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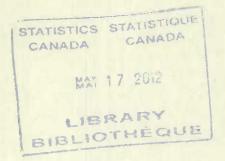
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NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
1966

DOMINION BUREAU OF STATISTICS

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National Accounts, Production and Productivity Division
National Accounts Section



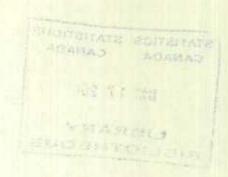
# NATIONAL ACCOUNTS INCOME AND EXPENDITURE

1966

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In order to obtain a complete historical record of these annual tables the following publications should be consulted:

National Accounts, Income and Expenditure, 1926-1956. This is the basic reference document, and presents final data for the years 1926 - 54.

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

National Accounts, Income and Expenditure, 1965 for the

years 1959-63.

Revisions to primary source data for the year 1965 have been incorporated into this publication only for gross fixed capital expenditure.

May 1967.

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#### Introduction

The Canadian economy in 1966 registered still another strong advance as continued high levels of demand in the domestic sector, coupled with buoyant conditions abroad, pushed gross national product to a level of 57.8 billion dollars, 10.9 per cent above that of the year 1965. With the economy continuing to operate at high levels of employment, the resulting pressures on prices and costs of this rise in demand were evident in a 4.6 per cent advance in prices, an advance which reduced the 10.9 per cent gain to one of 5.9 per cent in real terms. This compares with an increase of 9.9 per cent in GNP in 1965 which was reduced to a volume gain of 6.9 per cent, after accounting for price advances of 2.8 per cent.

Much of this 11 per cent gain occurred in the first quarter of 1966, when GNP increasing by 4½ per cent¹ registered the strongest quarterly advance in the current expansion. Although increases in demand in that quarter were broadly based, among other things certain special factors contributed both to a marked rise in exports and to a gain in imports that was only fractional, thus reducing the import balance substantially. The quarter-to-quarter gains in GNP for the remainder of the year were more moderate—about 2 per cent in the second quarter, less than 1 per cent in the third quarter when strikes were a major factor, and 2 per cent in the fourth quarter.

The year as a whole saw gains over a wide range of final expenditure categories. For the third successive year, business spending on plant and equipment was a dominant factor, with investment in these categories increasing by nearly 18 per cent in 1966 compared with advances of 20 per cent in each of the two preceding years. At the provincial and municipal levels, government capital spending reinforced demands by the business sector so that total public and private outlays on plant and equipment rose by more than 18 per cent.

For the second successive year outlays on new housing showed only fractional gains, with a sharp decline in mortgage loan approvals by conventional lenders being a contributing factor to the marked drop in the number of apartment units started. Single family units started showed a slight decrease.

Investment in business inventories in 1966 was maintained at a rate only slightly less than that of 1965.

Government expenditures on goods and services, including capital goods, increased by 16 per cent. Apart from capital spending, increases in outlays

on salaties and wages formed an important part of the over-all change. In this area, retroactive wage payments together with increased salary rates to the armed forces and to members of the public service at the various levels of government, some of which involved adjustments over a period of years, accounted for most of the rise. Entirely as a result of Canada and Quebec pension plan contributions, the surplus, on a national accounts basis, for all levels of government combined, increased somewhat in 1966. Exclusive of these plans, the federal surplus narrowed by about \$440 million while the provincial-municipal deficit widened by about \$240 million,

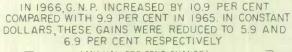
Consumer spending rose by close to 9 per cent in 1966; with personal disposable income increasing by 9½ per cent, personal net saving rose. Prices of consumer goods increased by 3½ per cent in 1966, as compared with a rise of 2 per cent in 1965. Although over-all consumer demand was strong in 1966, there was no rise from 1965 in spending on automobiles in contrast to marked increases in each of the four preceding years. Durable goods spending as a whole rose by 4 per cent. Outlays on non-durable goods and services increased by 9½ per cent and 9 per cent respectively.

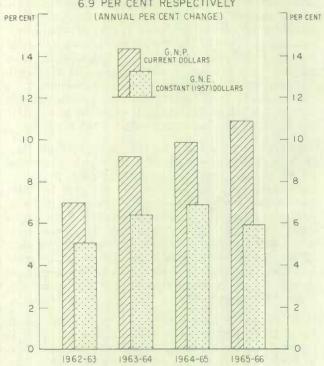
Demand for Canadian goods by the rest of the world increased by some 151/2 per cent in 1966, in contrast to a growth of a little better than 6 per cent in 1965. Exports of wheat to countries such as the U.S.S.R. and Mainland China, coupled with a gain of some \$600 million in exports of automotive products mainly to the United States, together accounted for about one-half of a \$1.5 hillion gain in merchandise exports, Imports also showed a substantial rise, increasing by 14 per cent. The January 1, 1965 Canada-United States Automotive Agreement resulted in a swelling in imports of automotive products; however the historically unfavourable trade balance on these products narrowed in 1966 by over \$100 million. Investment outlays caused a further significant increase in imports of machinery and equipment. Although the surplus on merchandise transactions increased by about \$260 million, this improvement was partially offset by a widening of the deficit on non-merchandise current transactions, resulting in some narrowing in the current account deficit, on a national accounts basis.

The following table summarizes the pervasive strength of demand in 1966, It is interesting to note that external sources of supply continued to provide the same proportion of the increase in demand in 1966 as in 1965.

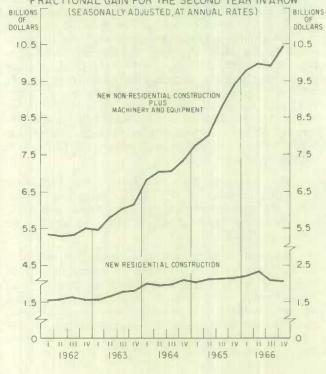
Turning to the income side, the salient features of the year were an increase in labour income of nearly 13 per cent that was one of the largest year-to-year gains since 1951, a 34 per cent rise in farm income resulting from a record western grain crop, and afractional decline in corporation profits, following increases in this component over the past five successive years.

<sup>&</sup>lt;sup>1</sup> Part of this increase reflects the estimated value of the 1966 record crop of \$1,564 million, \$263 million higher than the value of the 1965 crop.

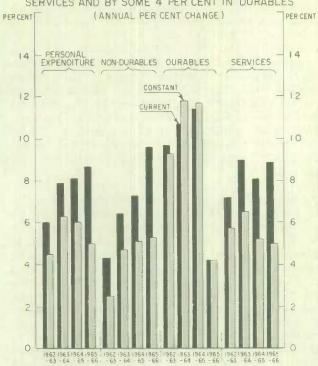




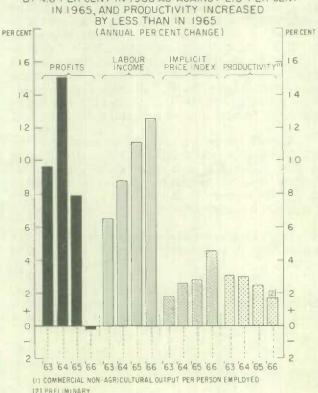
FOR THE THIRD SUCCESSIVE YEAR, BUSINESS
SPENDING ON PLANT AND EQUIPMENT WAS A
DOMINANT FACTOR, INCREASING BY NEARLY
18 PER CENT IN 1966. NEW HOUSING SHOWED ONLY A
FRACTIONAL GAIN FOR THE SECOND YEAR IN A ROW



PERSONAL EXPENDITURE ON GOODS AND SERVICES ROSE BY MORE THAN 8.5 PER CENT OVER 1965, AS A RESULT OF OUTLAYS ADVANCING BY 9.6 PER CENT IN NON-DURABLES, ALMOST 9 PER CENT IN SERVICES AND BY SOME 4 PER CENT IN DURABLES



CORPORATION PROFITS DECLINED FRACTIONALLY; LABOUR INCOME WITH A 13 PER CENT GAIN SHOWED ONE OF THE STRONGEST YEAR-TO-YEAR ADVANCES SINCE 1951. THE G.N.P. IMPLICIT PRICE INDEX ROSE BY 4.6 PER CENT IN 1966 AS AGAINST 2.8 PER CENT IN 1965 AND PRODUCTIVITY INCREASED



Final Demand and its Sources of Supply - Value of Change from Preceding Year<sup>1</sup>

	1964	1965	1966			
	billions of dollars					
Demand:						
Persons	2. 2	2.4	2.8			
Government	0.6	0.9	1.6			
Business investment	1.4	2.1	1.6			
Plant and equipment	1. 2	1. 4	1. 5			
Housing	0.3	0.1	0.1			
Inventory change.	- 0.1	0.6				
Non-residents (exports)	1.4	0.6	1. 7			
Residual error	- 0.2		- 0.3			
Increase in total demand	5.3	6.1	7.3			
Supply;						
Domestic production	3.7	4.7	5, 3			
Non-residents (imports)	1.3	1.4	1.7			
Residual error	0.2		0.3			
Increase in total supply	5.3	6. 1	7.3			
Percentage of increased demand met by non-residents	(25)	(23)	(23)			

<sup>1</sup> Components will not necessarily sum to totals because of rounding.

On the labour supply side a sizeable increase in immigration, and increasing participation rates coupled with a decline in agricultural employment, caused the non-agricultural labour force to increase by 5 per cent. Non-agricultural employment rose by 5% per cent. The unemployment rate for Canada, at 3.6 per cent in 1966, declined slightly from the 3.9 per cent rate of 1965.

Industrial disputes were also a feature of 1966. Work stoppages resulting from some of these disputes caused a loss of close to five million man-working days, more than double that of 1965. In response to factors such as the tight employment market and wage demands that were vigorously pressed in various industries, wage rates rose sharply. In con-

trast to productivity increases for the commercial non-agricultural sector of the economy averaging between 2½ and 3 per cent per annum in recent years, preliminary indications are that productivity gains in 1966 were much reduced. Thus, the sharp increase in wage rates greatly outpaced productivity gains, resulting in a notable rise in unit labour costs.

#### **Price Movements**

Aggregate price change as measured by the implicit price index of Gross National Expenditure rose by 4.6 per cent in 1966 as compared with 2.8 per cent in 1965. The following table shows year-to-year changes in the prices of major components of GNP since 1961.

Implicit Price Indexes - Percentage Change from the Preceding Year

	1962	1963	1964	1965	1966
Personal expenditure Non-durable goods Durable goods Total goods Of which: food non-food goods	1. 3 1. 1 - 0. 3 0. 8 1. 9 0. 3	1. 5 1. 8 0. 4 1. 4 2. 7 0. 7	1. 5 1. 6 - 1. 0 1. 0 1. 5	1. 9 2. 0 - 0. 4 1. 4 2. 8 0. 8	3. 5 4. 1 0. 0 3. 3 6. 1 1. 8
Services excluding net expenditure abroad	1.7	1.4	2. 4	2.8	3. 9
Government expenditure  Business gross fixed capital formation  New residential construction  New non-residential construction  New machinery and equipment  Exports	2. 7 2. 8 2. 9 2. 2 3. 0 3. 1	4. 1 3. 1 3. 4 3. 4 2. 6 1. 2 2. 9	3. 2 4. 4 5. 5 4. 4 3. 8 1. 9	4. 1 4. 3 4. 9 6. 1 2. 6 1. 2	6. 9 3. 8 5. 0 5. 3 2. 1 3. 3
Gross national expenditure	4. 1	1.8	2. 6	2. 8	4. 6

Viewed in perspective, prices of personal expenditure, government expenditure and exports all showed significantly higher rates of increase in 1966 than in the preceding four years. Price increases for imports, while higher than in 1964 and 1965, were less than in 1962 and 1963 when the price effects of devaluation were evident. In business gross fixed capital formation, the rate of increase was slightly less than in 1964 and 1965, when sales taxes on production machinery and on building materials were increased.

A glance at the components of personal expenditure reveals the strong increases in the price of food. Most of the increase in food prices was shown by meats and dairy products. Meat prices began to move up strongly in the third quarter of 1965, but by the fourth quarter of 1966 the upward movement had reversed. In services during 1966 there was more of an increase in the price of rents than had been noted in recent years. Prices associated with household services and education showed increases greater than 10 per cent and communication showed little price change. Within durables there were mixed movements. New car prices declined by over 1 per cent while furniture and jewellery rose by approximately 4 per cent. The increase of 2 per cent in the

Ontario Sales Tax in the second quarter had a significant effect on the rise in prices of durables and of non-food goods as a whole.

In 1965, both the wage and material components of construction showed notable increases. In 1966 advances in material prices were moderate, while wage rates rose by more than in 1965.

The rise in export prices is of interest. In this area price increases were centered in the categories of live animals, food, feed, beverages and tobacco, and fabricated materials. Within foodstuffs, significant increases occurred in prices of wheat, meat and preparations, and tobacco. In fabricated materials, newsprint, fertilizer, copper, nickel, and their alloys all showed significant increases. For most of these items the increases in the Canadian export prices reflected world market conditions. Thus the 31/2 per cent increase in export prices, coupled with an increase of less than 2 per cent in import prices, indicates an improvement in the Canadian terms of trade. Discounting these price increases, the volume of merchandise exports increased by 15 per cent in 1966 as compared with 5 per cent in 1965.

#### The Components of Demand

#### Consumer Expenditure

Total personal expenditure on goods and services reached a level of \$34.8 billion in 1966, an increase of better than  $8\frac{1}{2}$  per cent over the preceding year. This rise consisted of increases of  $9\frac{1}{2}$  per cent in outlays on non-durable goods, almost 9 per cent in services, and some 4 per cent in durables. A gain of  $9\frac{1}{2}$  per cent in personal disposable income permitted not only this level of spending but also a sharp increase in the level of personal saving.

Although all three major components of consumer expenditure shared in the rise, which was the largest percentage increase since 1952, the gain was somewhat unevenly distributed and of a different pattern from that of the two preceding years. In non-durables, the 9½ per cent gain compares with rises of 6½ and 7½ per cent in 1964 and 1965 respectively. (In real terms, the increases were around 5 per cent for each of the three years.) In durables, the 4 per cent rise in 1966 compares with increases of 10½ and 11½ per cent in 1964 and 1965. This gain in durables is the lowest since 1961. In services, the 9 per cent increase matches the gain of 1964 and is about 1 per cent above the rise of 1965.

