the government surplus, it has been decided to include pay-

ments for capital assistance as part of government expenditures beginning with the year 1961. It should be noted that the adjustment has been made at the federal level only; the adjustment required at the provincial level is small and will be made when the historical revision of the national accounts is published.

As a result of the treatment adopted, in the sector account, an additional government expenditure category, capital assistance, has been added and the government surplus correspondingly reduced. Business gross saving has been increased by the amount of capital assistance and total national saving remains unchanged.

Percentage Distribution of Gross National Expenditure, 1959 - 65

[illegible]

Percentage Distribution of National Income by Distributive Shares, 1959 - 65

[illegible]

Percentage Distribution of Gross Domestic Product at Factor Cost, by Industry, 1959 - 65

Line No.		1959	1960	1961	1962	1963	1964	1965
1	Agriculture	5.3	5.4	4.7	5.8	6.1	5.1	5.1
2	Forestry	1.2	1.2	1.1	1.1	1.0	1.0	1.1
3	Fishing and trapping	0.3	0.3	0.3	0.3	0.3	0.3	0.3
4	Mining, quarrying, and oil wells	4.3	4.4	4.3	4.3	4.3	4.3	4.3
5	Manufacturing	26.6	26.1	25.5	25.9	25.9	26.5	26.3
6	Construction	6.0	5.4	5.5	5.3	5.1	5.2	5.7
7	Transportation	6.8	6.5	6.5	6.2	6.1	6.2	6.1
8	Storage	0.3	0.3	0.3	0.2	0.3	0.3	0.3
9	Communication	2.2	2.3	2.4	2.4	2.4	2.5	2.5
10	Electric power, gas, and water utilities	3.2	3.3	3.4	3.3	3.3	3.3	3.2
11	Wholesale trade	4.8	4.7	4.6	4.6	4.5	4.7	4.6
12	Retail trade	9.4	9.3	9.3	9.0	8.9	8.9	8.8
13	Finance, insurance, and real estate	10.2	10.5	10.6	10.2	10.2	10.1	10.0
14	Public administration and defence	7.1	7.2	7.5	7.4	7.3	7.0	6.8
15	Service	12.3	13.1	14.0	14.0	14.3	14.6	14.9
16	Totals	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Personal Income by Source, 1959 - 65

Line No.		1959	1960	1961	1962	1963	1964	1965
1	Wages, salaries, and supplementary labour income ¹	64.5	63.8	63.8	62.6	62.9	64.1	64.5
2	Military pay and allowances	1.9	1.8	1.9	1.9	1.8	1.7	1.5
3	Net income received by farm operators from farm production	4.3	4.3	3.4	4.8	4.8	3.8	4.3
4	Net income of non-farm unincorporated business	8.5	8.1	8.0	7.8	7.7	7.7	7.4
5	Interest, dividends, and net rental income of persons	10.0	10.5	10.6	10.7	11.0	10.8	10.6
6	Transfer payments (excluding interest)	10.8	11.5	12.3	12.2	11.8	11.9	11.7
7	Totals	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ Excludes employer and employee contributions to social insurance and government pension funds.

Selected per Person Income and Product Series in Current and Constant Dollars, 1959 - 65

Line No.		1959	1960	1961	1962	1963	1964	1965
Current dollars								
1	Gross National Product	1,997	2,031	2,055	2,185	2,298	2,464	2,657
2	Personal Income	1,489	1,535	1,564	1,668	1,743	1,828	1,988
3	Personal Disposable Income	1,370	1,403	1,426	1,521	1,589	1,649	1,788
4	Personal Expenditure on Consumer Goods and Services	1,292	1,317	1,341	1,396	1,455	1,542	1,638
Constant (1957) dollars								
5	Gross National Expenditure	1,910	1,914	1,924	2,016	2,083	2,178	2,283
6	Personal Expenditure on Consumer Goods and Services	1,242	1,254	1,267	1,302	1,337	1,396	1,454

SECTION A

INCOME AND EXPENDITURE ACCOUNTS

1. Summary Tables

TABLE 1. National Income and Gross National Product, 1959 - 65

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Wages, salaries, and supplementary labour income	17,459	18,245	18,996	20,233	21,547	23,433	26,033
2	Military pay and allowances	496	509	550	586	598	583	587
3	Corporation profits before taxes ¹	3,504	3,338	3,427	3,819	4,188	4,819	5,199
4	Deduct: Dividends paid to non-residents	- 501	- 458	- 586	- 584	- 614	- 713	- 751
5	Rent, interest, and miscellaneous investment income	2,315	2,470	2,670	2,832	3,078	3,262	3,554
6	Accrued net income of farm operators from farm production ²	1,121	1,186	1,008	1,496	1,721	1,464	1,645
7	Net income of non-farm unincorporated business ³	2,210	2,213	2,274	2,401	2,551	2,720	2,877
8	Inventory valuation adjustment ⁴	- 122	- 70	- 89	- 130	- 200	- 131	- 325
9	Net National Income at factor cost	26,482	27,433	28,250	30,653	32,869	35,437	38,819
10	Indirect taxes less subsidies	4,259	4,470	4,696	5,293	5,600	6,372	7,172
11	Capital consumption allowances and miscellaneous valuation adjustments	4,204	4,423	4,540	4,892	5,198	5,600	6,110
12	Residual error of estimate	- 30	- 39	- 15	- 263	- 243	- 6	- 105
13	Gross National Product at market prices	34,915	36,287	37,471	40,575	43,424	47,403	51,996

¹ Prior to the 1961 annual publication this item was shown after deduction of dividends paid to non-residents; it is now however inclusive of such dividends. In order to derive series consistent with those published on the old basis, lines 3 and 4 must be combined.

² Includes changes in farm inventories in millions of dollars as follows:

1959	- 76	1962	176	1965	56
1960	16	1963	311		
1961	- 278	1964	- 99		

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, 1959 - 65

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Personal expenditure on consumer goods and services	22,591	23,540	24,466	25,926	27,487	29,666	32,063
2	Government expenditure on goods and services ¹	6,490	6,769	7,236	7,717	8,075	8,654	9,596
3	Current expenditure ²	4,967	5,199	5,699	5,962	6,273	6,813	7,222
4	Gross fixed capital formation ³	1,523	1,570	1,537	1,755	1,802	1,841	2,374
5	Business gross fixed capital formation ⁴	6,894	6,692	6,635	6,960	7,591	9,103	10,424
6	New residential construction	1,734	1,443	1,458	1,577	1,707	2,021	2,124
7	New non-residential construction	2,589	2,577	2,683	2,638	2,835	3,358	3,955
8	New machinery and equipment	2,571	2,672	2,494	2,745	3,049	3,724	4,345
9	Value of physical change in inventories ⁵	357	410	30	532	535	386	948
10	Non-farm business inventories	421	325	439	310	244	516	905
11	Farm inventories and grain in commercial channels	- 64	85	- 409	222	291	- 130	43
12	Exports of goods and services ⁶	6,683	7,008	7,631	8,259	9,111	10,507	11,156
13	Deduct: Imports of goods and services	- 8,131	- 8,172	- 8,542	- 9,082	- 9,618	- 10,919	- 12,297
14	Residual error of estimate	31	40	15	263	243	6	106
15	Gross National Expenditure at market prices	34,915	36,287	37,471	40,575	43,424	47,403	51,996

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). Includes defence plant and equipment.

⁴ Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals and business investors. Total "Private and Public Investment in Canada" can be obtained by adding lines 4 and 5.

⁵ The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change, is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment (see line 8, 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, 1959 - 65

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Net National Income at factor cost	26,482	27,433	28,250	30,653	32,869	35,437	38,819
2	Add: Transfer payments (excluding interest on the public debt and charitable contributions from corporations) ¹	2,755	3,120	3,441	3,725	3,848	4,133	4,502
3	Add: Interest on the public debt ¹	963	1,095	1,170	1,305	1,423	1,526	1,635
4	Deduct: Earnings not paid out to persons ² ...	- 4,164	- 4,213	- 4,339	- 4,711	- 5,206	- 5,943	- 6,054
5	Equals: Personal income	26,036	27,435	28,522	30,972	32,934	35,153	38,902
6	Deduct: Personal direct taxes	- 2,088	- 2,360	- 2,511	- 2,729	- 2,916	- 3,428	- 3,912
7	Equals: Personal disposable income.....	23,948	25,075	26,011	28,243	30,018	31,725	34,990
8	Deduct: Personal expenditure on consumer goods and services	- 22,591	- 23,540	- 24,466	- 25,926	- 27,487	- 29,666	- 32,063
9	Equals: Personal net saving	1,357	1,535	1,545	2,317	2,531	2,059	2,927
10	Value of physical change in farm inventories	- 76	16	- 278	176	311	- 99	56
11	Personal saving excluding change in farm inventories	1,433	1,519	1,823	2,141	2,220	2,158	2,871

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, 1959 - 65

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Gross National Product at market prices	34,915	36,287	37,471	40,575	43,424	47,403	51,996
2	Deduct: Residual error of estimate	30	39	15	263	243	6	105
3	Indirect taxes less subsidies	- 4,259	- 4,470	- 4,696	- 5,293	- 5,600	- 6,372	- 7,172
4	Income received from non-residents	- 182	- 173	- 209	- 202	- 230	- 313	- 315
5	Add: Income paid to non-residents	671	653	770	794	860	978	1,048
6	Gross domestic product at factor cost	31,175	32,336	33,351	36,137	38,697	41,702	45,662

TABLE 5. Gross National Expenditure in Constant (1957) Dollars, 1959-65^{1,2}

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Personal expenditure on consumer goods and services	21,711	22,402	23,105	24,173	25,260	26,846	28,462
2	Government expenditure on goods and services	6,205	6,268	6,562	6,811	6,848	7,122	7,567
3	Current expenditure	4,623	4,641	4,885	4,957	5,024	5,265	5,372
4	Gross fixed capital formation	1,582	1,627	1,677	1,854	1,824	1,857	2,195
5	Business gross fixed capital formation	6,562	6,231	6,125	6,254	6,618	7,606	8,347
6	New residential construction	1,633	1,323	1,328	1,395	1,461	1,641	1,644
7	New non-residential construction	2,473	2,404	2,494	2,399	2,494	2,830	3,139
8	New machinery and equipment	2,456	2,504	2,303	2,460	2,663	3,135	3,564
9	Change in inventories	338	397	29	508	510	354	938
10	Non-farm business inventories	414	325	433	293	239	486	874
11	Farm inventories and grain in commercial channels	- 76	72	- 404	215	271	- 132	64
12	Exports of goods and services	6,610	6,884	7,379	7,747	8,445	9,550	10,023
13	Deduct: Imports of goods and services	- 8,058	- 8,020	- 8,132	- 8,306	- 8,550	- 9,589	- 10,750
14	Residual error of estimate	30	38	13	242	221	6	93
15	Gross National Expenditure in constant (1957) dollars	33,398	34,200	35,081	37,429	39,352	41,895	44,680
16	Index, line 15, 1949=100	154.4	158.2	162.2	173.1	182.0	193.7	206.6

¹ These data are given on a 1949 time base in Tables 56 and 57 in order to provide continuity with Tables 5 and 6 in *National Accounts, Income and Expenditure, 1926-1956*, and Tables 56 and 57 in *National Accounts, Income and Expenditure, 1962*.