The large increase in outlays on non-durable goods was broadly based, although much of this increase represented price rises rather than gains in real terms. For example, food outlays were up by about 7½ per cent in value terms, but only by 1 per cent in real terms; clothing by 6 per cent (value) and 2 per cent (real); and tobacco by 6 per cent (value) and 2½ per cent (real). Increases in outlays on alcoholic beverages and drugs and cosmetics, however, represented significant gains in both real and value terms.

The relatively small increase in outlays on durable goods was attributable mainly to an unchanged level of purchases of new and used cars from the previous year, after increases of 12 to 14½ per cent in the three preceding years. The over-all rise in durables was due to increases of 8 per cent in toys and sporting goods, 7 per cent in furniture, 9½ per cent in home furnishings, and 11 per cent in radios and appliances.

The 9 per cent gain in services was also broadly based. Shelter, accounting for about 40 per cent of the total, rose by 8½ per cent, while 8 per cent increases were registered in total transportation services and medical expenditures.

<sup>&</sup>lt;sup>2</sup> The year-to-year changes of the major components of consumer expenditure in both current and constant dollars are depicted in the introductory chart on page 6.

Personal Expenditure	- Percentage	change from	the Preceding Year
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	1963	1964	1965	1966
Total non-durables Purchased food Clothing (including footwear) Alcoholic beverages Tobacco	4.3 4.8 4.5 4.3	6. 4 5. 1 6. 3 5. 5 1. 8	7. 3 5. 7 6. 2 9. 2 8. 2	9. 6 7. 3 5. 8 7. 7 6. 2
Total durables New and used cars Furniture Home furnishings Radios and appliances	9. 7 14. 5 3. 1 7. 0 4. 4	10.6 11.8 6.0 11.6 7.9	11. 4 14. 2 6. 2 8. 9 8. 5	4. 2 7. 0 9. 4 10. 9
Total goods.	5. 3	7.3	8. 1	8. 5
Services (including net expenditure abroad) Shelter Total transportation Household operations	7. 2 8. 2 2. 1 6. 4	9.0 6.3 7.4 9.9	8. 1 6. 8 7. 9 9. 2	8, 9 8, 5 7, 9 10, 7
Total consumer expenditure	6.0	7.9	8. 1	8. 7

#### **Business Gross Fixed Capital Formation**

Capital expenditures in 1966 amounted to \$12.2 billion, 14.7 per cent higher than the previous year. Non-residential construction and machinery and equipment outlays rose by 19.6 and 16.0 per cent respectively, while outlays on new housing advanced by only 2.5 per cent. Within the year 1966, investment in plant and equipment moved from a seasonally adjusted annual rate of \$9.9 billion in the first half of 1966 to \$10.2 billion in the second half.

In 1966, capital expenditures increased over the revised 1965 estimates for all major industrial divisions apart from forestry and construction. In manufacturing, pulp, primary metals, electrical products, non-metallic minerals, petroleum and coal products, transportation equipment, rubber and foods and beverage industries recorded advances, while the wood, textiles, printing and publishing, and chemicals industries registered declines. Mining, electric power, gas and water utilities, and transportation industries made pronounced gains. Housing

outlays were a significantly lower percentage of business capital spending in 1966, while mining machinery spending was a significantly higher percentage of business capital spending in 1966.

The advent of colour television in Canada in 1966 and work done on a program for satellite communication to provide telephone, live television and other telecommunication services to Canada's far north were instances of some more glamorous expansion projects during 1966.

Housing expenditures at \$2.2 billion were little changed from 1965. They rose 5.8 per cent in the first half of 1966 over the latter half of 1965, but fell 9.1 per cent between the first and second halves of 1966. Housing starts dropped from 166.6 to 134.5 thousand; completions climbed from 153.0 to 162.2 thousand; dwellings under construction fell from 119.9 at the beginning of the year to 88.6 thousand at year-end. The following figures suggest that financing difficulties slowed down the pace of home building.

# Mortgage Loan Approvals Gross Basis Dwelling Units

	1964	1965	1966	Per cent change 1965 to 1966
Under National Housing Act:				
Central Mortage and Housing Corporation	29,939	33,942	37, 560	10.7
Approved lenders	28, 197	25, 516	14, 567	- 42.9
Sub-totals	58, 136	59, 458	52, 127	- 12.3
Conventional lenders	93, 925	90, 221	54, 489	- 39.6
Totals	152, 061	149, 679	106, 616	- 28.8

Single-detached starts dropped only from 75 to 71 thousand, but apartment starts tumbled from 78 to 52 thousand.

Business capital spending plans for 1967, published in "Private and Public Investment in Canada — Outlook 1967", DBS 61-205, are unchanged in level overall from 1966. Manufacturers' capital budgets are markedly lower in such branches as pulp, primary metals, non-metallic minerals, metal fabricating and textiles. The most striking increase is the 1967 construction budget for electric power, gas and water utilities.

#### Investment in Non-farm Business Inventories

Investment in non-farm business inventories was \$832 million in the year 1966 as compared with \$905 million in 1965. Within the year, however, there were marked differences in the rates of accumulation among the quarters. While there was virtually no change in the rate in the first quarter of 1966, the rate at which the stocks were built up in the second quarter showed a substantial gain, close to \$1.4 billion, partly as a result of a build-up of automobile stocks associated with a sharp drop in new car sales. In the third quarter of 1966, partly as a result of strike effects and partly because of a drawing down of new car inventories, the rate at which stocks were built up declined to \$0.6 billion. In the fourth quarter the rate of business inventory investment increased only fractionally.

For the year as a whole, investment in inventories at the manufacturing level was the major force contributing to expansion—about 60 per cent of the total accumulation in 1966. Moderate increases were recorded in the stocks of wholesale and retail traders.

The major part of the accumulation in manufacturing inventories in 1966 took place in the durable goods-producing industries, about 40 per cent of

which was concentrated in transportation industries. In the non-durable goods-producing industries the movement was mixed, leaving on balance a relatively small accumulation. When compared with 1965, the rate of accumulation in 1966 showed opposing changes as between the durable and non-durable goodsproducing industries. The rate of increase was higher in non-durable goods industries and was mainly concentrated in the food and in the rubber producing industries. Among durables, while the rate of increase of stocks of transportation industries was significant, the rate of increase of stocks of primary metal metal fabricating and machinery industries dropped substantially. For manufacturing as a whole the average stock-to-shipments ratio for 1966 was higher than the average of 1965.

About 70 per cent of the total increase in the stocks of wholesale traders in 1966 resulted from a general increase in the stocks of durable goods. When compared with 1965, there were opposing changes in the rate of build-up of stocks as between durables and non-durables. The increases in the stocks of wholesalers were lower in durables and higher in non-durable goods. The average stock-to-sales ratio for the year as a whole was above the average of the current expansion.

A considerable amount of accumulation was concentrated in the holdings of retail traders. While there was a significant increase in the stocks of all non-durable goods, most noticeably in the stocks of food, modest increases were recorded in the stocks of durable goods. When compared with 1965, the durables were built up at a much reduced rate tempered by a substantial drawing down of stocks of motor vehicle dealers in the third quarter of 1966. The rate of accumulation in non-durables was virtually unchanged between the two years. The average stock-to-sales ratio for the year was above the average of the current expansion.

Value of Physical Change in Non-farm Business Inventories, 1965 and 1966

	1965	1966	1966 minus 1965
	III	illions of dollars	
Manufacturing	442	496	54
Durables	366	333	- 33
Non-durables	76	163	87
Wholesale trade	118	125	7
Retail trade	249	153	- 96
"Other" industries	96	58	- 38
Totals	905	832	- 73

#### Exports and Imports of Goods and Services

During 1966 the deficit in Canada's external account declined by \$40 million on a national accounts basis. This improvement resulted from a rise of \$262 million in the surplus on merchandise trade—as increased export sales outpaced the climb in im-

port demand—more than offsetting a deterioration of \$222 million in non-merchandise trade. About 85 per cent of the latter can be ascribed to higher deficits in the interest and dividend account and miscellaneous service (business services, government expenditures, etc.) account.

Exports and Imports of Goods and Services - Percentage change from Preceding Year

	Goo	ods	Servi	ices	Total		
	Exports	Imports	Exports	Imports	Exports	Imports	
1962	8.3	8.5	7.9	1.9	8.2	6.3	
1963	11.0	6.1	8.0	5.6	10.3	5.9	
1964	16.4	14.6	11.7	11.2	15.3	13.5	
1965	6. 0	14.5	6.7	8.3	6.2	12.6	
1966	17.4	14.6	7.8	11.2	15.4	13.6	

Trade of Canada export figures for 12 months show a rise of \$1,548 million. Important export gains were made by food, feed, beverages and tobacco—mainly wheat, crude metals and non-metallic minerals, pulp and paper, fabricated metals, machinery and, notably, transportation equipment. Import figures for the 12 months show a rise of \$1,204 million. Machinery required for investment purposes, other equipment and tools such as measuring and laboratory equipment, computers, other office machinery and

equipment and, notably, transportation equipment, highlighted this increase.

An improvement of \$262 million in the merchandise trade surplus between 1965 and 1966 came from a smaller trade deficit with the United States which, coupled with an improvement of \$208 million in the surplus with other countries, more than offset a drop of \$62 million in the trade surplus with the United Kingdom.

Merchandise Trade Trade of Canada Basis

	Don	nestic expo	orts	Imports					
	1965	1966	Change	1965	1966	Change			
	The Control		millions	of dollars					
Live animals	79	78	- 1	11	13	2			
Food, feed, beverages, tobacco	1,630	1,889	259	759	792	33			
Inedible crude materials	1,763 190 862 621 15	1, 947 225 934 704	184 35 72 83 - 4	1,006 138 196 498 135	1,023 153 200 522 116	17 15 4 24 - 19			
Inedible fabricated materials  Lumber, wood Pulp, paper, allied Chemicals, allied Metals and products Non-metallic minerals Textiles, allied	3,729 602 1,432 323 1,182 57 49	4,013 592 1,576 364 1,279 63 47	284 - 10 144 41 97 6 - 2	2, 114 70 72 459 750 136 300	2, 233 74 71 481 787 153 320	119 - 1 22 37 17 20			
Inedible end products¹  Machinery  Transportation, communication equipment Other equipment, tools  Personal, household goods Miscellaneous	1,298 322 668 175 52 81	2,119 393 1,345 211 60 110	821 71 677 36 8	4,476 1,372 1,613 713 318 460	5, 483 1, 575 2, 193 861 341 514	1,007 203 580 148 23 54			
Spacial trade transactions	24	25	1	266	322	56			
Totals	8, 523	10,071	1,548	8, 633	9, 867	1, 204			

<sup>1</sup> Sub-totals may not add due to rounding.

#### The Government Sector

Total revenues of all levels of governments combined (excluding inter-government transfers) increased by \$2.4 billion in 1966 to reach a level of \$18.8 billion, or almost 15 per cent above that of 1965. Approximately 30 per cent of this increase resulted from receipts in regard to the Canada and Quebec pension plans. Federal receipts exclusive of the pension plan increased by 8 per cent in 1966 compared with 91/2 per cent in 1965, while provincial and municipal receipts increased by over 13 per cent in both 1965 and 1966. Expenditures by the various levels of government were up more sharply than nonpension plan receipts: at the federal level by 14 per cent in 1966 compared with 61/2 per cent in 1965 while at the provincial-municipal level by 151/2 per cent in 1966 compared with 13 per cent in 1965. The effect of these various flows was to increase the surplus for all levels of government combined by a marginal \$34 million. This increase was entirely attributable to the receipts from the pension plans, because excluding these the federal surplus was reduced by \$444 million to a surplus of \$124 million, while the combined provincial-municipal deficit was increased by \$236 million reaching a total of \$558 million for the year 1966.

Aside from the surge in receipts resulting from the inception of the Canada and Quebec pension

plans in January of 1966, with the exception of revenues from the corporate income tax all components of government revenues increased sharply in 1966, mainly as a result of generally buoyant economic conditions. In addition, higher general retail sales tax rates in Ontario and extended tax bases in Ontario and Quebec reinforced revenue gains from indirect taxes.

Total revenue from direct taxes rose by \$548 million, with almost all the gain being from personal taxes. The share of the increase going to provincial governments was somewhat greater than that accruing to the federal government because of a further abatement to the provinces of 3 percentage points of basic income tax on January 1, 1966. Indirect taxes for all levels of government increased by some 10½ per cent, in part reflecting the afore-mentioned increase in rates.

Expenditures on goods and services for all levels of government combined rose by a striking 16½ per cent, with increases at the federal level of 19 per cent and at the provincial-municipal level of 15 per cent. At the federal level 75 per cent of the increase occurred in outlays on non-defence goods and services. Defence expenditures rose by 10 per cent.

#### The Components of Income

#### Labour Income

Compared with the previous year, labour income in Canada increased by about 12½ per cent in 1966, in spite of the fact that it was a year marked by severe industrial disputes. About half the increase reflected additional employment in the nonagricultural industries, while the balance was due to increased average earnings, mainly from higher wages but in some cases from longer average weekly hours, particularly construction, and more overtime. The increase in the number of persons employed came mainly from school leavers and immigrants but also from an increased percentage of women participating in the labour force. Participation rates for men were virtually unchanged. Unemployment rates on average were slightly lower in 1966 than 1965.

Goods-producing industries accounted for more of the increase in payrolls than did service industries: 13 per cent compared with 11 per cent. However, in the latter half of the year the trend was reversed and incomes advanced more quickly in the service industries. The primary industries showed a 7½ per cent increase in labour income in 1966, somewhat less than the average. The largest increase involved mining where most of the rise was in average earnings, due to both higher wage rates and some shift toward the more highly paid sectors, such as iron or petroleum.

Manufacturing, up by 11½ per cent, continued the steady increase noted in 1965, absorbing almost its share of additional employment. The construction industry continued to expand and was responsible for increased salaries and wages of almost 25 per cent. Part of the increase resulted from a lessening of the seasonal decline associated with that industry and part was a result of greater emphasis on engineering projects where hourly earnings are significantly higher. The average weekly hours worked in the construction industry also increased. Over the year this industry appears to have attracted more than the national average increase in numbers of employees. Average weekly earnings in construction increased by an even higher proportion.

Service-producing industries, responsible for about 58 per cent of wage and salary payments in Canada, had income increases almost as high as the goods-producing industries but with somewhat higher employment gains and less in average weekly eamings. Greatest gains were in the trade and service sections, 11 per cent and 14 per cent respectively. These industries might have attracted more part-time employees, for example, from among students or housewives. Proportionately lower payroll increases were evident in transportation and other public utilities, 8 per cent; these industries being generally less cyclically sensitive, experienced about average increases in earnings. Finance insurance and real estate also had lower rates of increase, 8½ per cent.

Government employees payrolls increased by more than the average in 1966. Retroactive payments made in 1966, but pertaining to 1965, were partly responsible for the large increase of 15 per cent in

federal non-military payments. However, provincial governments also had large increases, 13 per cent. In part the rise in government payrolls was due to relatively low increases in the earlier years.

Supplementary labour income substantially increased in 1966 by  $23\frac{1}{2}$  per cent, mainly a result of the Canada and Quebec Pension Plans.

#### **Corporation Profits**

Corporation profits (before taxes and before dividends paid to non-residents) were \$5.2 billion in 1966, showing virtually no change from the 1965 level. A quarter-to-quarter comparison through the years 1965 and 1966 indicates a rising level of profits in the second and third quarters of 1965, with little change in the two following quarters. Following a decline in the third quarter, profits in the fourth quarter almost regained levels attained in the latter part of 1965.

Profits in the manufacturing group fell by about 2 per cent in 1966. A gain of 25 per cent was recorded by the petroleum and coal industry with relatively smaller gains recorded in the rubber, wood, printing, electrical apparatus, chemical, and miscellaneous categories. On the other hand, the textile and paper industries experienced declines of 24 and 23 per cent respectively. The metal and non-metallic talneral industries both had declines of about 7½ par cent.

Wholesale trade profits advanced by nearly 11 per cent, service trade profits by nearly 16 per cent, and transportation, communication and storage by 9 per cent, while retail trade profits dropped by almost 5 per cent, mining by 5 per cent, and finance insurance and real estate by nearly 3 per cent.

#### Other Investment Income

Rent, interest and miscellaneous investment income rose by 10 per cent over 1965, compared to an increase of 9 per cent between 1964 and 1965. Government investment income for all levels combined rose by \$172 million in 1966 with an increase of \$45 million at the federal level and an increase of \$127 million at the provincial-municipal level. Subsidies to the railways in 1966 were higher than in 1965.

#### Accrued Net Income of Farm Operators

Accrued net income of farm operators increased to \$2,204 million in 1966, 34 per cent over that of the year 1965. All components showed increases over the previous year's totals, the largest gain occurring in grain production. With expenses increasing by less than the rise in cash income, net income advanced by more than cash income. The value of the record 1966 grain crop at \$1,564 million was 20 per cent above the 1965 level and surpassed the previous record of \$1,381 million in 1963 by 13 per cent.

Cash income from the sale of livestock increased by approximately 15 per cent, due mainly to higher prices. Dairy products, partly reflecting much higher federal and provincial dairy subsidies, together with rapeseed and soybeans mainly were responsible for increases in income from other farm products.

#### Net Income of Non-farm Unincorporated Business

During 1966 net income of non-farm unincorporated business increased to \$2,949 million, 2½ per cent over the 1965 total. The service industries showed small increases but these were partially offset by a decline in manufacturing and retail trade.

#### Production by Industry

Real Gross Domestic Product less agriculture in 1966 increased by 6½ per cent over 1965. This compares with a gain of 7 per cent for 1965. Most major industry groups continued to rise by more than the post-war average rates of growth. Manufacturing, which advanced more than 7 per cent, accounted for 37 per cent of the increase in non-agricultural real output. Other major industry groupings that contri-

buted significantly to the over-all gain were transportation, storage and communication, 8 per cent, trade,  $4\frac{1}{2}$  per cent, and finance, insurance and real estate, 5 per cent. Increases over 1965 of 7 per cent,  $12\frac{1}{2}$  per cent, and  $6\frac{1}{2}$  per cent respectively, occurred in construction, electric power and gas utilities, and mining.

#### **Technical Note**

The Balance of Payments Division revised data for 1964 and 1965 in the second quarter of 1966. The revised figures are shown in the "Quarterly Estimates of the Canadian Balance of International Payments", DBS 67-001, starting with their report for the second quarter of 1966. These revisions have not been in-

corporated in the national accounts. However, the correct relationships between accounting periods were maintained by introducing adjusting entries. The revised balance of payments figures on a national accounts basis are shown in footnotes to Tables 2, 13, 18 and 20.

Percentage Distribution of Gross National Expenditure, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1988
					- Impea			
1	Personal expenditure on consumer goods and services	64.9	65. 3	63.9	63.3	62.5	61.5	60.3
2	Durable goods	7.3	7.2	7.3	7. 5	7.6	7.7	7.2
3	Non-durable goods	32.6	32.5	32.0	31.1	30.3	29.6	29.3
4	Services	25. 0	25.6	24.6	24.7	24.6	24.2	23.8
5	Government expenditure on goods and services	18.6	19.3	19.0	18.6	18.3	18.5	19.3
6	Federal	7.5	8.0	7. 5	6.7	6.4	6.3	6.7
7	Provincial	4.0	3.9	3.8	4.0	4.1	4.3	4.7
8	Municipal	7.1	7. 4	7. 7	7.9	7.8	7.9	7.9
9	Business gross fixed capital formation	18.5	17.7	17. 2	17. 5	19. 2	20.4	21.1
10	New residential construction	4.0	3. 9	3, 9	3. 9	4.3	4. 1	3.8
11	New non-residential construction	7.1	7.2	6.5	6.5	7.1	7.7	8.3
12	New machinery and equipment	7.4	6.6	6.8	7. 1	7.8	8.6	9.0
13	Value of physical change in inventories	1. 1	0.1	1. 3	1. 2	0.8	1.8	1.7
14	Non-farm business inventories	0.9	1.2	0.8	0.6	1.1	1.7	174
15	Farm inventories and grain in commercial chan- nels	0. 2	- 1.1	0.5	0.6	- 0.3	0. 1	0.3
16	Exports of goods and services	19. 3	20. 4	20.4	21.0	22. 2	21.4	22.3
17	Imports of goods and services	- 22.5	- 22.8	- 22.4	- 22.2	- 23.0	- 23.6	- 24.2
18	Residual error of estimate	0. 1	_	0.6	0.6		_	- 0.5
19	Gross National Expenditure	100.0	100.0	100.0	100.0	100.0	100.0	100.0

# Percentage Distribution of National Income by Distributive Shares, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966
		EN			1074			
1	Wages, salaries, and supplementary labour income	66.5	67.2	66.0	65.6	66.2	67.0	68.1
2	Military pay and allowances	1. 9	1.9	1.9	1.8	1.6	1.5	1.4
3	Corporation profits before taxes	12. 2	12.1	12. 5	12.7	13.6	13. 4	12.0
4	Deduct: Dividends paid to non-residents	- 1.7	- 2.1	- 1.9	- 1.9	- 2.0	- 1.9	- 1.9
5	Rent, interest, and miscellaneous investment income	9.0	9.5	9. 2	9. 4	9. 2	9. 2	9.1
6	Accrued net income of farm operators from farm production	4.3	3.6	4.9	5. 2	4.1	4.2	5.1
7	Net income of non-farm unincorporated business	8. 1	8. 1	7.8	7.8	7.7	7.4	6.19
8	Inventory valuation adjustment	- 0.3	- 0.3	- 0.4	- 0.6	- 0.4	- 0.8	- 0.7
9	Net National Income at factor cost	100.0	100.0	100.0	100.0	100.0	100.0	100.0

## Percentage Distribution of Gross Domestic Product at Factor Cost, by Industry, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966
						-	F 1	- 0
1	Agriculture	5. 4	4.7	5.8	6. 1	5. 1	5.1	5.8
2	Forestry	1. 2	1. 1	1. 1	1.0	1.0	1.1	1.0
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. 4	4.3	4.3	4.3	4.3	4.3	4.0
5	Manufacturing	26. 1	25.5	25.9	25.9	26.5	26.3	25.8
6	Construction	5.4	5. 5	5.3	5. 1	5. 2	5.7	6.3
7	Transportation	6.5	6.5	6.2	6.1	6. 2	6.1	6.0
8	Storage	0.3	0.3	0.2	0.3	0.3	0.3	0.2
9	Communication	2. 3	2. 4	2.4	2. 4	2.5	2.5	2.4
10	Electric power, gas, and water utilities	3. 3	3.4	3.3	3.3	3.3	3.2	3.2
11	Wholesale trade	4.7	4.6	4.6	4.5	4.6	4.6	4.7
12	Retail trade	9. 3	9.3	9.0	8. 9	8.9	8.8	8.6
13	Finance, insurance, and real estate	10.5	10.6	10.2	10.2	10.1	10.0	9.7
14	Public administration and defence	7. 2	7. 5	7.4	7. 3	7.1	6.8	6.9
15	Service	13.1	14.0	14.0	14.3	14.6	14.9	15.1
16	Totals	100.0	100.0	100.0	100.0	100.0	100.0	100.0

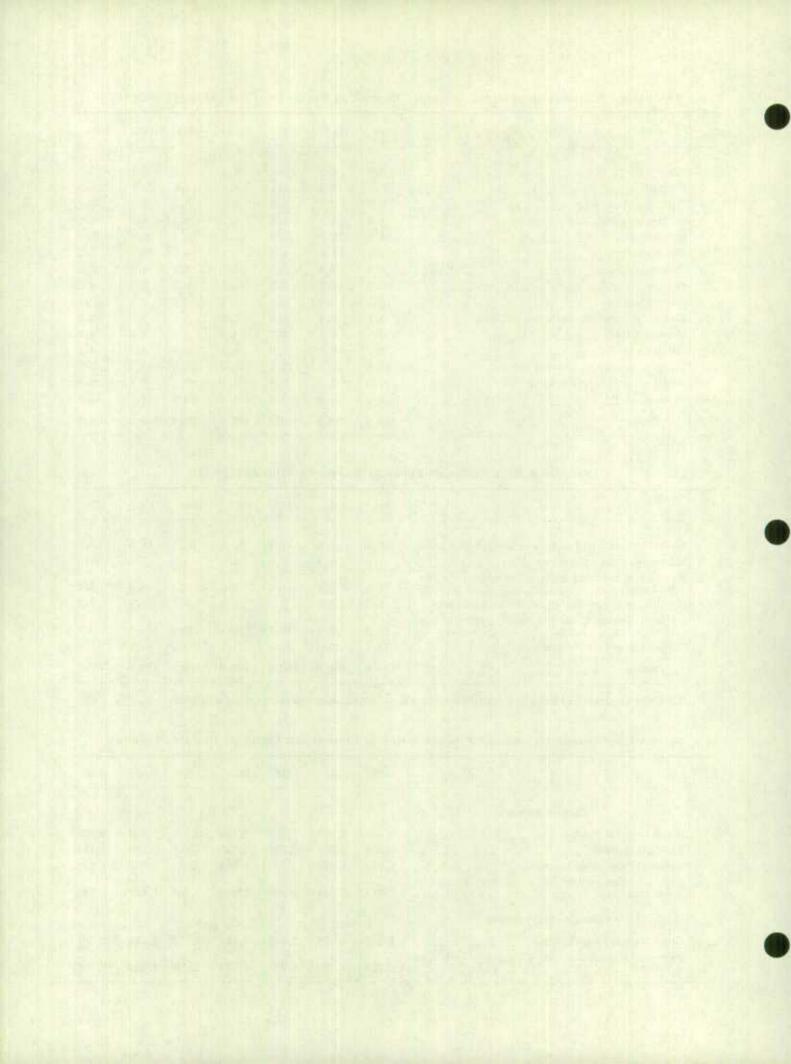
## Percentage Distribution of Personal Income by Source, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966
1	Wages, salaries, and supplementary labour income <sup>1</sup>	63.8	63.9	62.7	62.8	64.1	64.5	64.4
3	Military pay and allowances  Net income received by farm operators from farm	1.8	1.9	1.9	1. 8	1.7	1. 5	1.5
0	production	4. 3	3.4	4.8	4.8	3. 8	4.3	4.8
4	Net income of non-farm unincorporated business	8. 1	8.0	7. 7	7.8	7.7	7.4	6.9
5	Interest, dividends, and net rental income of persons	10.5	10.6	10.7	11.0	10.8	10.6	10.6
6	Transfer payments (excluding interest)	11.5	12. 2	12. 2	11.8	11.9	11.7	11.8
7	Totals	100. 0	100. 0	100.0	100.0	100. 0	100.0	100.0

<sup>&</sup>lt;sup>1</sup> Excludes employer and employee contributions to social insurance and government pension funds.