² For annual data for the period 1947-58, on a 1957 time base, see Tables 9 and 18 *National Accounts, Income and Expenditure, by Quarters, 1947-61* (DBS Catalogue No. 13-519).

TABLE 6. Implicit Price Indexes - Gross National Expenditure, 1959-65^{1,2}
1957=100.0

Line No.		1959	1960	1961	1962	1963	1964	1965
1	Personal expenditure on consumer goods and services	104.1	105.1	105.9	107.3	108.8	110.5	112.7
2	Government expenditure on goods and services	104.6	108.0	110.3	113.3	117.9	121.5	126.8
3	Current expenditure	107.4	112.0	116.7	120.3	124.9	129.4	134.4
4	Gross fixed capital formation	96.3	96.5	91.7	94.7	98.8	99.1	108.2
5	Business gross fixed capital formation	105.1	107.4	108.3	111.3	114.7	119.7	124.9
6	New residential construction	106.2	109.1	109.8	113.0	116.8	123.2	129.2
7	New non-residential construction	104.7	107.2	107.6	110.0	113.7	118.7	126.0
8	New machinery and equipment	104.7	106.7	108.3	111.6	114.5	118.8	121.9
9	Exports of goods and services	101.1	101.8	103.4	106.6	107.9	110.0	111.3
10	Imports of goods and services	100.9	101.9	105.0	109.3	112.5	113.9	114.4
11	Residual error of estimate	104.5	106.1	106.8	108.4	110.4	113.1	116.7
12	Gross National Expenditure at market prices	104.5	106.1	106.8	108.4	110.3	113.1	116.4

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 For annual data for the period 1947-58, on a 1957 time base, see Table 19 in *National Accounts, Income and Expenditure, by Quarters, 1947-61*, (DBS Catalogue No. 13-519).

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

TABLE 7. Personal Income and Expenditure Account, 1959-65

Income

Item No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Wages, salaries, and supplementary labour income:							
	(a) From business (28 a)	14,248	14,695	15,047	15,969	16,928	18,406	20,539
	(b) From governments (19 bi)	2,531	2,761	3,046	3,263	3,506	3,786	4,095
	(c) From persons (9 b)	680	789	903	1,001	1,113	1,241	1,399
	(d) Deduct employer and employee contributions to social insurance and government pension funds (17)	- 652	- 751	- 787	- 812	- 852	- 912	- 959
2	Military pay and allowances (19 bli)	496	509	550	586	598	583	587
3	Net income received by farm operators from farm production ¹ (28 c)	1,126	1,177	978	1,490	1,582	1,353	1,689
4	Net income of non-farm unincorporated business (28 e)	2,210	2,213	2,274	2,401	2,551	2,720	2,877
5	Interest, dividends, and net rental income of persons ² (44 a)	2,599	2,882	3,030	3,305	3,616	3,799	4,129
6	Transfer payments (excluding interest):							
	(a) From governments (20 b)	2,755	3,120	3,441	3,725	3,848	4,133	4,502
	(b) Charitable contributions from corporations (44 b)	43	40	40	44	44	44	44
7	Totals	26,036	27,435	28,522	30,972	32,934	35,153	38,902

¹ This item differs from line 6 of Table 1 by excluding 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, 1959-65

Expenditure

Item No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
8	Personal direct taxes:							
	(a) Income taxes (12 a)	1,744	1,979	2,125	2,316	2,487	2,957	3,355
	(b) Succession duties and estate taxes (12 b)	130	158	146	165	171	179	209
	(c) Miscellaneous (12 c)	214	223	240	248	258	292	348
9	Purchases of goods and services:							
	(a) From business (24 a)	21,184	21,993	22,785	24,188	25,653	27,582	29,731
	(b) Direct services (1 c)	680	789	903	1,001	1,113	1,241	1,399
	(c) Travel expenditure (34 a)	598	627	642	605	585	712	786
	(d) Other expenditures abroad (34 b)	129	131	136	132	136	131	147
10	Personal net saving ¹ (48)	1,357	1,535	1,545	2,317	2,531	2,059	2,927
11	Totals	26,036	27,435	28,522	30,972	32,934	35,153	38,902

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

TABLE 9. Government Revenue and Expenditure Account, 1959-65¹
Revenue

Item No.		1959	1960	1961	1962	1963	1964	1965	
millions of dollars									
12	Direct taxes - Persons:								1766
	(a) Income taxes (8a)	1,744	1,979	2,125	2,316	2,487	2,957	3,355	2854
	(b) Succession duties and estate taxes (8b)	130	158	146	165	171	179	209	228
	(c) Miscellaneous (8c)	214	223	240	248	258	292	348	352
13	Direct taxes - Corporations:								
	(a) Income tax collections (44c)	1,425	1,666	1,551	1,653	1,775	2,097	2,267	
	(b) Excess of income tax liabilities over income tax collections ² (44d)	156	- 122	61	57	52	- 101	- 103	
14	Withholding taxes (44e)	74	79	116	125	127	140	168	203
15	Indirect taxes (29a)	4,464	4,705	4,947	5,585	5,911	6,695	7,482	8277
16	Investment income:								
	(a) Interest (44f)	415	463	483	536	605	648	728	873
	(b) Profits of government business enterprises (44g)	583	600	643	715	790	878	960	987
17	Employer and employee contributions to social insurance and government pension funds (1d)	652	751	787	812	852	912	959	1816
18	Totals³	9,857	10,502	11,099	12,212	13,028	14,697	16,373	

¹ See also Table 36.

² See footnote 2, Table 50.

³ 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, 1959-65¹
Expenditure

Item No.		1959	1960	1961	1962	1963	1964	1965	
millions of dollars									
19	Purchases of goods and services: ²								1966
	(a) From business (24b)	3,463	3,499	3,640	3,868	3,971	4,285	4,914	5774
	(b) Direct service:								4574
	(i) Wages and salaries (1b)	2,531	2,761	3,046	3,263	3,506	3,786	4,095	621
	(ii) Military pay and allowances (2)	496	509	550	586	598	583	587	
20	Transfer payments:								
	(a) Interest ³ (45)	963	1,095	1,170	1,305	1,423	1,526	1,635	1789
	(b) Other (6a)	2,755	3,120	3,441	3,725	3,848	4,133	4,502	5006
	(c) Capital assistance (49d)			6	27	61	82	84	97
21	Subsidies (29b)	205	235	251	292	311	323	310	370
22	Surplus (+) or deficit (-) (on transactions relating to the National Accounts)* (51)	- 556	- 717	- 1,005	- 854	- 690	- 21	246	280
23	Totals³	9,857	10,502	11,099	12,212	13,028	14,697	16,373	

¹ See also Table 37.

² See line 2, Table 2.

³ See footnote 3, Table 37.

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

³ 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, 1959-65
Revenue

Item No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
24	Sales to residents:							
	(a) Persons (9a)	21,184	21,993	22,785	24,188	25,653	27,582	29,731
	(b) Governments ¹ (19a)	3,463	3,499	3,640	3,868	3,971	4,285	4,914
	(c) Business gross fixed capital formation: ²							
	(i) New residential construction (54a)	1,734	1,443	1,458	1,577	1,707	2,021	2,124
	(ii) New non-residential construction (54b)	2,589	2,577	2,683	2,638	2,835	3,358	3,955
	(iii) New machinery and equipment (54c)	2,571	2,672	2,494	2,745	3,049	3,724	4,345
	(d) Value of physical change in inventories (55)	357	410	30	532	535	386	948
25	Sales to non-residents:							
	(a) Travel expenditure (38b)	391	420	482	562	609	662	737
	(b) Other (38c)	6,110	6,415	6,940	7,495	8,272	9,532	10,104
26	Residual error of estimate	31	40	15	263	243	6	106
27	Totals	38,430	39,469	40,527	43,868	46,874	51,556	56,964

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

TABLE 12. Business Operating Account, 1959-65
Expenditure

Item No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
28	Factor costs:							
	(a) Wages, salaries, and supplementary labour income (1a)	14,248	14,695	15,047	15,969	16,928	18,406	20,539
	(b) Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (41)	5,807	5,830	6,072	6,659	7,282	8,033	8,735
	(c) Net income received by farm operators from farm production ¹ (3)	1,126	1,177	978	1,490	1,582	1,353	1,689
	(d) Adjustment on grain transactions ² (49c)	- 5	9	30	6	139	111	- 44
	(e) Net income of non-farm unincorporated business (4)	2,210	2,213	2,274	2,401	2,551	2,720	2,877
	(f) Inventory valuation adjustment (50)	- 122	- 70	- 89	- 130	- 200	- 131	- 325
29	Other costs:							
	(a) Indirect taxes (15)	4,464	4,705	4,947	5,585	5,911	6,695	7,482
	(b) Less subsidies (21)	- 205	- 235	- 251	- 292	- 311	- 323	- 310
	(c) Capital consumption allowances and miscellaneous valuation adjustments (49b)	4,204	4,423	4,540	4,892	5,198	5,600	6,110
30	Purchases from non-residents (33b)	6,733	6,761	6,994	7,551	8,037	9,098	10,316
31	Residual error of estimate	- 30	- 39	- 15	- 263	- 243	- 6	- 105
32	Totals	38,430	39,469	40,527	43,868	46,874	51,556	56,964

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, 1959-65¹

Receipts from Canada

Canadian Imports

Item No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
33	Receipts from business:							
	(a) Interest and dividends (46 a)	567	523	630	646	686	790	837
	(b) Other than interest and dividends (30)	6,733	6,761	6,994	7,551	8,037	9,098	10,316
34	Receipts from persons:							
	(a) Travel expenditure (9 c)	598	627	642	605	585	712	786
	(b) All other receipts (9 d)	129	131	136	132	136	131	147
35	Receipts from Government—Interest (46 b)	104	130	140	148	174	188	211
36	Surplus (+) or deficit (–) on current account (on transactions relating to the National Accounts) (56)	– 1,448	– 1,164	– 911	– 823	– 507	– 412	– 1,141
37	Totals	6,683	7,008	7,631	8,259	9,111	10,507	11,156

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, 1959-65¹

Payments to Canada

Canadian Exports

Item No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
38	Payments to business:							
	(a) Interest and dividends (42 a)	89	72	92	77	80	174	153
	(b) Travel expenditure (25 a)	391	420	482	562	609	662	737
	(c) Other payments (25 b)	6,110	6,415	6,940	7,495	8,272	9,532	10,104
39	Payments to other sectors:							
	Interest and dividends (42 b)	93	101	117	125	150	139	162
40	Totals	6,683	7,008	7,631	8,259	9,111	10,507	11,156

¹ See footnote 1, Table 13.