### Selected per Person Income and Product Series in Current and Constant Dollars, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966
	Current dollars		N. P.					
1	Gross National Product	2, 031	2, 055	2, 185	2, 298	2, 464	2,663	2, 901
2	Personal Income	1,535	1,564	1,668	1,743	1,828	1,988	2, 144
3	Personal Disposable Income	1, 403	1, 426	1, 521	1,589	1,649	1,788	1,922
4	Personal Expenditure on Consumer Goods and Services	1,317	1,341	1, 396	1, 455	1,542	1,638	1.749
	Constant (1957) dollars							
5	Gross National Expenditure	1,914	1, 924	2,016	2, 083	2, 178	2,288	2,381
6	Personal Expenditure on Consumer Goods and Services	1, 254	1, 267	1,302	1, 337	1, 396	1, 454	1,501



# SECTION A

# INCOME AND EXPENDITURE ACCOUNTS

1. Summary Tables

TABLE 1. National Income and Gross National Product, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966
				mil	lions of c	iollars		
1 2 3 4 5	Wages, salaries, and supplementary labour income	18, 245 509 3, 338 - 458 2, 470	18. 996 550 3, 427 - 586 2, 670 1, 008	20, 233 586 3, 819 - 584 2, 832	21,547 598 4,188 - 614 3,078	23, 433 583 4, 819 - 713 3, 262	26. 033 587 5,199 - 751 3,554	29, 324 621 5, 187 - 816 3, 903 2, 204
7 8 9	farm production <sup>2</sup> Net income of non-farm unincorporated business <sup>3</sup> Inventory valuation adjustment <sup>4</sup> Net National Income at factor cost	2, 213 - 70 27, 433	2,274 - 89 28,250	2, 401 - 130 30, 653	2,551 - 200 32,869	2,720 - 131 35,437	2,877 - 325 38,819	2,949 - 318 43,054
10 11	Indirect taxes less subsidies Capital consumption allowances and miscellaneous valuation adjustments Residual error of estimate	4,470 4,423 - 39	4,696 4,540 - 15	5,293 4,892 - 263	5,600 5,198 - 243	6, 372 5, 600 - 6	7, 172 6,110 8	7, 800 6, 591 336
13	Gross National Product at market prices	36, 287	37, 471	40,575	43, 424	47, 403	52, 109	57, 781

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.

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

4 See footnote 5, Table 2.

TABLE 2. Gross National Expenditure, 1960 - 66

Zindan Zi									
Line No.		1960	1961	1962	1963	1964	1965	1966	
				mil	lions of o	dollars			
1	Personal expenditure on consumer goods and services	23,540	24, 466	25,926	27, 487	29,666	32, 063	34,840	
2 3 4	Government expenditure on goods and services¹  Current expenditure²  Gross fixed capital formation³	6,769 5,199 1,570	7,236 5,699 1,537	7,717 5,962 1,755	8,075 6,273 1,802	8, 654 6, 813 1, 841	9,596 7,382 2,214	11, 169 8, 486 2, 683	
5 6 7 8	Business gross fixed capital formation New residential construction  New non-residential construction  New machinery and equipment	6, 692 1, 443 2, 577 2, 672	6, 635 1, 458 2, 683 2, 494	6, 960 1, 577 2, 638 2, 745	7,591 1,707 2,835 3,049	9,103 2,021 3,358 3,724	10, 651 2, 124 4, 024 4, 503	12, 214 2, 178 4, 811 5, 225	
9 10 11	Value of physical change in inventories	41 0 325 85	30 439 - 409	532 310 222	535 244 291	386 516 - 130	948 905 43	995 832 163	
12	Exports of goods and services67	7,008	7,631	8, 259	9, 111	10,507	11,156	12, 869	
13	Deduct: Imports of goods and services7	- 8, 172	- 8,542	- 9,082	- 9,618	- 10,919	- 12, 297	- 13,970	
14	Residual error of estimate	40	15	263	243	6	- 8	- 336	
15	Gross National Expenditure at market prices	36, 287	37, 471	40.575	43,424	47, 403	52, 109	57, 781	

1 Includes defence expenditure which is shown in footnote 2, Table 37.

<sup>4</sup> Includes defence expenditure which is shown in foothide 2, Table 37.

<sup>2</sup> 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.

<sup>3</sup> 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

ernment business enterprises (for detail see totals).

and equipment.

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.

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).

Excludes shipments of military equipment to NATO countries under the Defence Appropriation Act. See also Table 55.

Registed figures not incorporated into the accounts as per note on page 13: 1964 1965 1966

10,578 Exports .... Imports - 10,970 - 12,336 - 14,009

TABLE 3. Relation between Net National Income at Factor Cost, Personal Income, Personal Disposable Income, and Personal Net Saving, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966
				mill	ions of dol	lars		
1	Net National Income at factor cost	27,433	28, 250	30,653	32,869	35,437	38,819	43, 054
2	Add: Transfer payments (excluding interest on the public debt and charitable contributions from corporations) <sup>1</sup>	3,120	3,441	3,725	3,848	4,133	4,502	5,006
3	Add: Interest on the public debt1	1,095	1,170	1,305	1,423	1,526	1,635	1,789
4	Deduct: Earnings not paid out to persons <sup>2</sup>	- 4,213	- 4,339	- 4.711	- 5,206	- 5,943	- 6,054	- 7,137
5	Equals: Personal income	27,435	28,522	30,972	32,934	35, 153	38,902	42, 712
6	Deduct: Personal direct taxes	- 2,360	- 2,511	- 2,729	- 2,916	- 3,428	- 3,912	- 4,434
7	Equals: Personal disposable income	25,075	26,011	28, 243	30,018	31,725	34,990	38, 278
8	Deduct; Personal expenditure on consumer goods and services	- 23,540	- 24, 466	- 25,926	- 27,487	- 29,666	- 32,063	- 34, 840
9	Equals: Personal net saving	1,535	1,545	2,317	2,531	2,059	2,927	3, 438
10	Value of physical change in farm inventories	16	- 278	176	311	- 99	56	149
11	Personal saving excluding change in farm inventories	1,519	1,823	2,141	2,220	2, 158	2,871	3, 289

<sup>1</sup> 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.

<sup>2</sup> 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, 1960-66

Line No.			1960	1961	1962	1963	1964	1965	1966				
			millions of dollars										
1	Gross National Product at m	arket prices	36,287	37,471	40,575	43,424	47,403	52, 109	57, 781				
2	Deduct: Residual error of	estimate	39	15	263	243	6	- 8	- 336				
3	Indirect taxes les	s subsidies	- 4,470	- 4,696	- 5,293	- 5,600	- 6,372	- 7,172	- 7,800				
4	Income received t	rom non-residents	- 173	- 209	- 202	- 230	- 313	- 315	- 299				
5	Add: Income paid to no	n-residents	653	770	794	860	978	1,048	1,155				
6	Gross domestic product at fa	octor cost	32,336	33,351	36,137	38,697	41.702	45,662	50,501				

TABLE 5. Gross National Expenditure in Constant (1957) Dollars, 1960-661,2

Line No.		1960	1961	1962	1963	1964	1965	1966
				mill	ions of do	llars		
1	Personal expenditure on consumer goods and services	22,402	23,105	24,173	25,260	26,846	28,462	29,892
2	Government expenditure on goods and services	6,268	6,562	6,811	6,848	7,113	7,571	8,250
3	Current expenditure	4,641	4,885	4,957	5,024	5, 266	5, 494	5, 930
4	Gross fixed capital formation	1,627	1,677	1,854	1,824	1,847	2,077	2, 320
5	Business gross fixed capital formation	6,231	6,125	6,254	6,618	7,606	8,534	9,430
6	New residential construction	1,323	1,328	1,395	1,461	1,641	1,644	1,605
7	New non-residential construction	2,404	2,494	2,399	2,494	2,830	3, 196	3,628
8	New machinery and equipment	2,504	2,303	2,460	2,663	3,135	3,694	4, 197
9	Change in inventories	397	29	508	510	354	938	942
10	Non-farm business inventories	325	433	293	239	486	874	777
11	Farminventories and grain in commercial chan- nels	72	- 404	215	271	- 132	64	165
12	Exports of goods and services	6,884	7,379	7,747	8,445	9,550	10,023	11, 179
13	Deduct: Imports of goods and services	- 8,020	- 8,132	- 8,306	- 8,550	- 9,589	- 10,750	- 11, 991
14	Residual error of estimate	38	13	242	221	6	- 5	- 272
15	Gross National Expenditure in constant (1957) dollars	34,200	35,081	37,429	39,352	41, 886	44, 773	47, 430
16	Index, line 15, 1949=100	158.2	162.2	173.1	182.0	193.7	207.0	219.3

<sup>&</sup>lt;sup>1</sup> 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, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Expenditure, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Expenditure, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Expenditure, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Expenditure, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Expenditure, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Expenditure, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Expenditure, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Expenditure, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Expenditure, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Expenditure, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Expenditure, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Expenditure, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Expenditure, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Expenditure, 1926-1956, and Tables 56 and 57 in National Accounts, Income and Income and

iture, 1962.

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, 1960 - 661,2 1957 = 100.0

Line No.		1960	1961	1962	1963	1964	1965	1966
1	Personal expenditure on consumer goods and services	105.1	105.9	107.3	108.8	110.5	112.7	116.6
2	Government expenditure on goods and services	108.0	110.3	113.3	117.9	121.7	126.7	135. 4
3	Current expenditure	112.0	116.7	120.3	124.9	129.4	134.4	143.1
4	Gross fixed capital formation	96.5	91.7	94.7	98.8	99.7	106.6	115.6
5	Business gross fixed capital formation	107.4	108.3	111.3	114.7	119.7	124.8	129.5
6	New residential construction	109.1	109.8	113.0	116.8	123.2	129.2	135.7
7	New non-residential construction	107.2	107.6	110.0	113.7	118.7	125.9	132.6
8	New machinery and equipment	106.7	108.3	111.6	114.5	118.8	121.9	124.5
9	Exports of goods and services	101.8	103.4	106.6	107.9	110.0	111.3	115.1
10	Imports of goods and services	101.9	105.0	109.3	112.5	113.9	114.4	116.5
11	Residual error of estimate	106.1	106.8	108.5	110.4	113.2	116.7	122.2
12	Gross National Expenditure at market prices	106. 1	106.8	108.4	110.3	113. 2	116.4	121.8

<sup>&</sup>lt;sup>1</sup> 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.

<sup>2</sup> 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, 1960-66
Income

Item No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	llars		
1	Wages, salaries, and supplementary labour income:							
	(a) From business (28 a)	14,695	15,047	15,969	16,928	18,406	20,539	23, 195
	(b) From governments (19bi)	2,761	3,046	3,263	3,506	3,786	4,095	4, 574
	(c) From persons (9b)	789	903	1,001	1,113	1,241	1,399	1,555
	(d) Deduct employer and employee contributions			77				
	to social insurance and government pen- sion funds (17)	- 751	- 787	- 812	- 852	- 912	- 959	-1,816
2	Military pay and allowances (19 bii)	509	550	586	598	583	587	621
3	Net income received by farm operators from farm production (28 c)	1,177	978	1,490	1,582	1,353	1,689	2,048
4	Net income of non-farm unincorporated business (28e)	2,213	2,274	2, 401	2,551	2,720	2.877	2, 949
5	Interest, dividends, and net rental income of persons <sup>2</sup> (44 a)	2,882	3,030	3,305	3,616	3,799	4,129	4, 536
6	Transfer payments (excluding interest):		4		DOM:	69.34		
	(a) From governments (20b)	3,120	3, 441	3,725	3,848	4,133	4,502	5,006
	(b) Charitable contributions from corporations (44 b)	40	40	44	44	44	44	44
7	Totals	27, 435	28, 522	30,972	32,934	35, 153	38,902	42, 713

<sup>&</sup>lt;sup>1</sup> 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.

<sup>2</sup> Includes all government debt interest paid to persons.

TABLE 8. Personal Income and Expenditure Account, 1960-66

Expenditure

Item No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	llars		
8	Personal direct taxes:							
	(a) Income taxes (12a)	1,979	2,125	2,316	2,487	2,957	3,355	3,854
	(b) Succession duties and estate taxes (12b)	158	146	165	171	179	209	228
	(c) Miscellaneous (12 c)	223	240	248	258	292	348	352
9	Purchases of goods and services:							
	(a) From business (24 a)	21,993	22,785	24,188	25,653	27,582	29,731	32,226
	(b) Direct services (1 c)	789	903	1,001	1,113	1,241	1,399	1,555
	(c) Travel expenditure (34 a)	627	642	605	585	712	786	907
	(d) Other expenditures abroad (34 b)	131	136	132	136	131	147	152
10	Personal net saving <sup>1</sup> (48)	1,535	1,545	2,317	2,531	2,059	2,927	<b>3,</b> 438
11	Totals	27, 435	28, 522	30, 972	32, 934	35, 153	38,902	42, 712

<sup>&</sup>lt;sup>1</sup> This series includes changes in farm inventories, see Table 3.