TABLE 15. Investment Income Appropriation Account, 1959-65

Source

Item No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
41	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (28 b)	5,807	5,830	6,072	6,659	7,282	8,033	8,735
42	Interest and dividends from non-residents received by:							
	(a) Corporations (38 a)	89	72	92	77	80	174	153
	(b) Other sectors (39)	93	101	117	125	150	139	162
43	Totals	5,989	6,003	6,281	6,861	7,512	8,346	9,050

TABLE 16. Investment Income Appropriation Account, 1959-65
Disposition

Item No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
44	To Canadian residents:							
	(a) Interest, dividends, and net rental income of persons (5)	2,599	2,882	3,030	3,305	3,616	3,799	4,129
	(b) Charitable contributions from corporations (6b)	43	40	40	44	44	44	44
	(c) Corporation income tax collections (13a)	1,425	1,666	1,551	1,653	1,775	2,097	2,267
	(d) Excess of corporation income tax liabilities over collections ¹ (13b)	156	- 122	61	57	52	- 101	- 103
	(e) Withholding taxes (14)	74	79	116	125	127	140	168
	(f) Government interest revenue (16a)	415	463	483	536	605	648	728
	(g) Profits of government business enterprises (16b)	583	600	643	715	790	878	960
	(h) Undistributed corporation profits (49a)	986	837	757	937	1,066	1,389	1,444
45	Less: Interest on the public debt (20a)	- 963	- 1,095	- 1,170	- 1,305	- 1,423	- 1,526	- 1,635
46	To non-residents, interest and dividends received from:							
	(a) Business (33a)	567	523	630	646	686	790	837
	(b) Government (35)	104	130	140	148	174	188	211
47	Totals	5,989	6,003	6,281	6,861	7,512	8,346	9,050

¹ See footnote 2, Table 50.

TABLE 17. National Saving Account, 1959-65
Source

Item No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
48	Personal net saving (10)	1,357	1,535	1,545	2,317	2,531	2,059	2,927
49	Business gross saving:							
	(a) Undistributed corporation profits (44h)	986	837	757	937	1,066	1,389	1,444
	(b) Capital consumption allowances and miscellaneous valuation adjustments ¹ (29c)	4,204	4,423	4,540	4,892	5,198	5,600	6,110
	(c) Adjustment on grain transactions (28d)	- 5	9	30	6	139	111	- 44
	(d) Capital assistance (20c)			6	27	61	82	84
50	Inventory valuation adjustment (28f)	- 122	- 70	- 89	- 130	- 200	- 131	- 325
51	Government surplus (+) or deficit (-) (22)	- 556	- 717	- 1,005	- 854	- 690	- 21	246
52	Residual error of estimate	- 30	- 39	- 15	- 263	- 243	- 6	- 105
53	Totals	5,834	5,978	5,769	6,932	7,862	9,083	10,337

¹ Includes capital consumption allowances of incorporated and unincorporated business as well as depreciation on dwellings. See also Table 51.

TABLE 18. National Saving Account, 1959-65
Disposition

Item No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
54	Business gross fixed capital formation: ¹							
	(a) New residential construction (24 ci)	1,734	1,443	1,458	1,577	1,707	2,021	2,124
	(b) New non-residential construction (24 cii)	2,589	2,577	2,683	2,638	2,835	3,358	3,955
	(c) New machinery and equipment (24 ciii)	2,571	2,672	2,494	2,745	3,049	3,724	4,345
55	Value of physical change in inventories (24 d)	357	410	30	532	535	386	948
56	Surplus (+) or deficit (-) on current account with non-residents ² (36)	- 1,448	- 1,164	- 911	- 823	- 507	- 412	- 1,141
57	Residual error of estimate	31	40	15	263	243	6	106
58	Totals	5,834	5,978	5,769	6,932	7,862	9,083	10,337

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, 1959-65
National Income and Gross National Product

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
	Income originating in:							
1	Personal sector	680	789	903	1,001	1,113	1,241	1,399
2	Wages, salaries, and supplementary labour income	680	789	903	1,001	1,113	1,241	1,399
3	Business sector	23,264	23,854	24,312	26,395	28,282	30,492	33,471
4	Wages, salaries, and supplementary labour income	14,248	14,695	15,047	15,969	16,928	18,406	20,539
5	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents)	5,807	5,830	6,072	6,659	7,282	8,033	8,735
6	Net income received by farm operators from farm production	1,126	1,177	978	1,490	1,582	1,353	1,689
7	Adjustment on grain transactions	- 5	9	30	6	139	111	- 44
8	Net income of non-farm unincorporated business	2,210	2,213	2,274	2,401	2,551	2,720	2,877
9	Inventory valuation adjustment	- 122	- 70	- 89	- 130	- 200	- 131	- 325
10	Government sector	3,027	3,270	3,596	3,849	4,104	4,369	4,682
11	Wages, salaries, and supplementary labour income	2,531	2,761	3,046	3,263	3,506	3,786	4,095
12	Military pay and allowances	496	509	550	586	598	583	587
13	Non-residents' sector	- 489	- 480	- 561	- 592	- 630	- 665	- 733
	Interest and dividends paid by non-residents:							
14	(a) To Canadian corporations	89	72	92	77	80	174	153
15	(b) To other Canadian sectors	93	101	117	125	150	139	162
	Less interest and dividends received by non-residents:							
16	(a) From Canadian business	- 567	- 523	- 630	- 646	- 686	- 790	- 837
17	(b) From Canadian governments	- 104	- 130	- 140	- 148	- 174	- 188	- 211
18	Net National Income at factor cost	26,482	27,433	28,250	30,653	32,869	35,437	38,819
19	Capital consumption allowances and miscellaneous valuation adjustments	4,204	4,423	4,540	4,892	5,198	5,600	6,110
20	Indirect taxes	4,464	4,705	4,947	5,585	5,911	6,695	7,482
21	Less subsidies	- 205	- 235	- 251	- 292	- 311	- 323	- 310
22	Residual error of estimate	- 30	- 39	- 15	- 263	- 243	- 6	- 105
23	Gross National Product at market prices	34,915	36,287	37,471	40,575	43,424	47,403	51,996

TABLE 20. Sector Accounts Consolidation, 1959-65
Gross National Expenditure

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
1	Personal expenditure on consumer goods and services	22,591	23,540	24,466	25,926	27,487	29,666	32,063
2	Purchases from business	21,184	21,993	22,785	24,188	25,653	27,582	29,731
3	Purchases of direct services	680	789	903	1,001	1,113	1,241	1,399
4	Purchases from non-residents	727	758	778	737	721	843	933
5	Government expenditure on goods and services	6,490	6,769	7,236	7,717	8,075	8,654	9,596
6	Purchases from business	3,463	3,499	3,640	3,868	3,971	4,285	4,914
7	Wages and salaries	2,531	2,761	3,046	3,263	3,506	3,786	4,095
8	Military pay and allowances	496	509	550	586	598	583	587
9	Business gross fixed capital formation	6,894	6,692	6,635	6,960	7,591	9,103	10,424
10	New residential construction	1,734	1,443	1,458	1,577	1,707	2,021	2,124
11	New non-residential construction	2,589	2,577	2,683	2,638	2,835	3,358	3,955
12	New machinery and equipment	2,571	2,672	2,494	2,745	3,049	3,724	4,345
13	Value of physical change in inventories	357	410	30	532	535	386	948
14	Exports of goods and services	6,683	7,008	7,631	8,259	9,111	10,507	11,156
15	Payments to Canadian business	6,590	6,907	7,514	8,134	8,961	10,368	10,994
16	Payments to other sectors	93	101	117	125	150	139	162
17	Imports of goods and services	- 8,131	- 8,172	- 8,542	- 9,082	- 9,618	- 10,919	- 12,297
18	Receipts from Canadian business	- 7,300	- 7,284	- 7,624	- 8,197	- 8,723	- 9,888	- 11,153
19	Receipts from persons	- 727	- 758	- 778	- 737	- 721	- 843	- 933
20	Receipts from government	- 104	- 130	- 140	- 148	- 174	- 188	- 211
21	Residual error of estimate	31	40	15	263	243	6	109
22	Gross National Expenditure at market prices	34,915	36,287	37,471	40,575	43,424	47,403	51,996

SECTION B

INDUSTRIAL DISTRIBUTION OF GROSS DOMESTIC
PRODUCT AND OTHER AGGREGATES

TABLE 21. Gross Domestic Product at Factor Cost, by Industry, 1959-65¹

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Agriculture	1,660	1,745	1,581	2,090	2,346	2,126	2,346
2	Forestry	380	403	355	377	397	428	481
3	Fishing and trapping	95	91	100	117	116	132	137
4	Mining, quarrying, and oil wells	1,340	1,433	1,445	1,561	1,660	1,778	1,940
5	Manufacturing	8,286	8,427	8,501	9,355	10,026	11,053	12,015
6	Construction	1,872	1,745	1,823	1,917	1,987	2,183	2,611
7	Transportation	2,133	2,103	2,170	2,233	2,368	2,588	2,791
8	Storage	88	89	85	84	100	105	111
9	Communication	686	744	796	871	932	1,030	1,122
10	Electric power, gas, and water utilities	998	1,070	1,139	1,204	1,272	1,356	1,477
11	Wholesale trade	1,487	1,506	1,547	1,661	1,759	1,935	2,116
12	Retail trade	2,924	3,016	3,106	3,237	3,450	3,728	4,015
13	Finance, insurance, and real estate ²	3,175	3,383	3,532	3,696	3,933	4,216	4,567
14	Public administration and defence	2,201	2,342	2,516	2,661	2,806	2,939	3,111
15	Service	3,850	4,239	4,655	5,073	5,545	6,105	6,822
16	Totals	31,175	32,336	33,351	36,137	38,697	41,702	45,662

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 a 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 34 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, 1959-65¹

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Agriculture	182	192	195	201	209	215	220
2	Forestry	307	344	304	321	330	366	403
3	Fishing and trapping	23	22	25	28	28	32	34
4	Mining, quarrying, and oil wells	587	600	579	596	609	639	719
5	Manufacturing	5,302	5,474	5,533	5,935	6,286	6,832	7,528
6	Construction	1,309	1,250	1,288	1,393	1,457	1,622	2,003
7	Transportation	1,383	1,377	1,409	1,435	1,488	1,580	1,709
8	Storage	61	60	60	61	70	74	80
9	Communication	427	453	476	502	544	570	626
10	Electric power, gas, and water utilities	345	356	371	393	412	436	471
11	Wholesale trade	1,019	1,074	1,110	1,174	1,255	1,364	1,518
12	Retail trade	1,592	1,658	1,722	1,801	1,931	2,095	2,302
13	Finance, insurance, and real estate	771	819	877	933	1,001	1,092	1,182
14	Public administration and defence ¹	2,201	2,342	2,516	2,661	2,806	2,939	3,111
15	Service	2,446	2,733	3,081	3,385	3,719	4,160	4,714
16	Totals	17,955	18,754	19,546	20,819	22,145	24,016	26,620

¹ Includes military pay and allowances.

TABLE 23. Investment Income, by Industry, 1959-65¹

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
1	Agriculture	54	57	60	71	80	90	100
2	Forestry	11	5	13	11	14	16	14
3	Fishing and trapping	—	—	—	—	—	—	—
4	Mining, quarrying, and oil wells	346	365	374	414	468	565	616
5	Manufacturing	1,742	1,620	1,644	1,937	2,167	2,339	2,492
6	Construction	133	98	117	91	83	91	113
7	Transportation	199	183	189	202	292	385	439
8	Storage	15	15	13	12	16	17	17
9	Communication	145	165	180	212	213	269	287
10	Electric power, gas, and water utilities	411	443	483	519	536	579	654
11	Wholesale trade	305	267	262	305	335	391	428
12	Retail trade	459	422	426	472	518	547	615
13	Finance, insurance, and real estate	1,708	1,895	1,996	2,051	2,165	2,313	2,484
14	Public administration and defence	—	—	—	—	—	—	—
15	Service	279	295	315	362	395	431	476
16	Totals	5,807	5,830	6,072	6,659	7,282	8,033	8,735

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, 1959-65

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
1	Agriculture	1,121	1,186	1,008	1,496	1,721	1,464	1,645
2	Forestry	29	31	31	31	33	31	27
3	Fishing and trapping	47	43	46	56	54	61	62
4	Mining, quarrying, and oil wells	6	6	6	7	7	7	7
5	Manufacturing	173	177	202	220	227	232	239
6	Construction	296	253	269	292	311	335	342
7	Transportation	79	81	84	79	88	93	99
8	Storage; communication; and electric power, gas, and water utilities	—	—	—	—	—	—	—
9	Retail trade	643	669	646	692	733	766	820
10	Wholesale trade	62	50	53	53	66	78	78
11	Finance, insurance, and real estate	70	61	69	59	61	70	76
12	Service	805	842	868	912	971	1,047	1,127
13	Totals	3,331	3,399	3,282	3,897	4,272	4,184	4,522

TABLE 25. Business Gross Fixed Capital Formation, by Industry, 1959-65^{1,2}

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Agriculture ³	539	550	576	663	762	836	928
2	Fishing and trapping							
3	Forestry							
4	Mining, quarrying, and oil wells	342	400	449	480	521	632	687
5	Manufacturing	1,144	1,178	1,085	1,269	1,358	1,831	2,238
6	Construction	145	130	136	109	135	197	235
7	Transportation	746	704	645	490	566	730	810
8	Storage ⁴							
9	Communication							
10	Electric power, gas, and water utilities	766	688	706	720	763	892	1,141
11	Trade	363	381	307	319	338	368	368
12	Finance, insurance, and real estate ⁵	2,001	1,722	1,770	1,875	1,980	2,363	2,537
13	Service	475	508	571	596	673	740	923
14	Totals	6,894	6,692	6,635	6,960	7,591	9,103	10,424

¹ This table is derived from the publication *Private and Public Investment in Canada*. Additional detail has been provided by the Business Finance Division, DBS, and adjustments have been made to convert the data to national accounting concepts. (See reconciliation statement, Table 54.)

² Since 1960, industry detail is based on the revised (1960) Standard Industrial Classification and consequently figures prior to this year for the manufacturing and mining industries are not strictly comparable. For an indication of the magnitude of these changes, see *Private and Public Investment in Canada—Outlook 1962*, page 23.

³ Estimates for Agriculture from 1961 onward are based on the 1958 Farm Income and Expenditure Survey and the 1961 Census of Agriculture. The effect of this benchmark revision on years between 1951-1961 is not published at this time and consequently a break appears in the series between 1960 and 1961. The revised 1960 figure is \$606 million.

⁴ Prior to 1954 grain elevators were included with the electric power, gas and water utilities group. Details for reconciliation of the groups may be found in *Private and Public Investment in Canada* publications.

⁵ Includes new residential construction.

TABLE 26. Value of Physical Change in Inventories, by Industry, 1959-65

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Agriculture	- 76	16	- 278	176	311	- 99	56
2	Forestry	27	3	- 13	- 16	- 3	- 3	14
3	Fishing and trapping	-	-	-	-	-	-	-
4	Mining, quarrying, and oil wells	- 2	5	10	5	- 20	- 13	37
5	Manufacturing	151	137	271	206	64	235	442
6	Construction	11	- 9	3	14	27	26	29
7	Transportation	6	- 26	- 13	- 4	- 15	12	12
8	Storage							
9	Communication							
10	Electric power, gas, and water utilities	- 18	5	- 11	-	11	- 2	- 3
Trade:								
11	Grain in commercial channels	12	69	- 131	46	- 20	- 31	- 13
12	Wholesale (excluding grain in commercial channels)	123	18	79	- 24	33	65	118
13	Retail	123	192	110	127	141	192	249
14	Finance, insurance, and real estate	-	-	3	2	6	4	7
15	Service							
16	Totals	357	410	30	532	535	386	948

TABLE 27. Corporation Profits, by Industry, 1959-65

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
1	Agriculture	11	5	15	13	18	19	18
2	Forestry							
3	Fishing and trapping							
4	Mining, quarrying, and oil wells	326	348	361	406	458	604	602
5	Manufacturing	1,658	1,516	1,555	1,816	2,045	2,223	2,371
6	Construction	113	78	94	63	55	60	78
7	Transportation	134	132	126	125	205	284	306
8	Storage	15	14	12	12	15	16	16
9	Communication	116	129	137	157	164	190	214
10	Electric power, gas, and water utilities	72	85	87	96	75	74	92
11	Wholesale trade	272	228	222	262	292	345	378
12	Retail trade	256	212	213	233	257	272	312
13	Finance, insurance, and real estate	446	510	530	543	499	607	660
14	Service	85	81	75	93	105	125	152
15	Totals ¹	3,504	3,338	3,427	3,819	4,188	4,819	5,199

¹ For an analysis of total corporation profits, see Table 50.

SECTION C

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME

TABLE 28. Personal Income, Geographical Distribution, 1959-65¹

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
1	Newfoundland	363	395	428	449	484	523	584
2	Prince Edward Island	93	102	101	111	118	132	148
3	Nova Scotia	804	848	882	934	981	1,041	1,130
4	New Brunswick	573	617	636	674	708	777	857
5	Quebec	6,353	6,736	7,272	7,803	8,254	8,980	9,926
6	Ontario	10,566	11,023	11,490	12,252	13,099	14,057	15,450
7	Manitoba	1,328	1,398	1,395	1,578	1,599	1,725	1,846
8	Saskatchewan	1,177	1,351	1,130	1,576	1,742	1,587	1,870
9	Alberta	1,932	2,006	2,125	2,333	2,455	2,571	2,867
10	British Columbia	2,755	2,850	2,953	3,139	3,366	3,628	4,080
11	Yukon and Northwest Territories	41	50	49	50	53	57	60
12	Foreign Countries ²	51	59	61	73	75	75	84
13	Canada	26,036	27,435	28,522	30,972	32,934	35,153	38,902

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

² Income of Canadians temporarily abroad, including pay and allowances of Canadian Armed Forces abroad.

TABLE 29. Personal Income per Person, Geographical Distribution, 1959-65

Line No.		1959	1960	1961	1962	1963	1964	1965
		dollars						
1	Newfoundland	823	882	934	955	1,006	1,065	1,173
2	Prince Edward Island	921	990	962	1,047	1,103	1,234	1,370
3	Nova Scotia	1,118	1,166	1,197	1,252	1,298	1,370	1,483
4	New Brunswick	985	1,048	1,064	1,110	1,153	1,259	1,374
5	Quebec	1,265	1,310	1,383	1,454	1,509	1,614	1,754
6	Ontario	1,770	1,804	1,843	1,932	2,031	2,134	2,296
7	Manitoba	1,490	1,543	1,513	1,688	1,683	1,801	1,919
8	Saskatchewan	1,298	1,477	1,222	1,695	1,867	1,683	1,966
9	Alberta	1,548	1,554	1,595	1,703	1,747	1,795	1,974
10	British Columbia	1,758	1,779	1,813	1,892	1,986	2,087	2,280
11	Yukon and Northwest Territories	1,206	1,389	1,324	1,282	1,359	1,390	1,500
12	Canada	1,489	1,535	1,564	1,668	1,743	1,827	1,988

TABLE 30. Personal Disposable Income,¹ Geographical Distribution, 1959 - 65

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
1	Newfoundland	347	375	406	424	458	492	550
2	Prince Edward Island	91	98	96	106	112	126	142
3	Nova Scotia	765	793	832	879	923	973	1,055
4	New Brunswick	532	574	597	633	664	726	799
5	Quebec	5,904	6,213	6,689	7,159	7,558	8,140	8,926
6	Ontario	9,569	9,908	10,312	10,992	11,759	12,482	13,667
7	Manitoba	1,224	1,285	1,273	1,447	1,464	1,569	1,672
8	Saskatchewan	1,100	1,269	1,040	1,471	1,625	1,456	1,720
9	Alberta	1,792	1,856	1,963	2,155	2,272	2,358	2,630
10	British Columbia	2,535	2,600	2,698	2,859	3,060	3,277	3,692
11	Yukon and Northwest Territories	38	45	44	45	48	51	53
12	Foreign countries ²	51	59	61	73	75	75	84
13	Canada	23,948	25,075	26,011	28,243	30,018	31,725	34,990

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, 1959 - 65

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
1	Newfoundland	236	260	286	297	326	356	408
2	Prince Edward Island	42	46	52	56	59	64	70
3	Nova Scotia	500	528	542	572	605	647	705
4	New Brunswick	362	384	404	426	450	492	548
5	Quebec	4,447	4,708	4,974	5,343	5,687	6,237	6,909
6	Ontario	7,349	7,608	7,889	8,420	8,995	9,782	10,833
7	Manitoba	829	870	897	939	987	1,040	1,118
8	Saskatchewan	603	621	634	666	698	742	808
9	Alberta	1,167	1,215	1,279	1,355	1,424	1,540	1,724
10	British Columbia	1,873	1,948	1,983	2,099	2,252	2,461	2,833
11	Yukon and Northwest Territories	38	44	42	44	45	51	54
12	Foreign countries	13	13	14	16	19	21	23
13	Canada	17,459	18,245	18,996	20,233	21,547	23,433	26,033

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, 1959 - 65**

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
1	Newfoundland	2	2	2	2	2	2	2
2	Prince Edward Island	12	13	6	6	6	13	18
3	Nova Scotia	13	13	13	11	10	6	9
4	New Brunswick	15	22	10	9	8	14	24
5	Quebec	182	178	181	175	161	145	164
6	Ontario	298	308	333	347	346	320	375
7	Manitoba	102	94	52	151	108	155	168
8	Saskatchewan	221	305	100	440	567	361	535
9	Alberta	228	192	224	282	309	272	331
10	British Columbia	53	50	57	67	65	65	63
11	Yukon and Northwest Territories	—	—	—	—	—	—	—
12	Canada	1,126	1,177	978	1,490	1,582	1,353	1,689

¹ This item differs from line 3, Table 1, by excluding 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,
1959 - 65**

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
1	Newfoundland	38	41	41	46	47	50	52
2	Prince Edward Island	13	13	13	13	14	15	17
3	Nova Scotia	84	86	89	91	96	103	110
4	New Brunswick	57	58	59	64	68	73	76
5	Quebec	500	496	522	559	595	633	666
6	Ontario	819	803	822	856	928	990	1,052
7	Manitoba	131	136	136	138	142	151	160
8	Saskatchewan	119	128	125	133	139	149	158
9	Alberta	181	194	194	213	217	229	242
10	British Columbia	266	255	270	286	302	324	341
11	Yukon and Northwest Territories	2	3	3	2	3	3	3
12	Canada	2,210	2,213	2,274	2,401	2,551	2,720	2,877

TABLE 34. Interest, Dividends, and Net Rental Income of Persons, Geographical Distribution, 1959 - 65

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
1	Newfoundland	22	23	25	26	28	30	31
2	Prince Edward Island	8	8	8	9	10	10	11
3	Nova Scotia	64	72	74	82	90	96	104
4	New Brunswick	46	49	49	54	58	63	68
5	Quebec	612	683	732	775	850	928	1,009
6	Ontario	1,177	1,314	1,384	1,499	1,614	1,689	1,832
7	Manitoba	121	137	143	160	174	181	193
8	Saskatchewan	91	112	100	136	163	148	169
9	Alberta	171	181	200	225	241	251	271
10	British Columbia	286	302	314	338	387	402	440
11	Yukon and Northwest Territories	1	1	1	1	1	1	1
12	Canada	2,599	2,882	3,030	3,305	3,616	3,799	4,129