TABLE 9. Government Revenue and Expenditure Account, 1960-661 Revenue

Item	TENER OF THE SECOND	1960	1961	1962	1963	1964	1965	1966	
No.				milli	one of do	llare			
12	Direct taxes - Persons:	millions of dollars							
	(a) Income taxes (8 a)	1,979	2, 125	2,316	2, 487	2,957	3,355	3,854	
	(b) Succession duties and estate taxes (8b)	158	146	165	171	179	209	228	
	(c) Miscellaneous (8c)	223	240	248	258	292	348	352	
13	Direct taxes - Corporations:								
	(a) Income tax collections (44c)	1,666	1, 551	1,653	1, 775	2, 097	2, 267	2,302	
	(b) Excess of income tax liabilities over income tax collections <sup>2</sup> (44 d)	- 122	61	57	52	- 101	- 103	- 112	
14	Withholding taxes (44 e)	79	116	125	127	140	168	203	
15	Indirect taxes (29 a)	4, 705	4, 947	5, 585	5, 911	6,695	7, 482	8,277	
16	Investment income:								
	(a) Interest (44 f)	463	483	536	605	648	728	873	
	(b) Profits of government business enterprises (44 g)	600	643	715	790	878	960	987	
17	Employer and employee contributions to social insurance and government pension funds (1d)	751	787	812	8 5 2	912	959	1,816	
18	Totals <sup>3</sup>	10, 502	11,099	12, 212	13, 028	14, 697	16,373	18, 780	

See also Table 36.
 See footnote 2, Table 50.
 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, 1960-661 Expenditure

-								
Item No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	llars		
19	Purchases of goods and services:2					I I F		
	(a) From business (24b)	3, 499	3, 640	3, 868	3, 971	4, 285	4,914	5,974
	(b) Direct service:							
	(i) Wages and salaries (1b)	2, 761	3, 046	3, 263	3, 506	3,786	4, 095	4. 574
	(ii) Military pay and allowances (2)	509	550	586	598	583	587	621
20	Transfer payments:					0659		
-	(a) Interest <sup>3</sup> (45)	1,095	1, 170	1, 305	1, 423	1, 526 -	1, 635	1,789
	(b) Other (6 a)	3, 120	3, 441	3, 725	3, 848	4, 133	4, 502	5,006
. 3	(c) Capital assistance (49d)		6	27	61	82-	84	59
21	Subsidies (29b)	235	251	292	311	323	310	477
22	Surplus (+) or deficit (-) (on transactions relating to the National Accounts)4 (51)	- 717	- 1, 005	- 854	- 690	- 21	246	280
23	Totals <sup>5</sup>	10, 502	11, 099	12, 212	13,028	14, 697	16, 373	18, 780

¹ See also Table 37.
² See line 2, Table 2.
³ See footnote 3, Table 37.
⁴ For a reconciliation of the federal content of this consolidated surplus (or deficit) with the conventional federal sudgetary surplus (or deficit) see Table 53.
⁵ 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, 1960-66 Revenue

Item No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	llars	-	
24	Sales to residents:							
	(a) Persons (9a)	21,993	22, 785	24, 188	25, 653	27, 582	29,731	32, 226
	(b) Governments <sup>1</sup> (19a)	3, 499	3,640	3,868	3,971	4, 285	4,914	5,974
	(c) Business gross fixed capital formation:2							
	(i) New residential construction (54 a)	1, 443	1, 458	1, 577	1,707	2, 021	2, 124	2,178
	(ii) New non-residential construction (54b)	2,577	2, 683	2,638	2, 835	3,358	4,024	4,811
	(iii) New machinery and equipment (54c)	2,672	2,494	2, 745	3,049	3,724	4,503	5, 225
	(d) Value of physical change in inventories (55)	410	30	532	535	386	948	995
25	Sales to non-residents:			1, 4				
	(a) Travel expenditure (38b)	420	482	562	609	662	737	830
	(b) Other (38c)	6,415	6,940	7, 495	8, 272	9,532	10, 104	11,740
26	Residual error of estimate	40	15	263	243	6	- 8	- 336
27	Totals	39, 469	40, 527	43, 868	46, 874	51,556	57, 077	63, 643

<sup>&</sup>lt;sup>1</sup> See footnotes 1, 2, 3, Table 2. <sup>2</sup> See footnote 4, Table 2.

TABLE 12. Business Operating Account, 1960-66 Expenditure

Item No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	llars		
28	Factor costs:			1	1		1	1
	(a) Wages, salaries, and supplementary labour income (1a)	14, 695	15, 047	15,969	16,928	18, 406	20, 539	23, 195
	(b) Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (41)	5, 830	6,072	6,659	7, 282	8, 033	8, 735	9, 130
	(c) Net income received by farm operators from farm production <sup>1</sup> (3)	1, 177	978	1,490	1,582	1, 353	1,689	2, 048
	(d) Adjustment on grain transactions <sup>2</sup> (49 c)	9	30	6	139	111	- 44	156
	(e) Net income of non-farm unincorporated business (4)	2, 213	2, 274	2, 401	2, 551	2, 720	2, 877	2,949
	(f) Inventory valuation adjustment (50)	- 70	- 89	- 130	- 200	- 131	- 325	- 318
29	Other costs:							
	(a) Indirect taxes (15)	4, 705	4, 947	5, 585	5,911	6, 695	7, 482	8, 277
	(b) Less subsidies (21)	- 235	- 251	- 292	- 311	- 323	- 310	- 477
	(c) Capital consumption allowances and miscellaneous valuation adjustments (49 b)	4, 423	4, 540	4,892	5, 198	5, 600	6, 110	6,591
30	Purchases from non-residents (33 b)	6, 76 1	6,994	7, 551	8,037	9, 098	10, 316	11,756
31	Residual error of estimate	- 39	- 15	- 263	- 243	- 6	8	336
32	Totals	39, 469	40, 527	43, 868	46, 874	51, 556	57,077	63, 643

<sup>&</sup>lt;sup>1</sup> See footnote 1, Table 7.
<sup>2</sup> 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, 1960-661 Receipts from Canada Canadian Imports

Item No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of d	ollars		
33	Receipts from business:				1	1		
	(a) Interest and dividends (46 a)(b) Other than interest and dividends (30)	523 6, 761	630 6, 994	646 7,551	686 8, 037	790 9,098	837 10,316	930 11,756
34	Receipts from persons:							
	(a) Travel expenditure (9c) (b) All other receipts (9d)	627 131	642 136	605 132	585 136	712 131	786 147	907 152
35	Receipts from Government - Interest (46b)	130	140	148	174	188	211	225
36	Surplus (+) or deficit (-) on current account (on trans- actions relating to the National Accounts)2 (56)	- 1, 164	- 911	- 823	- 507	- 412	-1, 141	- 1,101
37	Totals	7,008	7, 631	8, 259	9,111	10, 507	11, 156	12, 869

<sup>&</sup>lt;sup>1</sup> 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.

<sup>2</sup> Revised figures not incorporated in the Accounts as per note on page 13:

1964

1965

-392 -1,083 -1,043

TABLE 14. Non-residents' Revenue and Expenditure Account, 1960-661 Payments to Canada Canadian Exports

Item No.		1960	1961	1962	1963	1964	1965	1966
38	Payments to business:			mill	ions of d	ollars	1	
	(a) Interest and dividends (42 a)  (b) Travel expenditure (25 a)  (c) Other payments (25 b)	72 420 6,415	92 482 6, 940	77 562 7, 495	80 609 8, 272	174 662 9,532	153 737 10, 104	113 830 11,740
39	Payments to other sectors: Interest and dividends (42b)	101	117	125	150	139	162	186
40	Totals	7, 008	7, 631	8, 259	9, 111	10,507	11, 156	12, 869

<sup>&</sup>lt;sup>1</sup> See footnote 1, Table 13.

TABLE 15. Investment Income Appropriation Account, 1960-66

Item No.		1960	1961	1962	1963	1964	1965	1966
				mill	ions of do	ollars		
41	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (28 b)	5, 830	6,072	6, 659	7, 282	8, 033	8, 735	9,130
14	by:		12/201					11,24
	(a) Corporations (38 a)	72	92	77	80	174	153	113
	(b) Other sectors (39)	101	117	125	150	139	162	186
43	Totals	6, 003	6, 281	6, 861	7,512	8,346	9, 050	9, 429

TABLE 16. Investment Income Appropriation Account, 1960-66
Disposition

Item No.		1960	1961	1962	1963	1964	1965	1966
				mi lli	ons of do	llars	T A	
44	To Canadian residents:							
	(a) Interest, dividends, and net rental income of persons (5)	2, 882	3, 030	3,305	3,616	3,799	4, 129	4,536
	(b) Charitable contributions from corporations (6b)	40	40	44	44	44	44	44
	(c) Corporation income tax collections (13a)	1,666	1,551	1,653	1,775	2,097	2, 267	2,302
	(d) Excess of corporation income tax liabilities over collections (13b)	- 122	61	57	52	- 101	- 103	- 112
	(e) Withholding taxes (14)	79	116	125	127	140	168	203
	(f) Government interest revenue (16a)	463	483	536	605	648	728	873
	(g) Profits of government business enterprises (16b)	600	643	715	790	878	960	987
	(h) Undistributed corporation profits (49a)	837	757	937	1,066	1,389	1,444	1,230
45	Less: Interest on the public debt (20a)	- 1, 095	- 1, 170	- 1,305	- 1,423	- 1,526	- 1,635	- 1,789
46	To non-residents, interest and dividends received from:							
	(a) Business (33 a)	523	630	646	686	790	837	930
	(b) Government (35)	130	140	148	174	188	211	225
47	Totals	6, 003	6, 281	6, 861	7, 512	8,346	9, 050	9, 429

<sup>1</sup> See footnote 2, Table 50.

TABLE 17. National Saving Account, 1960-66 Source

Item No.		1960	1961	1962	1963	1964	1965	1966
				millio	ons of dol	lars		
48	Personal net saving (10)	1,535	1, 545	2, 317	2,531	2,059	2,927	3,438
49	Business gross saving:						1 5 11	
	(a) Undistributed corporation profits (44 h)	837	757	937	1,066	1,389	1, 444	1,230
	(b) Capital consumption allowances and miscel- laneous valuation adjustments (29°)	4,423	4,540	4,892	5, 198	5,600	6, 110	6,591
	(c) Adjustment on grain transactions (28d)	9	30	6	139	111	- 44	156
	(d) Capital assistance (20c)		6	27	61	82	84	59
50	Inventory valuation adjustment (28f)	- 70	- 89	- 130	- 200	- 131	- 325	- 318
51	Government surplus (+) or deficit (-) (22)	- 717	- 1,005	- 854	- 690	- 21	246	280
52	Residual error of estimate	- 39	- 15	- 263	- 243	~ 6	8	336
53	Totals	5, 978	5, 769	6, 932	7, 862	9, 083	10,450	11,772

<sup>&</sup>lt;sup>1</sup> Includes capital consumption allowances of incorporated and unincorporated business as well as depreciation on dwellings. See also Table 51.

TABLE 18. National Saving Account, 1960-66

Disposition

Item No.		1960	1961	1962	1963	1964	1965	1966
54	Business gross fixed capital formation:1			millio	ons of do	llars		
	(a) New residential construction (24 ci)	1,443 2,577 2,672	1,458 2,683 2,494	1,577 2,638 2,745	1,707 2,835 3,049	2,021 3,358 3,724	2,124 4,024 4,503	2,178 4,811 5,225
55	Value of physical change in inventories (24d)	410	30	532	535	386	948	995
56	Surplus (+) or deficit (-) on current account with non-residents <sup>2</sup> (36)	- 1,164	- 911	- 823	- 507	- 412	- 1,141	- 1,101
57	Residual error of estimate	40	15	263	243	6	- 8	- 336
58	Totals	5,978	5,769	6,932	7,862	9, 083	10,450	11,772

<sup>&</sup>lt;sup>1</sup> See footnote 4, Table 2. For reconciliation with *Private and Public Investment* figures published by the Department of Trade and Commerce, see Table 54.

<sup>2</sup> See footnote 1, Table 13. Revised figures not incorporated in the accounts as per note on page 13:

1964 1965 1966 - 392 - 1,083 - 1,043

TABLE 19. Sector Accounts Consolidation, 1960-66

National Income and Gross National Product

ine No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	llars		
	Income originating in:						1	1
1	Personal sector	789	903	1,001	1,113	1,241	1,399	1,555
2	Wages, salaries, and supplementary labour							
	income	789	903	1,001	1,113	1,241	1,399	1,555
3	Business sector	23,854	24, 312	26,395	28, 282	30,492	33, 471	37, 160
4	Wages, salaries, and supplementary labour							
	income	14,695	15,047	15,969	16,928	18,406	20,539	23,195
5	Investment income (excluding interest and dividends received from non-residents and							
	including interest and dividends paid to non- residents)	5,830	6,072	6,659	7,282	8,033	8,735	9, 130
6	Net income received by farm operators from	4 4 ==	0.00	4 400	4 500	4 050	4 000	0.0
7	farm production	1,177	978	1,490	1,582	1,353	1,689	2,048
8	Net income of non-farm unincorporated busi-	9	30	0	139	111	- 44	136
	ness	2,213	2,274	2,401	2,551	2,720	2,877	2.94
9	Inventory valuation adjustment	- 70	- 89	- 130	- 200	- 131	- 325	- 31
10	Government sector	3, 270	3,596	3,849	4, 104	4,369	4,682	5,19
11	Wages, salaries, and supplementary labour							
12	Military pay and allowances	2,761 509	3,046 550	3,263 586	3,506 598	3,786	4,095	4.57
12	Military pay and allowances	509	550	200	598	583	561	04.
13	Non-residents' sector	- 480	- 561	- 592	~ 630	- 665	- 733	- 85
	Interest and dividends paid by non-residents:							
14	(a) To Canadian corporations	72	92	77	80	174	153	11
15	(b) To other Canadian sectors Less interest and dividends received by non-	101	117	125	150	139	162	18
	residents:							
16	(a) From Canadian business	- 523	- 630	- 646	- 686	- 790	- 837	~ 93
17	(b) From Canadian governments	- 130	- 140	- 148	- 174	- 188	- 211	- 22
18	Net National Income at factor cost	27, 433	28, 250	30,653	32,869	35, 437	38,819	43,05
19	Capital consumption allowances and miscellan-							
	eous valuation adjustments	4,423	4,540	4,892	5,198	5,600	6,110	6,59
20	Indirect taxes	4,705	4, 947	5,585	5,911	6,695	7,482	8.27
21 22	Less subsidies	- 235 - 39	- 251 - 15	- 292 - 263	- 311 - 243	- 323 - 6	- 310	- 47
2	IDEDAMMA CITOL OF EDITING C	03	10	200	470	0	0	0.0
23	Gross National Product at market prices	36, 287	37, 471	40, 575	43.424	47, 403	52, 109	57.78

TABLE 20. Sector Accounts Consolidation, 1960-66
Gross National Expenditure

		iross Nati	toust Exp	enditure			,	
Line No.		1960	1961	1962	1963	1964	1965	1966
= 1				milli	ons of dol	lars		
1	Personal expenditure on consumer goods and services	23, 540	24,466	25, 926	27, 487	29, 666	32,063	34,840
2	Purchases from business	21,993	22,785	24, 188	25,653	27,582	29,731	32,226
3	Purchases of direct services	789	903	1,001	1,113	1,241	1,399	1,555
4	Purchases from non-residents	758	778	737	721	843	933	1,059
					1			
5	Government expenditure on goods and services	6, 769	7,236	7, 717	8,075	8,654	9,596	11, 169
6	Purchases from business	3,499	3,640	3,868	3,971	4,285	4,914	5,974
7	Wages and salaries	2,761	3,046	3,263	3,506	3,786	4,095	4,574
8	Military pay and allowances	509	550	586	598	583	587	621
			NV S	Media I				
9	Business gross fixed capital formation	6, 692	6,635	6,960	7, 591	9, 103	10,651	12,214
10	New residential construction	1,443	1,458	1,577	1,707	2,021	2,124	2.178
11	New non-residential construction	2,577	2,683	2,638	2,835	3,358	4,024	4,811
12	New machinery and equipment	2,672	2,494	2,745	3,049	3,724	4,503	5,225
13	Value of physical change in inventories	410	30	532	535	386	948	995
14	Exports of goods and services <sup>1</sup>	7,008	7, 631	8,259	9, 111	10,507	11, 156	12, 869
15	Payments to Canadian business	6,907	7,514	8,134	8,961	10,368	10,994	12,683
16	Payments to other sectors	101	117	125	150	139	162	186
								100
17	Imports of goods and services <sup>1</sup>	- 8,172	- 8,542	- 9,082	- 9,618	- 10,919	- 12, 297	- 13,970
18	Receipts from Canadian business	- 7,284	- 7,624	- 8,197	- 8,723	- 9,888	- 11,153	- 12,686
19	Receipts from persons	- 758	- 778	- 737	- 721	- 843	- 933	- 1,059
20	Receipts from government	- 130	- 140	- 148	- 174	- 188	- 211	- 225
21	Residual error of estimate	40	15	263	243	6	- 8	- 336
22	Gross National Expenditure at market prices	36, 287	37, 471	40, 575	43, 424	47, 403	52, 109	57,781
	Revised figures not incorporated into the	e Account	s as per no	ote on page	e 13.	1964	1965	1966

# SECTION B

INDUSTRIAL DISTRIBUTION OF GROSS DOMESTIC PRODUCT AND OTHER AGGREGATES

TABLE 21. Gross Domestic Product at Factor Cost, by Industry, 1960-661

Line No.		1960	1961	1962	1963	1964	1965	1966
				million	ns of doll	ars		
1	Agriculture	1,745	1,581	2,090	2, 346	2,126	2,346	2,952
2	Forestry	403	355	377	397	428	481	496
3	Fishing and trapping	91	100	117	116	132	137	147
4	Mining, quarrying, and oil wells	1,433	1,445	1,561	1,660	1,778	1,940	2,013
5	Manufacturing	8,427	8,501	9,355	10,026	11,053	12,015	13,019
6	Construction	1,745	1,823	1,917	1,987	2,183	2,611	3,160
7	Transportation	2,103	2,170	2,233	2,368	2,588	2,791	3,019
8	Storage	89	85	84	100	105	111	125
9	Communication	744	796	871	932	1,030	1,122	1,223
10	Electric power, gas, and water utilities	1,070	1,139	1,204	1,272	1,356	1,477	1,618
11	Wholesale trade	1,506	1,547	1,661	1,759	1,935	2,116	2,384
12	Retail trade	3,016	3,106	3,237	3,450	3,728	4,015	4,340
13	Finance, insurance, and real estate <sup>2</sup>	3,383	3,532	3, 696	3, 933	4,216	4,567	4,914
14	Public administration and defence	2,342	2,516	2,661	2,806	2,939	3,111	3,455
15	Service	4,239	4,655	5,073	5,545	6,105	6,822	7,636
16	Totals	32,336	33,351	36,137	38,697	41,702	45,662	50,501

<sup>&</sup>lt;sup>1</sup> 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 24 are therefore not additive to the above

data.

This group includes ownership of dwellings.

TABLE 22. Wages, Salaries, and Supplementary Labour Income, by Industry, 1960-661

Line No.		1960	1961	1962	1963	1964	1965	1966		
		millions of dollars								
1	Agriculture	192	195	201	209	215	220	227		
2	Forestry	344	304	321	330	366	403	441		
3	Fishing and trapping	22	25	28	28	32	34	37		
4	Mining, quarrying, and oil wells	600	579	596	609	639	719	735		
5	Manufacturing	5,474	5,533	5,935	6,286	6,832	7,528	8,409		
6	Construction	1,250	1,288	1,393	1,457	1,622	2,003	2,510		
7	Transportation	1,377	1,409	1,435	1,488	1,580	1,709	1,847		
8	Storage	60	60	61	70	74	80	89		
9	Communication	453	476	502	544	570	626	697		
10	Electric power, gas, and water utilities	356	371	393	412	436	471 .	504		
11	Wholesale trade	1,074	1,110	1,174	1,255	1,364	1,518	1,693		
12	Retail trade	1,658	1,722	1,801	1,931	2,095	2,302	2,564		
13	Finance, insurance, and real estate	819	877	933	1,001	1,092	1,182	1,289		
14	Public administration and defence <sup>1</sup>	2,342	2,516	2,661	2,806	2,939	3,111	3,455		
15	Service	2,733	3,081	3,385	3,719	4,160	4,714	5,398		
16	Totals	18,754	19,546	20,819	22, 145	24,016	26, 620	29,945		

<sup>1</sup> Includes military pay and allowances.

TABLE 23. Investment Income, by Industry, 1960-661

Line No.		1960	1961	1962	1963	1964	1965	1966			
		millions of dollars									
1	Agriculture	57	60	71	80	90	100	110			
2	Forestry	5	13	11	14	16	14	14			
3	Fishing and trapping	c- :	-	-	_	-	-	_			
4	Mining, quarrying, and oil wells	365	374	414	468	565	616	585			
5	Manufacturing	1,620	1, 644	1, 937	2, 167	2, 339	2, 492	2, 490			
6	Construction	98	117	91	83	91	113	110			
7	Transportation	183	189	202	292	385	439	497			
8	Storage	15	13	12	16	17	17	20			
9	Communication	165	180	212	213	269	287	298			
10	Electric power, gas, and water utilities	443	483	519	536	579	654	740			
11	Wholesale trade	267	262	305	335	391	428	476			
12	Retail trade	422	426	472	518	547	615	647			
13	Finance, insurance, and real estate	1, 895	1,996	2, 051	2, 165	2, 313	2, 484	2, 643			
14	Public administration and defence	127-	-		-	-	-	-			
15	Service	295	315	362	395	431	476	500			
16	Totals	5, 830	6,072	6, 659	7, 282	8,033	8,735	9, 130			

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, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966		
		millions of dollars								
					No.1					
1	Agriculture	1, 186	1,008	1, 496	1,721	1, 464	1, 645	2, 204		
2	Forestry	31	31	31	33	31	27	20		
3	Fishing and trapping	43	46	56	54	61	62	66		
4	Mining, quarrying, and oil wells	6	6	7	7	7	7	7		
5	Manufacturing	177	202	220	227	232	239	232		
6	Construction	253	269	292	311	335	342	350		
7	Transportation	81	84	79	88	93	99	107		
8	Storage; communication; and electric power, gas, and water utilities		_	_			-	_		
9	Retail trade	669	646	692	733	766	8 20	818		
10	Wholesale trade	50	53	53	66	78	78	80		
11	Finance, insurance, and real estate	61	69	59	61	70	76	79		
12	Service	842	868	912	971	1, 047	1, 127	1, 190		
1.3	Totals	3, 399	3, 282	3,897	4,272	4, 184	4, 522	5, 15		

TABLE 25. Business Gross Fixed Capital Formation, by Industry, 1960-661,2

Line No.		1960	1961	1962	1963	1964	1965	1966			
		millions of dollars									
1 2	Agriculture <sup>3</sup> Fishing and trapping	} 550	576	663	762	836	926	1,001			
3	Forestry	54	50	54	60	88	96	89			
4	Mining, quarrying, and oil wells	400	449	480	521	632	735	994			
5	Manufacturing	1, 178	1,085	1, 269	1, 358	1,831	2, 340	2, 803			
6	Construction	130	136	109	135	197	263	267			
7 8	Transportation	704	645	490	566	730	820	972			
9	Communication	377	340	385	435	426	458	547			
10	Electric power, gas, and water utilities	688	706	720	763	892	1, 131	1, 343			
11	Trade	381	307	319	338	368	395	437			
12	Finance, insurance, and real estate <sup>5</sup>	1,722	1,770	1, 875	1,980	2, 363	2. 551	2, 647			
13	Service	508	571	596	673	740	936	1, 114			
14	Totals	6,692	6, 635	6, 960	7, 591	9, 103	10, 651	12, 214			

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.

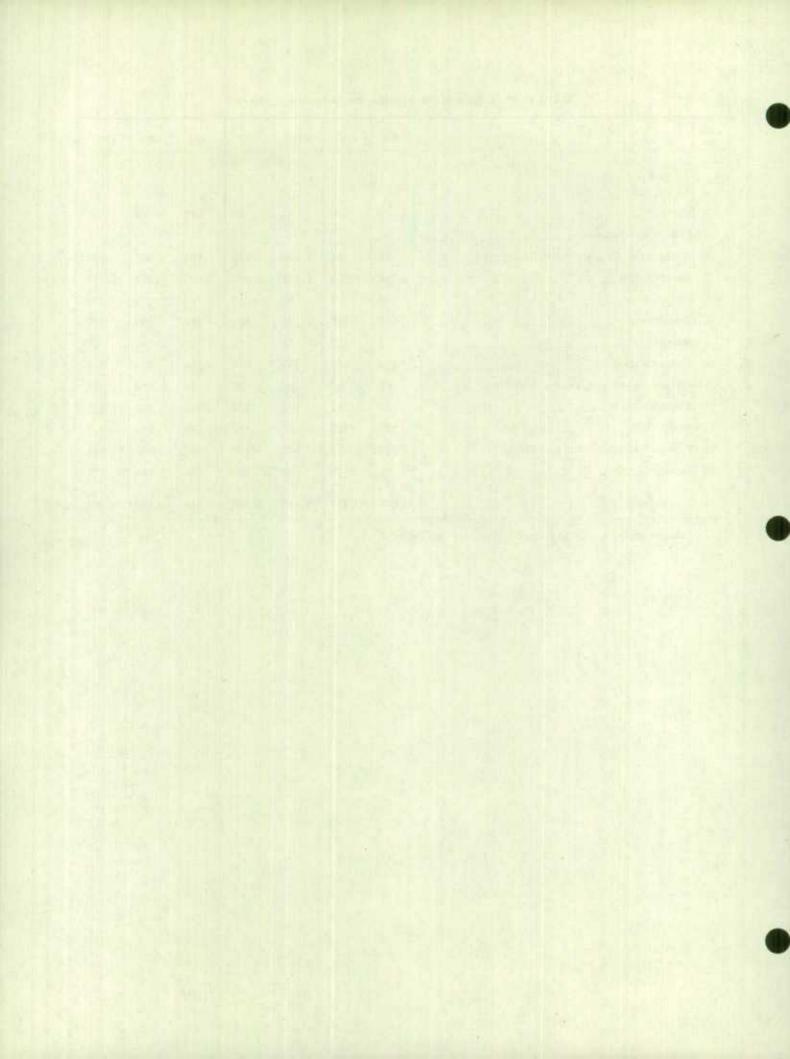
TABLE 26. Value of Physical Change in Inventories, by Industry, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	lars		
1	Agriculture	16	- 278	176	311	- 99	56	149
2	Forestry	3	- 13	- 16	- 3	- 3	14	- 13
3	Fishing and trapping	-	-		_	_		-
4	Mining, quarrying, and oil wells	5	10	5	- 20	- 13	37	11
5	Manufacturing	137	271	206	64	235	442	496
6	Construction	- 9	3	14	27	26	29	38
7	Transportation	)						
8	Storage	- 26	- 13	- 4	- 15	12	12	19
9	Communication							
10	Electric power, gas, and water utilities	5	- 11		11	- 2	- 3	- 2
	Trade:					100		
11	Grain in commercial channels	69	- 131	46	- 20	- 31	- 13	14
12	Wholesale (excluding grain in commercial channels)	18	79	- 24	33	65	118	125
13	Retail	192	110	127	141	192	249	153
14	Finance, insurance, and real estate	)						
15	Service	-	3	2	6	4	7	5
16	Totals	410	30	532	535	386	948	995

TABLE 27. Corporation Profits, by Industry, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966		
		millions of dollars								
1	Agriculture	7								
2	Forestry	5	15	13	18	19	18	17		
3	Fishing and trapping									
4	Mining, quarrying, and oil wells	348	361	406	458	604	602	570		
5	Manufacturing	1,516	1, 555	1,816	2, 045	2, 223	2,371	2, 313		
6	Construction	78	94	63	55	60	78	74		
7	Transportation	132	126	125	205	284	306	339		
8	Storage	14	12	12	15	16	16	19		
9	Communication	129	137	157	164	190	214	226		
10	Electric power, gas, and water utilities	85	87	96	75	74	92	94		
11	Wholesale trade	228	222	262	292	345	378	419		
12	Retail trade	212	213	233	257	272	312	297		
13	Finance, insurance, and real estate	510	530	543	499	607	660	643		
14	Service	81	75	93	105	125	152	176		
15	Totals <sup>1</sup>	3, 338	3, 427	3, 819	4, 188	4,819	5, 199	5. 187		

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



# SECTION C

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME

TABLE 28. Personal Income, Geographical Distribution, 1960-661

Line No.		1960	1961	1962	1963	1964	1965	19 66
	WINTE THE HILL			milli	ions of do	ollars		
1	Newfoundland	395	428	449	484	523	584	650
2	Prince Edward Island	102	101	111	118	132	148	150
3	Nova Scotia	848	882	934	981	1,041	1,130	1, 197
4	New Brunswick	617	636	674	708	777	857	925
5	Quebec	6,736	7, 272	7, 803	8, 254	8,980	9,926	10, 830
6	Ontario	11,023	11,490	12, 252	13,099	14,057	15,450	16, 921
7	Manitoba	1,398	1,395	1,578	1,599	1,725	1,846	1, 968
8	Saskatchewan	1,351	1, 130	1,576	1,742	1,587	1,870	2, 135
9	Alberta	2,006	2, 125	2, 333	2, 455	2,571	2,867	3, 243
10	British Columbia	2,850	2,953	3, 139	3,366	3,628	4, 080	4, 539
11	Yukon and Northwest Territories	50	49	50	53	57	60	64
12	Foreign Countries <sup>2</sup>	59	61	73	75	75	84	90
13	Canada	27,435	28, 522	30, 972	32, 934	35, 153	38, 902	42, 712

<sup>&</sup>lt;sup>1</sup> 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.