TABLE 35. Government Transfer Payments, excluding Interest, Geographical Distribution, 1959 - 65

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
1	Newfoundland	67	73	78	82	86	92	101
2	Prince Edward Island	16	20	20	23	24	25	27
3	Nova Scotia	115	126	135	146	150	163	174
4	New Brunswick	95	108	119	125	128	141	147
5	Quebec	681	776	966	1,053	1,074	1,163	1,314
6	Ontario	956	1,051	1,132	1,202	1,300	1,387	1,497
7	Manitoba	147	172	177	200	198	211	222
8	Saskatchewan	154	198	185	216	190	205	219
9	Alberta	199	241	243	272	280	302	328
10	British Columbia	323	351	382	402	413	440	469
11	Yukon and Northwest Territories	2	4	4	4	5	4	4
12	Foreign countries	—	—	—	—	—	—	—
13	Canada	2,755	3,120	3,441	3,725	3,848	4,133	4,502

SECTION D
GOVERNMENT SUPPLEMENTARY TABLES

TABLE 36. Government Revenue and Expenditure, by Level of Government, 1959 - 65¹
 Revenue

Line No.		1959	1960	1961	1962	1963	1964	1965	1966
		millions of dollars							
1	Direct taxes - Persons	2,088	2,360	2,511	2,729	2,916	3,428	3,912	4434
2	Federal	1,770	2,017	2,132	2,088	2,193	2,558	2,715	2955
3	Provincial	297	320	353	611	692	839	1,166	1448
4	Municipal	21	23	26	30	31	31	31	31
5	Direct taxes - Corporations ²	1,581	1,544	1,612	1,710	1,827	1,996	2,164	2190
6	Federal	1,310	1,266	1,311	1,279	1,362	1,498	1,623	1642
7	Provincial ³	271	278	301	431	465	498	541	548
8	Withholding taxes - Federal	74	79	116	125	127	140	168	203
9	Indirect taxes	4,464	4,705	4,947	5,585	5,911	6,695	7,482	8277
10	Federal	2,125	2,180	2,190	2,401	2,451	2,847	3,247	3577
11	Provincial	1,043	1,090	1,233	1,535	1,663	1,947	2,214	2525
12	Municipal	1,296	1,435	1,524	1,649	1,797	1,901	2,021	2175
13	Investment income	998	1,063	1,126	1,251	1,395	1,526	1,688	1860
14	Federal	350	382	409	448	510	570	618	613
15	Provincial	413	437	461	511	564	612	708	808
16	Municipal	235	244	256	292	321	344	362	389
17	Employer and employee contributions to social insurance and government pension funds	652	751	787	812	852	912	959	1816
18	Federal	414	487	510	518	534	574	602	681
19	Provincial	216	240	251	265	286	305	324	383
20	Municipal	22	24	26	29	32	33	33	38
	Canada Pension Plan								531
	Quebec Pension Plan								183
21	Transfers from other levels of government	1,526	1,725	1,985	2,212	2,334	2,549	2,881	3375
22	Provinces - From Canada	856	962	1,095	1,090	1,117	1,199	1,365	1556
23	From municipalities	24	17	15	15	17	17	18	25
24	Municipalities - From Canada	24	32	33	44	52	53	62	103
25	From provinces	622	714	842	1,063	1,148	1,280	1,436	1691
26	Total revenue	11,383	12,227	13,084	14,424	15,362	17,246	19,254	22155
27	Federal	6,043	6,411	6,668	6,859	7,177	8,187	8,973	9721
28	Provincial	3,120	3,344	3,709	4,458	4,804	5,417	6,336	7293
29	Municipal	2,220	2,472	2,707	3,107	3,381	3,642	3,945	4427
	Canada Pension Plan								531
	Quebec Pension Plan								183

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.

³ See footnote 2, Table 50.

TABLE 37. Government Revenue and Expenditure, by Level of Government, 1959-65¹ 66
Expenditure

Line No.		1959	1960	1961	1962	1963	1964	1965	1966
millions of dollars									
1	Goods and services	6,490	6,769	7,236	7,717	8,075	8,654	9,596	11,169
2	Federal ²	2,832	2,730	2,982	3,025	2,934	3,046	3,267	3,880
3	Provincial	1,349	1,465	1,467	1,563	1,725	1,929	2,234	2,729
4	Municipal	2,309	2,574	2,787	3,129	3,416	3,679	4,095	4,560
5	Transfer payments to persons (excluding interest on the public debt)	2,755	3,120	3,441	3,725	3,848	4,133	4,502	5,006
6	Federal	1,791	1,976	2,006	2,112	2,133	2,239	2,316	2,478
7	Provincial	895	1,067	1,332	1,515	1,612	1,792	2,081	2,418
8	Municipal	69	77	103	98	103	102	105	110
9	Interest on the public debt	963	1,095	1,170	1,305	1,423	1,526	1,635	1,789
10	Federal ³	678	753	786	866	935	995	1,052	1,151
11	Provincial	126	148	166	192	224	249	282	318
12	Municipal	159	194	218	247	264	282	301	320
13	Subsidies	205	235	251	292	311	323	310	477
14	Federal	189	209	221	260	275	277	259	370
15	Provincial	16	26	30	32	36	46	51	107
16	Capital assistance - Federal	-	-	6	27	61	82	84	59
17	Transfers to other levels of government	1,526	1,725	1,985	2,212	2,334	2,549	2,881	3,375
18	Canada - To provinces	856	962	1,095	1,090	1,117	1,199	1,365	1,556
19	To municipalities	24	32	33	44	52	53	62	103
20	Provinces - To municipalities	622	714	842	1,063	1,148	1,280	1,436	1,691
21	Municipalities - To provinces	24	17	15	15	17	17	18	25
22	Total expenditure	11,939	12,944	14,089	15,278	16,052	17,267	19,008	21,875
23	Federal	6,370	6,662	7,129	7,424	7,507	7,891	8,405	9,597
24	Provincial	3,008	3,420	3,837	4,365	4,745	5,296	6,084	7,263
25	Municipal	2,561	2,862	3,123	3,489	3,800	4,080	4,519	5,015
26	Deficit (-) or surplus (+)	- 556	- 717	- 1,005	- 854	- 690	- 21	246	280
27	Federal ⁴	- 327	- 251	- 461	- 565	- 330	296	568	124
28	Provincial	- 112	- 76	- 128	- 93	- 59	121	252	30
29	Municipal	- 341	- 390	- 416	- 382	- 419	- 438	- 574	- 588
30	Total expenditure minus deficit (or plus surplus)	11,383	12,227	13,084	14,424	15,362	17,246	19,254	22,155
31	Federal	6,043	6,411	6,668	6,859	7,177	8,187	8,973	9,721
32	Provincial	3,120	3,344	3,709	4,458	4,804	5,417	6,336	7,293
33	Municipal	2,220	2,472	2,707	3,107	3,381	3,642	3,945	4,427

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: 1959, \$1,559 million; 1960, \$1,546 million; 1961, \$1,613 million; 1962, \$1,680 million; 1963, \$1,572 million; 1964, \$1,584 million; 1965, \$1,562 million; 1966, \$1,713 million.

³ From 1960 interest on the federal public debt is on an accrual basis; prior to 1960 it is on a "due date" basis.

⁴ For the difference between this item and the conventional budgetary surplus or deficit, see reconciliation Table 53.

TABLE 38. Direct Taxes - Persons, 1959-65¹ 66

Line No.		1959	1960	1961	1962	1963	1964	1965	1966
millions of dollars									
Federal:									
1	Income	1,692	1,917	2,050	1,994	2,102	2,465	2,612	2,846
2	Succession duties and estate taxes	76	97	80	93	89	91	101	106
3	Miscellaneous	2	3	2	1	2	2	2	3
4	Totals	1,770	2,017	2,132	2,088	2,193	2,558	2,715	2,955
Provincial:									
5	Income	52	62	75	322	385	492	743	1,008
6	Motor vehicle licences and permits ¹	58	63	69	72	76	87	105	98
7	Succession duties	54	61	66	72	82	88	108	122
8	Hospital insurance premiums	113	113	122	122	125	146	182	188
9	Miscellaneous	20	21	21	23	24	26	28	32
10	Totals	297	320	353	611	692	839	1,166	1,448
11	Municipal - Miscellaneous	21	23	26	30	31	31	31	31
12	Grand totals	2,088	2,360	2,511	2,729	2,916	3,428	3,912	4,434

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

TABLE 39. Direct Taxes — Corporations, 1959-65 66

Line No.		1959	1960	1961	1962	1963	1964	1965	1966
		millions of dollars							
1	Federal — Income	1,310	1,266	1,311	1,279	1,362	1,498	1,623	1,642
	Provincial:								
2	Income ¹	253	251	276	400	428	457	495	493
3	Tax on mining and logging profits	18	27	25	31	37	41	46	55
4	Totals	271	278	301	431	465	498	541	548
5	Grand totals	1,581	1,544	1,612	1,710	1,827	1,996	2,164	2,190

¹ See footnote 2, Table 50.

TABLE 40. Indirect Taxes, 1959-65 66

Line No.		1959	1960	1961	1962	1963	1964	1965	1966
		millions of dollars							
	Federal:								
1	Banks and insurance companies	—	—	—	—	—	—	—	—
2	Customs import duties	520	515	515	636	577	624	665	760
3	Excise duties	332	345	358	379	393	408	431	466
4	Excise taxes	1,255	1,304	1,302	1,369	1,462	1,794	2,129	2,322
5	Miscellaneous	18	16	15	17	19	21	22	30
6	Totals	2,125	2,180	2,190	2,401	2,451	2,847	3,247	3,577
	Provincial:								
7	Amusement	22	23	24	26	27	31	33	39
8	Corporation tax (not on profits)	28	22	23	22	23	27	28	40
9	Gasoline	380	398	430	473	522	595	661	728
10	Licences, fees, and permits	29	28	33	35	36	41	45	44
11	Motor vehicle licences and permits ¹	91	101	109	114	120	129	149	153
12	Miscellaneous taxes on natural resources	132	137	133	152	159	188	214	219
13	Real property	8	8	9	9	10	11	11	12
14	Retail sales tax (including liquor and tobacco)	230	238	317	530	577	719	835	1,026
15	Miscellaneous	123	135	155	174	189	206	238	264
16	Totals	1,043	1,090	1,233	1,535	1,663	1,947	2,214	2,525
	Municipal:								
17	Amusement	2	2	2	2	2	2	2	2
18	Licences, fees, and permits	33	35	33	33	36	38	38	40
19	Real property	1,048	1,159	1,251	1,375	1,502	1,631	1,755	1,892
20	Retail sales tax	74	82	68	54	60	20	3	3
21	Miscellaneous	139	157	170	185	197	210	223	238
22	Totals	1,296	1,435	1,524	1,649	1,797	1,901	2,021	2,175
23	Grand totals	4,464	4,705	4,947	5,585	5,911	6,695	7,482	8,275

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

TABLE 41. Government Investment Income, 1959-65

Line No.		1959	1960	1961	1962	1963	1964	1965	1966
		millions of dollars							
	Federal:								
1	Interest on government-held public funds	104	106	114	122	139	152	177	198
2	Interest on loans, advances and investments	128	147	151	166	184	186	193	257
3	Profits (net of losses) of government business enterprises	118	129	144	160	187	232	248	208
4	Totals	350	382	409	448	510	570	618	663
	Provincial:								
5	Interest on government-held public funds	60	67	74	84	98	110	125	146
6	Interest on loans, advances and investments	77	90	87	98	106	113	137	167
7	Profits (net of losses) of government business enterprises	276	280	300	329	360	389	446	495
8	Totals	413	437	461	511	564	612	708	808
	Municipal:								
9	Interest on government-held public funds	12	14	16	19	23	25	27	30
10	Interest on loans, advances and investments	34	39	41	47	55	62	69	75
11	Profits (net of losses) of government business enterprises	189	191	199	226	243	257	266	284
12	Totals	235	244	256	292	321	344	362	389
13	Grand totals	998	1,063	1,126	1,251	1,395	1,526	1,688	1,860

TABLE 42. Employer and Employee Contributions to Social Insurance and Government Pension Funds, 1959-65

Line No.		1959	1960	1961	1962	1963	1964	1965	1966
		millions of dollars							
	Federal:								
1	Public service pensions	210	209	233	233	240	269	278	338
2	Unemployment insurance	204	278	277	285	294	305	324	343
3	Totals	414	487	510	518	534	574	602	681
	Provincial:								
4	Public service pensions	90	105	114	125	141	155	167	208
5	Workmen's compensation	105	114	118	125	132	137	143	163
6	Industrial employees' vacations	21	21	19	15	13	13	14	12
7	Totals	216	240	251	265	286	305	324	383
8	Municipal - Public service pensions	22	24	26	29	32	33	33	38
9	Grand totals	652	751	787	812	852	912	959	1,016

TABLE 43. Government Expenditure on Goods and Services, 1959-65 66

Line No.		1959	1960	1961	1962	1963	1964	1965	1966
		millions of dollars							
	Federal:								
1	Wages, salaries, and supplementary labour income	894	937	1,024	1,064	1,121	1,187	1,256	1 435
2	Military pay and allowances	496	509	550	566	598	583	587	6 21
3	Other purchases of goods and services	1,442	1,284	1,408	1,375	1,215	1,276	1,424	1 824
4	Totals¹	2,832	2,730	2,982	3,025	2,934	3,046	3,267	3 880
	Provincial:								
5	Wages, salaries, and supplementary labour income	557	615	654	702	757	826	911	1 030
6	Other purchases of goods and services	792	850	813	861	968	1,103	1,323	1 699
7	Totals¹	1,349	1,465	1,467	1,563	1,725	1,929	2,234	2 729
	Municipal:								
8	Wages, salaries, and supplementary labour income	1,080	1,209	1,368	1,497	1,628	1,773	1,928	2 109
9	Other purchases of goods and services	1,229	1,365	1,419	1,632	1,788	1,906	2,167	2 451
10	Totals¹	2,309	2,574	2,787	3,129	3,416	3,679	4,095	4 560
11	Grand totals	6,490	6,769	7,236	7,717	8,075	8,654	9,596	11 169

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:

	1959	1960	1961	1962	1963	1964	1965	1966
	millions of dollars							
Federal	407	372	383	348	279	299	409	
Provincial	568	612	547	624	659	776	1,001	
Municipal	548	586	607	783	864	766	964	
Totals	1,523	1,570	1,537	1,755	1,802	1,841	2,374	

TABLE 44. Government Transfer Payments, including Interest, 1959-65 66

Line No.		1959	1960	1961	1962	1963	1964	1965	1966
		millions of dollars							
	Federal:								
1	Family and youth allowances	487	502	517	529	537	559	597	6 02
2	Re-establishment credits	2	3	2	1	—	—	—	—
3	Rehabilitation benefits	1	1	1	1	1	1	1	2
4	Pensions World Wars I and II ¹	137	136	158	162	160	162	171	176
5	War veterans' allowances	62	64	76	87	89	95	108	109
6	Unemployment insurance benefits	406	482	494	409	394	344	312	295
7	Prairie farm assistance act	21	25	35	30	15	9	11	5
8	Pensions to government employees	56	61	66	76	82	99	109	125
9	Interest on the public debt	678	753	786	666	935	995	1,052	1 151
10	Old age security fund payments ¹	571	587	597	713	767	671	890	994
11	Payments to western grain producers	2	40	—	40	—	—	—	—
12	Grants to universities ¹	—	29	16	19	26	27	27	57
13	Assistance to immigrants	2	2	2	1	2	2	2	5
14	Miscellaneous	44	44	42	44	60	70	88	108
15	Totals	2,469	2,729	2,792	2,978	3,068	3,234	3,368	3 629
	Provincial:								
16	Direct relief	17	24	34	39	49	56	69	84
17	Workmen's compensation benefits	85	92	94	104	111	116	125	150
18	Old age and blind pensions	80	80	82	103	103	116	125	107
19	Mothers' and disabled persons allowances	73	73	72	81	79	93	94	108
20	Pensions to government employees	35	42	48	55	62	69	76	94
21	Grants to private non-commercial institutions	567	706	952	1,075	1,149	1,276	1,513	1 775
22	Interest on the public debt	126	148	166	192	224	249	282	318
23	Miscellaneous	38	50	50	58	59	64	79	100
24	Totals	1,021	1,215	1,498	1,707	1,836	2,041	2,363	2 726
	Municipal:								
25	Direct relief	44	53	70	69	73	74	77	79
26	Pensions to government employees	7	8	9	10	11	13	13	15
27	Grants to private non-commercial institutions	18	16	24	19	19	15	15	16
28	Interest on the public debt	159	194	218	247	264	262	301	340
29	Totals	228	271	321	345	367	384	406	430
30	Grand totals	3,718	4,215	4,611	5,030	5,271	5,659	6,137	6 795

¹ Excludes pensions paid to non-residents, which are treated as government expenditure on goods and services.

² These consist only of grants made on a per capita basis.

TABLE 45. Subsidies, 1959-65-66

Line No.		1959	1960	1961	1962	1963	1964	1965	1966
		millions of dollars							
	Federal:								
	Agricultural:								
1	Freight assistance on western feed grains ...	22	20	18	14	17	20	20	21
2	Hog premiums	8	7	7	7	7	8	9	9
3	Agricultural commodities stabilization board-loss	58	53	22	72	74	56	44	16
4	Assistance re-storage costs on grain	42	46	46	44	36	39	33	33
5	Miscellaneous	—	2	2	1	2	2	19	61
6	Sub-totals	130	128	95	138	136	125	125	140
	Other subsidies:								
7	Emergency gold mines assistance	13	12	12	14	15	15	14	15
8	Maritime Freight Rates Act	14	14	13	13	11	17	10	20
9	Movement of coal	13	17	17	18	19	20	26	32
10	Miscellaneous	19	38	84	77	94	100	84	163
11	Sub-totals	59	81	126	122	139	152	134	230
12	Total federal subsidies	189	209	221	260	275	277	259	370
13	Total provincial subsidies	16	26	30	32	36	46	51	107
14	Grand totals	205	235	251	292	311	323	310	477

TABLE 46. Transfers to Other Levels of Government, 1959-65-66

Line No.		1959	1960	1961	1962	1963	1964	1965	1966
		millions of dollars							
	Federal:								
	To provinces:								
1	Old age and blind pensions	35	35	35	40	43	49	39	25
2	Disabled persons allowances	16	16	16	19	20	23	18	15
3	Statutory grants	21	21	21	25	23	24	34	13
4	Taxation agreements ¹	464	507	510	304	215	283	407	498
5	Health grants	52	47	52	50	48	53	51	47
6	Trans-Canada highway	50	51	42	35	29	57	94	83
7	Government contribution under the Hospital Insurance and Diagnostic Services Act	130	171	265	317	376	415	346	383
8	Unemployment assistance	31	48	80	95	102	114	106	128
9	Technical and vocational training	9	8	10	145	181	90	123	188
10	Other	48	58	64	60	80	91	147	176
11	Sub-totals	856	962	1,095	1,090	1,117	1,199	1,365	1,556
	To municipalities:								
12	Payments to municipalities	24	32	33	44	52	53	62	103
13	Totals	880	994	1,128	1,134	1,169	1,252	1,427	1,659
14	Provincial - To municipalities	622	714	842	1,063	1,148	1,280	1,436	1,691
15	Municipal - To provinces	24	17	15	15	17	17	18	25
16	Grand totals	1,526	1,725	1,985	2,212	2,334	2,549	2,881	3,375

¹ These data are after deduction of refunds to the federal government by the provinces on account of succession duty credits pursuant to the Tax Rental Agreements Act. These amounted to \$12 million in 1959, \$3 million in 1960, \$3 million in 1961, \$2 million in 1962, \$5 million in 1963, and \$1 million in 1964.

SECTION E
MISCELLANEOUS TABLES

TABLE 47. Personal Expenditure on Consumer Goods and Services, 1959-65

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Food	5,465	5,713	5,829	6,123	6,414	6,724	7,114
2	Tobacco and alcoholic beverages	1,552	1,606	1,683	1,782	1,840	1,911	2,079
3	Tobacco products and smokers' accessories	683	702	744	785	800	814	881
4	Alcoholic beverages	869	904	939	997	1,040	1,097	1,198
5	Clothing and personal furnishings	2,267	2,355	2,432	2,526	2,643	2,803	2,972
6	Men's and boys' clothing	500	521	533	567	603	648	696
7	Women's and children's clothing	967	998	1,028	1,069	1,118	1,191	1,261
8	Footwear	284	307	311	326	330	340	358
9	Laundry and dry cleaning	180	182	193	197	206	221	236
10	Other	336	347	367	367	386	403	421
11	Shelter¹	3,442	3,621	3,812	3,996	4,323	4,595	4,907
12	Gross rents paid by tenants	925	977	1,030	1,079	1,177	1,260	1,362
13	Expenses (taxes, insurance, etc.) paid by owner-occupants	1,270	1,377	1,501	1,641	1,772	1,922	2,063
14	Net imputed residential rent and imputed residential capital consumption allowances	999	1,018	1,029	1,007	1,089	1,115	1,165
15	Other	248	249	252	269	285	298	317
16	Household operation	2,873	2,919	3,032	3,202	3,352	3,576	3,836
17	Fuel	441	431	423	470	473	460	473
18	Electricity	306	326	347	366	384	401	419
19	Gas	93	108	123	140	153	171	188
20	Telephone	285	307	332	359	386	420	453
21	Furniture	324	307	314	328	338	358	381
22	Home furnishings	274	274	285	298	319	356	388
23	Appliances, radios and television sets	512	489	490	507	529	571	619
24	Other	638	677	718	734	770	839	915
25	Transportation	2,723	2,807	2,872	3,160	3,430	3,730	4,120
26	Street-car, railway and other fares	402	414	418	446	459	483	537
27	New automobiles, used automobiles (net) and house trailers	1,233	1,257	1,262	1,441	1,648	1,846	2,107
28	Automotive operating expenses	1,088	1,136	1,192	1,273	1,323	1,401	1,476
29	Personal and medical care and death expenses	1,769	1,925	2,045	2,204	2,396	2,613	2,841
30	Medical and dental care	370	395	415	458	497	547	600
31	Hospital care, private duty nursing, accident and sickness insurance, prepaid medical care	719	818	906	995	1,118	1,250	1,376
32	Other	680	712	724	751	781	816	865
33	Miscellaneous	2,500	2,594	2,761	2,933	3,089	3,714	4,194
34	Motion picture theatres ²	68	65	62	61	64	69	76
35	Newspapers and magazines	220	227	242	253	261	285	308
36	Net expenditure abroad	255	252	209	90	29	84	87
37	Other	1,957	2,050	2,248	2,529	2,735	3,276	3,723
38	Grand totals	22,591	23,540	24,466	25,926	27,487	29,666	32,063
39	Durable goods	2,678	2,664	2,716	2,960	3,246	3,592	4,001
40	Major durable goods ³	2,344	2,327	2,351	2,574	2,834	3,131	3,494
41	Miscellaneous durable goods ⁴	334	337	365	386	412	461	507
42	Non-durable goods⁵	11,373	11,813	12,178	12,965	13,518	14,389	15,434
43	Services^{5,6}	8,540	9,063	9,572	10,001	10,723	11,685	12,628

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 The items electricity and gas (items 18 and 19 above) are now classified to non-durable goods and not to services. This treatment differs from that used in *National Accounts, Income and Expenditure, 1926-1956*.⁶ Includes net expenditure abroad.