<sup>2</sup> Income of Canadians temporarily abroad, including pay and allowances of Canadian Armed Forces abroad.

TABLE 29. Personal Income per Person, Geographical Distribution, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966		
		dollars								
1	Newfoundland	882	934	955	1,006	1,065	1, 173	1, 287		
2	Prince Edward Island	990	962	1,047	1, 103	1, 234	1,370	1,376		
3	Nova Scotia	1,166	1, 197	1, 252	1, 298	1,370	1, 485	1,575		
4	New Brunswick	1,048	1,064	1,110	1, 153	1, 259	1, 376	1, 475		
5	Quebec	1,310	1,383	1, 454	1,509	1,614	1,755	1, 885		
6	Ontario	1,804	1,843	1,932	2,031	2, 134	2, 295	2, 454		
7	Manitoba	1,543	1, 513	1,688	1, 683	1,801	1,919	2,054		
8	Saskatchewan	1, 477	1, 222	1,695	1,867	1,683	1,966	2, 238		
9	Alberta	1,554	1,595	1,703	1,747	1,795	1,976	2, 215		
10	British Columbia	1,779	1,813	1,892	1,986	2,087	2, 281	2, 438		
11	Yukon and Northwest Territories	1,389	1, 324	1, 282	1,359	1,390	1,500	1. 561		
12	Canada	1, 535	1, 564	1, 668	1, 743	1,827	1,988	2, 144		

TABLE 30. Personal Disposable Income, Geographical Distribution, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966		
		millions of dollars								
1	Newfoundland	375	406	424	458	492	550	612		
2	Prince Edward Island	98	96	106	112	126	142	142		
3	Nova Scotia	793	832	879	923	973	1,055	1, 112		
4	New Brunswick	574	597	633	664	726	799	858		
5	Quebec	6,213	6,689	7,159	7,558	8,140	8,926	9, 652		
6	Ontario	9,908	10,312	10,992	11,759	12,482	13,667	14, 929		
7	Manitoba	1,285	1,273	1,447	1,464	1,569	1,672	1,787		
8	Saskatchewan	1,269	1,040	1,471	1,625	1,456	1,720	1,962		
9	Alberta	1,856	1,963	2,155	2,272	2,358	2,630	2, 984		
10	British Columbia	2,600	2,698	2,859	3,060	3,277	3,692	4, 092		
11	Yukon and Northwest Territories	45	44	45	48	51	53	58		
12	Foreign countries <sup>2</sup>	59	61	73	75	75	84	90		
13	Canada	25, 075	26, 011	28,243	30,018	31,725	34, 990	38, 278		

<sup>1</sup> Personal disposable income consists of total personal income less personal direct taxes.
<sup>2</sup> 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, Geographical Distribution, 1960 - 66

Line No.		1960	1961	1962	1963	1964	1965	1966		
		millions of dollars								
1	Newfoundland	260	286	297	326	356	408	467		
2	Prince Edward Island	46	52	56	59	64	70	78		
3	Nova Scotia	528	542	572	605	647	705	774		
4	New Brunswick	384	404	426	450	492	548	621		
5	Que bec	4,708	4,974	5,343	5,687	6,237	6,909	7, 792		
6	Ontario	7,608	7,889	8,420	8,995	9,782	10,833	12, 157		
7	Manitoba	870	897	939	987	1,040	1,118	1, 229		
8	Saskatchewan	621	634	666	698	742	808	913		
9	Alberta	1,215	1,279	1,355	1,424	1,540	1,724	1,953		
10	British Columbia	1,948	1,983	2,099	2,252	2,461	2,833	3, 254		
11	Yukon and Northwest Territories	44	42	44	45	51	54	60		
12	Foreign countries	13	14	16	19	21	23	26		
13	Canada	18, 245	18,996	20, 233	21,547	23, 433	26,033	29, 324		

<sup>1</sup> 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, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966			
		millions of dollars									
1	Newfoundland	2	2	2	2	2	2	2			
2	Prince Edward Island	13	6	6	6	13	18	11			
3	Nova Scotia	13	13	11	10	6	9	8			
4	New Brunswick	22	10	9	8	14	24	14			
5	Quebec	178	181	175	161	145	164	193			
6	Ontario	308	333	347	346	320	375	467			
7	Manitoba	94	52	151	108	155	168	174			
8	Saskatchewan	305	100	440	567	361	535	670			
9	Alberta	192	224	282	309	272	331	425			
10	British Columbia	50	57	67	65	65	63	84			
11	Yukon and Northwest Territories			-		- 1	-	-			
12	Canada	1,177	978	1,490	1,582	1,353	1,689	2, 048			

<sup>&</sup>lt;sup>1</sup> This item differs from line 6, Table 1, by excluding the adjustment which has been made to take account of the account earnings arising out of the operations of the Canadian Wheat Board.

TABLE 33. Net Income of Non-farm Unincorporated Business, Geographical Distribution, 1960-66

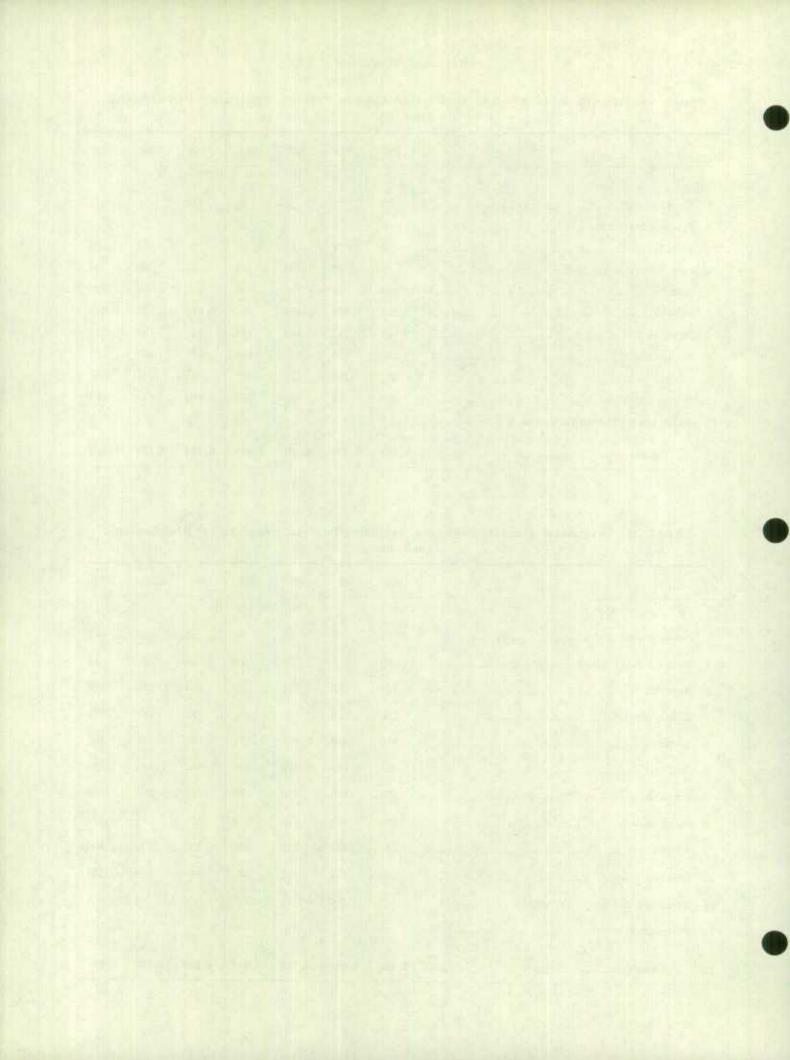
	1960-66												
Line No.		1960	1961	1962	1963	1964	1965	1966					
				milli	ons of do	llars							
1	Newfoundland	41	41	46	47	50	52	53					
2	Prince Edward Island	13	13	13	14	15	17	17					
3	Nova Scotia	86	89	91	96	103	110	111					
4	New Brunswick	58	59	64	68	73	76	77					
5	Quebec	496	522	559	595	633	666	679					
6	Ontario	803	822	856	928	990	1,052	1. 079					
7	Manitoba	136	136	138	142	151	160	166					
8	Saskatchewan	128	125	133	139	149	158	161					
9	Alberta	194	194	213	217	229	242	250					
10	British Columbia	255	270	286	302	324	341	353					
11	Yukon and Northwest Territories	3	3	2	3	3	3	3					
12	Canada	2,213	2,274	2,401	2,551	2,720	2,877	2, 949					

TABLE 34. Interest, Dividends, and Net Rental Income of Persons, Geographical Distribution, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966
				millie	ons of do	llars		
1	Newfoundland	23	25	26	28	30	31	33
2	Prince Edward Island	8	8	9	10	10	11	11
3	Nova Scotia	72	74	82	90	96	104	113
4	New Brunswick	49	49	54	58	63	68	74
5	Quebec	683	732	775	850	928	1,009	1,097
6	Ontario	1,314	1,384	1,499	1,614	1,689	1,832	2,017
7	Manitoba	137	143	160	174	181	193	211
8	Saskatchewan	112	100	136	163	148	169	194
9	Alberta	181	200	225	241	251	271	299
10	British Columbia	302	314	338	387	402	440	485
11	Yukon and Northwest Territories	1	1	1	1	1	1	2
12	Canada	2,882	3,030	3, 305	3,616	3, 799	4, 129	4,536

TABLE 35. Government Transfer Payments, excluding Interest, Geographical Distribution, 1960-66

Line		1960	1961	1962	1963	1964	1965	1966
No.		1500	1301		ons of do		1000	
				1111111	ons or do.			
1	Newfoundland	73	78	82	86	92	101	117
2	Prince Edward Island	20	20	23	24	25	27	31
3	Nova Scotia	126	135	146	150	163	174	186
4	New Brunswick	108	119	125	128	141	147	164
5	Quebec	776	966	1,053	1,074	1,163	1,314	1,408
6	Ontario	1,051	1,132	1,202	1,300	1,387	1,497	1,695
7	Manitoba	172	177	200	198	211	222	240
8	Saskatchewan	198	185	216	190	205	219	242
9	Alberta	241	243	272	280	302	328	400
10	British Columbia	351	382	402	413	440	469	521
11	Yukon and Northwest Territories	4	4	4	5	4	4	2
12	Foreign countries	-	-	-	-	-		
13	Canada	3, 120	3,441	3,725	3,848	4, 133	4, 502	5, 006



## SECTION D

GOVERNMENT SUPPLEMENTARY TABLES

TABLE 36. Government Revenue and Expenditure, by Level of Government, 1960 - 661 Revenue

_	110	venue						
Line No.		1960	1961	1962	1963	1964	1965	1966
				millio	ons of dol	lars		
1	Direct taxes — Persons	2, 360	2, 511	2, 729	2, 916	3, 428	3,912	4 494
7		2, 300	2, 311	2, 129	2, 916			4, 434
2	Federal	2,017	2,132	2,088	2,193	2,558	2,715	2, 955
3	Provincial	320	353	611	692	839	1,166	1,448
4	Municipal	23	26	30	31	31	31	31
5	Direct taxes - Corporations <sup>2</sup>	1, 544	1,612	1,710	1,827	1, 996	2, 164	2, 190
6	Federal <sup>3</sup>	1,266	1,311	1,279	1,362	1,498	1,623	1,642
7	Provincial <sup>4</sup>	278	301	431	465	498	541	548
8	Witholding taxes - Federal	79	116	125	127	140	168	203
							200	
9	Indirect taxes	4, 705	4, 947	5, 585	5, 911	6, 695	7, 482	8, 277
10	Federal	2, 180	2,190	2, 401	2, 451	2,847	3, 247	3,577
11	Provincial	1,090	1.233	1,535	1,663	1,947	2, 214	2,525
12	Municipal	1,435	1,524	1,649	1,797	1,901	2,021	2, 175
13	Investment income	1, 063	1, 126	1, 251	1, 395	1, 526	1,688	1,860
14	Federal	382	409	448	510	570	618	663
15	Provincial	437	461	511	564	612	708	80%
16	Municipal	244	256	292	321	344	362	389
17	Employer and employee contributions to social							
	insurance and government pension funds	751	787	812	852	912	959	1,816
18	Federal	487	510	518	534	574	602	681
19	Provincial	240	251	265	286	305	324	383
20	Municipal	24	26	29	32	33	33	38
21	Canada Pension Plan	-	_	_	-		-	531
22	Quebec Pension Plan	-	-	-	_		_	183
23	Transfers from other levels of government	1,725	1,985	2, 212	2,334	2,549	2,881	3, 375
24	Provinces - From Canada	962	1,095	1.090	1,117	1,199	1,365	1.556
25	From municipalities	17	15	15	17	17	1,363	25
26	Municipalities — From Canada	32						
27	From provinces	714	33 842	1,063	1 149	53	62	1 03
	protato o management	117	042	1,003	1,148	1,280	1,436	1,691
28	Total revenue	10 000	12 004	14 404	15 000	18 046	40.00	00
29	Federal	12, 227 6, 411	13,084 6.668	14,424	15, 362	17,246	19,254	22, 155
30	Provincial	3, 344	3,709	6, 859 4, 458	7.177	8,187	8,973	9, 721
31	Municipal	2, 472	2,707	3,107	4, 804 3, 381	5, 417	6,336	7,293
32	Canada Pension Plan	2, 412	2,101	3,101	3,301	3,042	3,945	4, 427
33	Quebec Pension Plan				E			183
								1 6.2

<sup>&</sup>lt;sup>1</sup> For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.
<sup>2</sup> For details of tax collections and tax liabilities, see Table 50.
<sup>3</sup> See footnote 1, Table 39.
<sup>4</sup> See footnote 2, Table 50.