**TABLE 48. Personal Expenditure on Consumer Goods and Services in Constant (1957) Dollars
1959 - 65^{1,2}**

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Food	5,314	5,535	5,593	5,759	5,873	6,063	6,240
2	Tobacco and alcoholic beverages	1,485	1,514	1,574	1,647	1,696	1,731	1,851
3	Clothing and personal furnishings	2,229	2,291	2,334	2,397	2,443	2,523	2,628
4	Shelter	3,281	3,419	3,588	3,749	4,039	4,270	4,523
5	Household operation ^{3,4}	2,808	2,851	2,972	3,124	3,253	3,452	3,674
6	Transportation	2,616	2,684	2,775	3,068	3,336	3,628	3,985
7	Personal and medical care and health expenses	1,650	1,760	1,856	1,952	2,078	2,203	2,315
8	Miscellaneous	2,328	2,348	2,413	2,477	2,542	2,976	3,246
9	Grand totals	21,711	22,402	23,105	24,173	25,260	26,846	28,462
10	Durable goods	2,592	2,582	2,686	2,935	3,208	3,585	4,005
11	Non-durable goods ^{3,4}	11,091	11,460	11,723	12,332	12,641	13,234	13,913
12	Services ^{3,4,5}	8,028	8,360	8,696	8,906	9,411	10,027	10,544

¹ These data are given on a 1949 time base in Table 58 in order to provide continuity with Table 48 in *National Accounts, Income and Expenditure, 1926-1956*, and Table 58 in *National Accounts, Income and Expenditure, 1962*.

² Annual data for the period from 1947 to 1954, on a 1957 time base, are available on request.

³ Personal expenditure on electricity and gas in constant (1957) dollars were as follows:

	1959	1960	1961	1962	1963	1964	1965
millions of dollars							
	395	424	457	494	524	560	599

⁴ See footnote 5, Table 47.

⁵ Includes net expenditure abroad.

TABLE 49. Imputed Items Included in Gross National Expenditure, 1959-65¹

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
Expenditure on consumer goods and services:								
Food:								
1	Farm consumed farm produce	171	173	157	157	160	158	171
2	Other ²	102	104	101	107	110	115	124
Shelter:								
3	Imputed net residential rent and imputed residential capital consumption allowances	999	1,018	1,029	1,007	1,089	1,115	1,165
4	Imputed lodging, non-residential ³	37	37	37	39	41	43	46
5	Other ⁴	206	242	256	261	275	299	323
6	Total of imputed items in consumer expenditure	1,515	1,574	1,580	1,571	1,675	1,730	1,829
Government expenditure on goods and services:								
7	Imputed gross rent on government-owned buildings	220	235	250	263	282	302	316
8	Total of imputed items	1,735	1,809	1,830	1,834	1,957	2,032	2,145

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 bunkhouses, 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, 1959-65

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Corporation profits before taxes and before dividends paid to non-residents.....	3,504	3,338	3,427	3,819	4,188	4,819	5,199
2	Deduct: Corporation income tax liabilities ^{1,2}	- 1,581	- 1,544	- 1,612	- 1,710	- 1,827	- 1,996	- 2,164
3	Federal excess of tax liabilities over collections	143	- 98	44	- 15	34	- 107	- 92
4	Provincial excess of tax liabilities over collections	13	- 24	17	72	18	6	- 11
5	Federal tax collections ³	1,167	1,364	1,267	1,294	1,328	1,605	1,715
6	Provincial tax collections	258	302	284	359	447	492	552
7	Corporation profits after taxes	1,923	1,794	1,815	2,109	2,361	2,823	3,035
8	Deduct: Dividends paid to non-residents	- 501	- 458	- 586	- 584	- 614	- 713	- 751
9	Corporation profits retained in Canada	1,422	1,336	1,229	1,525	1,747	2,110	2,284
10	Deduct: Dividends paid to Canadian persons	- 393	- 459	- 432	- 544	- 637	- 677	- 796
11	Charitable contributions from corporations	- 43	- 40	- 40	- 44	- 44	- 44	- 44
12	Undistributed corporation profits	986	837	757	937	1,066	1,389	1,444

¹ Includes elective tax on undistributed income of \$6 million in 1959 and 1960, \$5 million in 1961, \$7 million in 1962, \$6 million in 1963, \$9 million in 1964 and 1965.

² For the years prior to 1958, provincial corporation income taxes are on a collections basis; from 1958 on they are on a liabilities basis.

³ Federal tax collections now exclude taxes collected from the proprietary corporations of the federal government which became taxable in 1952. Adjusted estimates for the years 1955 *et seq.* were published for the first time in *National Accounts, Income and Expenditure, 1962*.

TABLE 51. Capital Consumption Allowances and Miscellaneous Valuation Adjustments by "Form of Organization", 1959-65

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Corporations	2,303	2,426	2,447	2,680	2,847	3,083	3,415
2	Individuals and unincorporated business	1,507	1,572	1,633	1,703	1,806	1,932	2,078
3	Government business enterprises	394	425	460	509	545	585	617
4	Capital consumption allowances and miscellaneous valuation adjustments ¹	4,204	4,423	4,540	4,892	5,198	5,600	6,110

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

1959	1960	1961	1962	1963	1964	1965
millions of dollars						
50	52	53	58	62	64	67

46
72
36

SECTION F
RECONCILIATION STATEMENTS

TABLE 52. Accrued Net Income of Farm Operators From Farm Production, 1959-65
Reconciliation Statement

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Net income of farm operators from farming operations ¹	1,199	1,340	1,075	1,628	1,655	1,432	1,785
2	Deduct: Amounts included in investment income ²	- 51	- 52	- 57	- 58	- 63	- 67	- 75
3	Deduct: Transfer payments ³	- 22	- 77	- 36	- 70	- 15	- 9	- 11
4	Other adjustments ⁴	-	- 34	- 4	- 10	5	- 3	- 10
5	Equals: Net income received by farm operators from farm production	1,126	1,177	978	1,490	1,582	1,353	1,689
6	Adjustment on grain transactions ⁵	- 5	9	30	6	139	111	- 44
7	Accrued net income of farm operators from farm production⁶	1,121	1,186	1,008	1,496	1,721	1,464	1,645

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

² 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. Includes payments made under the provisions of the Prairie Farm Assistance Act, Western Grain Producers' Acreage Payment Plan, Federal-Provincial Emergency Unthreshed Grain Assistance Act, and payments to P.E.I. potato growers for losses to the 1960 potato crop.

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 6, Table 1.

TABLE 53. Federal Government Surplus or Deficit, 1959-65
Reconciliation of Federal Government Transactions Related to the National Accounts with Public Accounts Data

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
Revenue								
1	Total budgetary revenue as per Public Accounts of Canada for fiscal years ended March 31	4,755	5,290	5,618	5,730	5,879	6,253	7,180
2	Adjustment of budgetary revenue from fiscal to a calendar year basis	425	286	86	151	166	762	396
3	Extra-budgetary revenues:							
4	Old Age Security tax collections	490	609	624	681	725	883	1,129
5	Prairie Farm Assistance Act levy	7	7	7	6	9	11	10
6	Unemployment insurance, employer and employee contributions	204	278	277	285	294	305	324
7	Government pension funds, employer and employee contributions	210	209	233	233	240	269	278
8	Interest receipts of social insurance and government pension funds	104	106	114	122	139	152	177
9	Excess of corporation tax accruals over collections	143	- 98	44	- 15	34	- 107	- 92
10	Profits before taxes (net of losses) of government business enterprises	118	129	144	160	187	232	248
11	Interest on loans, advances and investments	128	147	151	166	184	186	193
12	Less: Return on investments included in budgetary revenue	- 252	- 233	- 322	- 324	- 336	- 367	- 486
13	Less: Postal revenue	- 162	- 176	- 179	- 192	- 196	- 224	- 239
14	Budgetary revenue items offset against budgetary expenditures ¹	- 96	- 100	- 94	- 105	- 108	- 119	- 132
15	All other adjustments to budgetary revenue ²	- 31	- 43	- 35	- 41	- 40	- 49	- 13
15	Total revenue as per National Accounts	6,043	6,411	6,668	6,859	7,177	8,187	8,973
Expenditure								
16	Total budgetary expenditures as per Public Accounts of Canada for fiscal years ended March 31	5,364	5,703	5,958	6,521	6,570	6,872	7,218
17	Adjustment of budgetary expenditure from fiscal to a calendar year basis	391	211	332	- 7	107	296	288
18	Expenditures of extra-budgetary funds:							
19	Old Age Security fund payments	571	588	603	721	776	881	901
20	Unemployment insurance benefits	406	482	494	409	394	344	312
21	Government pension fund payments	56	61	66	76	82	99	109
22	Prairie Farm Assistance Act payments	21	25	35	30	15	9	11
23	Transfers to extra-budgetary funds	- 58	- 68	- 65	- 105	- 66	- 62	- 65
24	Adjustment to place other government funds and crown agencies on a disbursement basis ³	56	- 2	- 24	93	29	- 80	83
25	Budgetary expenditures offset against income of government business enterprises:							
26	Post Office expenditures	- 163	- 177	- 183	- 188	- 204	- 207	- 234
27	Deficits of government business enterprises	- 66	- 58	- 85	- 96	- 74	- 86	- 107
28	Reserves and write-offs	- 238	- 47	- 39	- 39	- 85	- 119	- 59
29	Budgetary revenue items offset against budgetary expenditure ¹	- 96	- 100	- 94	- 105	- 108	- 119	- 132
30	All other adjustments to budgetary expenditure	128	44	131	114	71	63	80
29	Total expenditure as per National Accounts	6,370	6,662	7,129	7,424	7,507	7,891	8,405
Surplus or deficit								
30	Budgetary surplus or deficit as per Public Accounts of Canada (line 1 minus line 16)	- 609	- 413	- 340	- 791	- 691	- 619	- 36
31	Difference of total adjustments to revenue and expenditure items above	282	162	- 121	226	361	915	606
32	Surplus or deficit as per National Accounts (line 15 minus line 29)	- 327	- 251	- 461	- 565	- 330	296	568

¹ The largest component of this item consists of revenue from sales of goods and services by the government sector. These sales appear as final expenditure of the private sector and are deducted to avoid double counting.

² These adjustments are largely revenue items excluded from the National Accounts such as proceeds from sales of existing assets.

³ This adjustment replaces budgetary appropriations to various funds and agencies by the outlays actually made by these funds and agencies.

TABLE 54. Business Gross Fixed Capital Formation, 1959-65
Reconciliation Statement

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
1	Total private and public investment in Canada¹	8,417	8,262	8,172	8,715	9,393	10,944	12,798
2	Deduct: New residential construction by governments ^{2,3}	- 18	- 13	- 9	- 10	- 6	- 7	- 9
3	New non-residential construction by governments ³	- 1,368	- 1,420	- 1,368	- 1,562	- 1,609	- 1,618	- 2,113
4	New machinery and equipment outlays by governments ³	- 137	- 137	- 160	- 183	- 187	- 216	- 252
5	Business gross fixed capital formation	6,894	6,692	6,635	6,960	7,591	9,103	10,424

¹ As published in the annual reports *Public and Private Investment in Canada-Outlook*.

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 5.

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

TABLE 55. Exports and Imports of Goods and Services, 1959-65¹
Reconciliation Statement

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
	Exports of goods and services:							
1	Merchandise exports	5,150	5,392	5,889	6,380	7,082	8,240	8,737
2	Gold production available for export	148	162	162	155	154	145	138
3	Interest and dividends received from non-residents	182	173	209	202	230	313	315
4	Other receipts from services rendered to non-residents	1,375	1,426	1,509	1,687	1,819	2,025	2,216
5	Sub-total: "Current receipts" as per <i>Canadian Balance of International Payments</i>	6,855	7,153	7,769	8,424	9,285	10,723	11,406
6	Adjustments—Mutual aid to NATO countries	- 63	- 43	- 35	- 41	- 23	- 47	- 39
7	Inheritances and immigrants' funds	- 109	- 102	- 103	- 124	- 151	- 169	- 211
8	Total "exports of goods and services" as per National Accounts²	6,683	7,008	7,631	8,259	9,111	10,507	11,156
	Imports of goods and services:							
9	Merchandise imports	5,572	5,540	5,716	6,203	6,579	7,540	8,636
10	Interest and dividends paid to non-residents	671	653	770	794	860	978	1,048
11	Other payments for services rendered by non-residents	2,116	2,203	2,265	2,301	2,388	2,638	2,858
12	Sub-total: "Current payments" as per <i>Canadian Balance of International Payments</i>	8,359	8,396	8,751	9,298	9,827	11,156	12,542
13	Adjustments—Mutual aid to NATO countries	- 63	- 43	- 35	- 41	- 23	- 47	- 39
14	Inheritances and emigrants' funds	- 165	- 181	- 174	- 175	- 186	- 190	- 206
15	Total "imports of goods and services" as per National Accounts²	8,131	8,172	8,542	9,082	9,618	10,919	12,297

¹ Data sources are mainly reports on the *Canadian Balance of International Payments* (National Accounts and Balance of Payments Division, Dominion Bureau of Statistics). Figures include mutual aid to NATO countries.

² See also Table 2.

TABLE 56. Gross National Expenditure in Constant (1949) Dollars, 1959-65¹

Line No.		1959	1960	1961	1962	1963	1964	1965
millions of dollars								
1	Personal expenditure on consumer goods and services	17,392	17,945	18,508	19,364	20,235	21,506	22,800
2	Government expenditure on goods and services	4,155	4,197	4,393	4,561	4,588	4,771	5,069
3	Current expenditure	3,055	3,067	3,227	3,274	3,317	3,478	3,551
4	Gross fixed capital formation	1,109	1,141	1,175	1,299	1,279	1,303	1,539
5	Adjusting entry	- 9	- 11	- 9	- 12	- 8	- 10	- 21
6	Business gross fixed capital formation	4,575	4,345	4,272	4,361	4,615	5,305	5,820
7	New residential construction	1,157	937	941	989	1,035	1,162	1,164
8	New non-residential construction	1,683	1,637	1,698	1,633	1,698	1,927	2,138
9	New machinery and equipment	1,735	1,770	1,627	1,738	1,882	2,215	2,519
10	Adjusting entry	-	1	6	1	-	1	- 1
11	Change in inventories	308	361	26	462	464	322	854
12	Non-farm business inventories	334	262	350	237	193	392	706
13	Farm inventories and grain in commercial channels	- 91	86	- 484	258	325	- 158	77
14	Adjusting entry	65	13	160	- 33	- 54	88	71
15	Exports of goods and services	5,574	5,806	6,224	6,534	7,118	8,051	8,452
16	Deduct: Imports of goods and services	- 6,776	- 6,743	- 6,845	- 6,992	- 7,188	- 8,064	- 9,042
17	Residual error of estimate	22	28	11	182	165	4	68
18	Adjusting entry	- 8	- 90	- 74	- 185	- 257	- 232	- 251
19	Gross National Expenditure in constant (1949) dollars	25,242	25,849	26,515	28,287	29,740	31,663	33,770
20	Index, line 19, 1949 = 100	154.4	158.2	162.2	173.1	182.0	193.7	206.6

¹ The price indexes from 1959 to 1965, shown in Table 6, were converted to a 1949 base using 1956 as the year of overlap between old and new series. They were then divided into the current dollar figures of Table 2, to give the constant (1949) dollar series shown above. This procedure was followed in the case of Gross National Expenditure, line 19, as well as the major components. It may be noted that this procedure yields year-to-year movements in the constant dollar series which are identical with those shown in Table 5. However, a small residual difference, produced by the change in the major group weighting pattern, is entered to make the components add up to the Gross National Expenditure in constant (1949) dollars as determined in this way.

TABLE 57. Implicit Price Indexes - Gross National Expenditure, 1959-65¹
(1949 = 100.0)

Line No.		1959	1960	1961	1962	1963	1964	1965
1	Personal expenditure on consumer goods and services	129.9	131.2	132.2	133.9	135.8	137.9	140.6
2	Government expenditure on goods and services	156.2	161.3	164.7	169.2	176.0	181.4	189.3
3	Current expenditure	162.6	169.5	176.6	182.1	189.1	195.9	203.4
4	Gross fixed capital formation	137.3	137.6	130.8	135.1	140.9	141.3	154.3
5	Business gross fixed capital formation	150.7	154.0	155.3	159.6	164.5	171.6	179.1
6	New residential construction	149.9	154.0	155.0	159.5	164.9	173.9	182.4
7	New non-residential construction	153.8	157.4	158.0	161.5	167.0	174.3	185.0
8	New machinery and equipment	148.2	151.0	153.3	157.9	162.0	168.1	172.5
9	Exports of goods and services	119.9	120.7	122.6	126.4	128.0	130.5	132.0
10	Imports of goods and services	120.0	121.2	124.8	129.9	133.8	135.4	136.0
11	Residual error of estimate	139.1	141.2	142.1	144.3	146.9	150.5	155.3
12	Gross National Expenditure at market prices	138.3	140.4	141.3	143.4	146.0	149.7	154.0

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.

TABLE 58. Personal Expenditure on Consumer Goods and Services in Constant (1949) Dollars, 1959-65¹

Line No.		1959	1960	1961	1962	1963	1964	1965
		millions of dollars						
1	Food	4,485	4,671	4,720	4,860	4,956	5,117	5,266
2	Tobacco and alcoholic beverages	1,372	1,398	1,454	1,521	1,567	1,599	1,710
3	Clothing and personal furnishings	2,020	2,076	2,115	2,172	2,214	2,286	2,382
4	Shelter	2,059	2,146	2,252	2,353	2,535	2,680	2,838
5	Household operation ^{2,3}	2,391	2,428	2,531	2,660	2,770	2,940	3,129
6	Transportation	2,149	2,205	2,280	2,520	2,740	2,980	3,274
7	Personal and medical care and death expenses	1,149	1,226	1,293	1,359	1,447	1,534	1,612
8	Miscellaneous	1,730	1,745	1,793	1,840	1,889	2,211	2,412
9	Adjusting entry	37	50	70	79	117	159	177
10	Grand totals	17,392	17,945	18,508	19,364	20,235	21,506	22,800
11	Durable goods	2,262	2,254	2,344	2,562	2,800	3,129	3,495
12	Non-durable goods ^{2,3}	9,659	9,980	10,209	10,739	11,008	11,525	12,116
13	Services ^{2,3,4}	5,416	5,639	5,866	6,008	6,348	6,764	7,113
14	Adjusting entry	55	72	89	55	79	88	76

¹ See footnote 1, Table 56.

² Personal expenditure on electricity and gas in constant (1949) dollars were as follows:

1959	1960	1961	1962	1963	1964	1965
millions of dollars						
347	372	401	434	460	491	526

³ See footnote 5, Table 47.

⁴ Includes net expenditure abroad.

APPENDIX

TABLE I. Population of Canada, by Provinces, 1959 - 65
Estimated as of June 1

Line No.		1959	1960	1961	1962	1963	1964	1965
		thousands						
1	Newfoundland.....	441	448	458	470	481	491	498
2	Prince Edward Island	101	103	105	106	107	107	108
3	Nova Scotia	719	727	737	746	756	760	761
4	New Brunswick	582	589	598	607	614	617	623
5	Quebec	5,024	5,142	5,259	5,366	5,468	5,562	5,657
6	Ontario	5,969	6,111	6,236	6,342	6,448	6,586	6,731
7	Manitoba	891	906	922	935	950	958	962
8	Saskatchewan	907	915	925	930	933	943	951
9	Alberta	1,248	1,291	1,332	1,370	1,405	1,432	1,451
10	British Columbia	1,567	1,602	1,629	1,659	1,695	1,738	1,789
11	Yukon	13	14	14	15	15	16	15
12	Northwest Territories	21	22	23	24	24	25	25
13	Canada	17,483	17,870	18,238	18,570	18,896	19,235	19,571

Source: Dominion Bureau of Statistics, Census Division. *Estimated Population of Canada, by Province at June 1, 1965*, Catalogue No. 91-201.

TABLE II. The Civilian Labour Force, 1959 - 65¹

Line No.		1959	1960	1961	1962	1963	1964	1965
		thousands						
1	Civilian non-institutional population, 14 years of age and over	11,605	11,831	12,053	12,280	12,536	12,817	13,128
	Civilian labour force - Employed:							
2	Non-agricultural	5,170	5,282	5,374	5,565	5,726	5,979	6,268
3	Agricultural	700	683	681	660	649	630	594
4	Totals	5,870	5,965	6,055	6,225	6,375	6,609	6,862
5	Civilian labour force - Unemployed	372	446	466	390	374	324	280
6	Total civilian labour force²	6,242	6,411	6,521	6,615	6,748	6,933	7,141

¹ Incorporates new definitions of "Employed" and "Unemployed". For earlier years see *The Labour Force*, Catalogue No. 71-001 (Special Surveys Division, Dominion Bureau of Statistics).

² The number of persons in the regular Armed Forces not included in these totals is as follows: 1959 - 120,000 persons; 1960 - 119,000 persons; 1961 - 121,000 persons; 1962 - 126,000 persons; 1963 - 123,000 persons; 1964 - 119,000 persons; 1965 - 112,000 persons. The figures are monthly averages.

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