TABLE 37. Government Revenue and Expenditure, by Level of Government, 1960-661 Expenditure

0.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of dolla	rs		
1	Goods and services	6, 769	7,236	7,717	8,075	8,654	9,596	11, 16
2	Federa 12	2,730	2.982	3,025	2,934	3,046	3, 267	3.88
3	Provincial	1.465	1,467	1,563	1.725	1.929	2.234	2,72
4	Municipal	2,574	2,787	3,129	3.416	3, 679	4, 095	4, 56
5	Transfer payments to persons (excluding interest on the	0.100	2 444	O BOS	0.040		4 500	- 0
	public debt)	3,120	3, 441	3,725	3, 848	4, 133	4, 502	5, 0
5	Federal Provincial	1.976	2,006	2,112	2,133	2, 239	2.316	2,4
8	Municipal	77	1,332	98	1.612	1.792	2,081	2,4
			100	30	103	102	103	. A
)	Interest on the public debt	1,095	1,170	1,305	1,423	1,526	1,635	1,7
)	Federal'	753	786	866	935	995	1,052	1,1
2	Provincial Municipal	148	166 218	192 247	224 264	249 282	282 301	3
	The state of the s	154	210	441	203	202	301	-
3	Subsidies	235	251	292	311	323	310	4
	Federal	209	221	260	275	277	259	3
	Provincial	26	30	32	36	46	51	1
3	Capital assistance - Federal	-	6	27	61	82	84	
7	Transfers to other levels of government	1,725	1,985	2,212	2, 334	2,549	2,881	3,3
1	Canada - To provinces	962	1.095	1,090	1,117	1.199	1,365	1,5
	To municipalities	32	33	44	52	53	62	1
	Provinces - To municipalities	714	842	1,063	1.148	1,280	1,436	1,6
	namespatition to province a province and a province		13	1.0	1.4	11	10	
	Total expenditure	12,944	14,089	15, 278	16,052	17, 267	19, 008	21,8
}	FederalProvincial	6,662 3,420	7.129	7,424	7.507	7,891	8, 405	9, 5
	Municipal	2,862	3,837	4.365 3.489	4,745 3,800	5, 296 4, 080	6, 084 4, 519	7, 2
		2,002	0,100	0, 100	0,000	1,000	7,010	0, (
3	Deficit (-) or surplus (+)	- 717	- 1,005	- 854	- 690	- 21	246	2
1	Federal <sup>4</sup>	- 251 - 76	- 461	- 565	- 330	296	568	1
)	Provincial	- 390	- 128 - 416	93 - 382	- 41 9	121 - 438	252 - 574	- 5
)	Canada Pension Plan	_	-	-	-	750	012	G
	Quebec Pension Plan	<b>→</b>	-	-	-	2-10	- 1	1
2	Total expenditure minus deficit (or plus surplus)	12,227	13,084	14, 424	15, 362	17, 246	19, 254	22, 1
3	Federal	6,411	6,668	6.859	7,177	8.187	8, 973	9.7
Į.	Provincial	3,344	3,709	4, 458	4,804	5,417	6.336	7, 2
5	Municipal Canada Pension Plan	2,472	2.707	3,107	3, 381	3,642	3,945	4.4
2	Canada I Chatti Lian	the same	_	_	- 1-	_	-	5

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

Defence expenditures included in these figures are as follows: 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,

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

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

TABLE 38. Direct Taxes - Persons, 1960-661

Line No.		1960	1961	1962	1963	1964	1965	1966
				mllli	ons of dolla	ars		
	Federal:	1						
1 2 3	Income Succession duties and estate taxes Miscellaneous	1,917 97 3	2, 050 80 2	1.994 93	2, 102 89 2	2, 465 91 2	2,612 101 2	2, 846 106 3
4	Totals	2,017	2, 132	2,088	2, 193	2, 558	2,715	2,955
	Provincial:			4			344	
5 6 7 8 9	Income Motor vehicles licences and permits <sup>1</sup> Succession duties Hospital Insurance premiums Miscellaneous	62 63 61 113 21	75 69 66 122 21	322 72 72 122 23	385 76 82 125 24	492 87 88 146 26	743 105 108 182 28	1,008 98 122 188 32
[0]	Totals	320	353	611	692	839	1,166	1,448
11	Municipal - Miscellaneous	23	26	30	31	31	31	31
12	Grand totals	2,360	2, 511	2,729	2, 916	3, 428	3, 912	4,434

<sup>1</sup> Personal share only. The business share is treated as an indirect tax.

TABLE 39. Direct Taxes - Corporations, 1960 - 66

Line No.		1960	1961	1962	1963	1964 lars	1965	1966
1	Federal - Income¹	1, 266	1, 311	1, 279	1,362	1, 498	1, 623	1,612
	Provincial:							
2	Income <sup>2</sup>	251	276	400	428	457	495	493
3	Tax on mining and logging profits	27	25	31	37	41	46	55
4	Totals	278	301	431	465	498	541	548
5	Grand totals	1, 544	1,612	1,710	1, 827	1,996	2, 164	2,190

<sup>&</sup>lt;sup>1</sup> Excludes refundable tax on corporate cash profits introduced May 1966. The amount collected was \$132 million. <sup>2</sup> See footnote 2, Table 50.

TABLE 40. Indirect Taxes, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	llars		
	Federal:					12/2 (2)		
1	Banks and insurance companies	_	_	_			_	
2	Customs import duties	515	515	636	577	624	665	760
3	Excise duties	345	358	379	393	408	431	465
4	Excise taxes	1,304	1,302	1,369	1, 462	1,794	2, 129	2,333
5	Miscellaneous	16	15_	17	19	21	22	30
6	Totals	2, 180	2, 190	2, 401	2,451	2,847	3,247	3,577
10	Provincial:	Tetal			-			
7	Amusement	23	24	26	27	31	33	39
8	Corporation tax (not on profits)	22	23	22	23	27	28	40
9	Gasoline	398	430	473	522	595	661	728
10	Licences, fees, and permits	28	33	35	36	41	45	44
11	Motor vehicle licences and permits1	101	109	114	120	129	149	153
12	Miscellaneous taxes on natural resources	137	133	152	159	188	214	219
13	Real property	8	9	9	10	11	11	12
14	Retail sales tax (including liquor and tobacco)	238	317	530	577	719	835	1,026
15	Miscellaneous	135	155	174	189	206	238	264
16	Totals	1,090	1, 233	1, 535	1, 663	1,947	2,214	2,525
	Municipal:							
17	Amusement	2	2	2	2	2	2	2
18	Licences, fees, and permits	35	33	33	36	38	38	40
19	Real property	1,.159	1, 251	1, 375	1,502	1,631	1,755	1,892
20	Retail sales tax	82	68	54	60	20	3	3
21	Miscellaneous	157	170	185	197	210	223	238
22	Totals	1, 435	1,524	1, 649	1, 797	1, 901	2,021	2,175
23	Grand totals	4, 705	4, 947	5, 585	5, 911	6, 695	7, 482	8,277

<sup>&</sup>lt;sup>1</sup> Business share only. The personal share is treated as a direct tax.

TABLE 41. Government Investment Income, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966
				mill	ions of d	ollars		
	Federal:			1 4				]
1	Interest on government-held public funds	106	114	122	139	152	177	198
2	Interest on loans, advances and investments	147	151	166	184	186	193	257
3	Profits (net of losses) of government business enterprises	129	144	160	187	232	248	208
4	Totals	382	409	448	510	570	618	663
	Provincial:							
5	Interest on government-held public funds	67	74	84	98	110	125	146
6	Interest on loans, advances and investments	90	87	98	106	113	137	167
7	Profits (net of losses) of government business enterprises	280	300	329	360	389	446	495
8	Totals	437	461	511	564	612	708	808
	Municipal:							
9	Interest on government-held public funds	14	16	19	23	25	27	30
10	Interest on loans, advances and investments	39	41	47	55	62	69	75
11	Profits (net of losses) of government business enterprises	191	199	226	243	257	266	284
13	Totals	244	256	292	321	344	362	389
13	Grand totals	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, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	llars		
	Federal:							
1	Public service pensions	209	233	233	240	269	278	338
2	Unemployment insurance	278	277	285	294	305	324	343
3	Totals	487	510	518	534	574	602	681
	Provincial:							
4	Public service pensions	105	114	125	141	155	167	208
5	Workmen's compensation	114	118	125	132	137	143	163
6	Industrial employees' vacations	21	19	15	13	13	14	12
7	Totals	240	251	265	286	305	324	383
8	Municipal - Public service pensions	24	26	29	32	33	33	38
9	Canada Pension Plan		_	_		_	****	531
10	Quebec Pension Plan	_		_	-	_	_	183
11	Grand totals	751	787	812	852	912	959	1,816

50%

TABLE 43. Government Expenditure on Goods and Services, 1960 - 66

Line No.		1960	1961	1962	1963	1964	1965	1966	19
				mill	ions of doll	ars			
1 2 3 4	Federal:  Wages, salaries, and supplementary labour income Military pay and allowances Other purchases of goods and services  Totals¹	937 509 1, 284 2, 730	1,024 550 1,408 2,982	1, 064 586 1, 375 3, 025	1, 121 598 1, 215 2, 934	1, 187 583 1, 276 3, 046	1, 256 587 1, 424 3, 267	1. 4 <del>35</del> 621 1. 82420 3. <b>886</b>	1604 704 1951 4259
5 6 7	Provincial:  Wages, salaries, and supplementary labour income Other purchases of goods and services  Totals <sup>1</sup>	615 850 1,465	654 813 1,467	702 861 <b>1,56</b> 3	757 968 <b>1,725</b>	826 1,103 1,929	26 911 1262 <del>1, 929</del> 2, 234	1, 080 1, 6991 2, 738	1775
8 9 10	Municipal:  Wages, salaries, and supplementary labour Income Other purchases of goods and services  Totals'  Grand totals	1, 209 1, 365 2, 574 6, 769	1, 368 1, 419 2, 787 7, 236	1, 497 1, 632 3, 129 7, 717	1, 628 1,788 3,416 8,075	1,773 1,906 3,679 8,654	1, 92 <del>8</del> 1, 92 <del>8</del> 1, 92 <del>8</del> 4, 005 9, 506	2, 100 2, 100 4, 860 11, 160	2372 2731 5103

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:

of vice Boy vice	1960	1961	1962	1963	1964	1965	1966
			mill	ions of dolla	ars		457
Federal Provincial Municipal	372 612 586	383 547 607	348 624 783	279 659 864	299 776 766	396 875 943	457 1,054 1,172
Totals	1,570	1,537	1,755	1,802	1, 841	2. 214	2, 683

TABLE 44. Government Transfer Payments, including Interest, 1960 - 66

Line		1960	1961	1962	1963	1964	1965	1000
No.				mill	ions of dolla	ars		
1 2 3 4 5 6 7 8 9 10 11 12 13	Federal:  Family and youth allowances Re-establishment credits Rehabilitation benefits Pensions World Wars I and II¹ War veterans' allowances Unemployment insurance benefits Prairie farm assistance act Pensions to government employees Interest on the public debt Old age security fund payments¹ Payments to western grain producers Grants to universities² Assistance to immigrants Miscellaneous	502 3 1 136 64 482 25 61 753 587 40 29 2	517 2 158 76 494 35 66 786 597 — 16 2 42	529 1 162 87 409 30 76 866 713 40 19 1	537 1 160 89 394 15 82 935 767 — 26 2	559 1 162 95 344 9 99 995 871 	597 -1 171 108 312 1i 109 1,052 890 -27 2 88	602 
15	Totals	2, 729	2,792	2,978	3,068	3, 234	3,368	3, 629
16 17 18 19 20 21 22 23 24	Provincial:  Direct relief Workmen's compensation benefits Old age and blind pensions Mothers' and disabled persons allowances Pensions to government employees Grants to private non-commercial institutions Interest on the public debt Miscellaneous  Totals	24 92 80 73 42 706 148 50	34 94 82 72 48 952 166 50 1,498	39 104 103 81 55 1,075 192 58 1,707	49 111 103 79 62 1,149 224 59	56 118 116 93 69 1,276 249 64 2,041	69 125 125 94 76 1.513 282 79 2,363	84 150 107 108 94 1,775 318 100 2,736
25 26 27 28 29	Municipal:  Direct relief Pensions to government employees Grants to private non-commercial institutions Interest on the public debt Totals  Grand totals	53 8 16 194 271 4,215	70 9 24 218 321 4,611	69 10 19 247 345 5,030	73 11 19 264 367 5, 271	74 13 15 282 384 5,659	77 13 15 301 406	79 15 16 320 430 6, 795

Excludes pensions paid to non-residents, which are treated as government expenditure on goods and services.
 These consist only of grants made on a per capita basis.

**TABLE 45. Subsidies, 1960-66** 

Line No.		1960	1961	1962	1963	1964	1965	1966
	Federal:			millio	ons of do	llars		
	Agricultural:						100	
1	Freight assistance on western feed grains	20	18	14	17	20	20	21
2	Hog premiums	7	7	7	7	8	9	9
3	Agricultural commodities stabilization board- loss	53	22	72	74	56	44	16
4	Assistance re-storage costs on grain	46	46	44	36	39	33	33
5	Miscellaneous	2	2	1	2	2	19	61
6	Sub-totals	128	95	138	136	125	125	140
	Other subsidies:			7200		14111111	4 - 1	
7	Emergency gold mines assistance	12	12	14	15	15	14	15
8	Maritime Freight Rates Act	14	13	13	11	17	10	20
9	Movement of coal	17	17	18	19	20	26	32
10	Miscellaneous	38	84	77	94	100	84	163
11	Sub-totals	81	126	122	139	152	134	230
12	Total federal subsidies	209	221	260	275	277	259	370
13	Total provincial subsidies	26	30	32	36	46	51	107
14	Grand totals	235	251	292	311	323	310	477

TABLE 46. Transfers to Other Levels of Government, 1960 - 66

Line No.		1960	1961	1962	1963	1964	1965	1966
	Federal:			mill	ions of do	ollars		
	To provinces:		- 192					
1	Old age and blind pensions	35	35	40	43	49	39	25
2	Disabled persons allowances	16	16	19	20	23	18	15
3	Statutory grants	21	21	25	23	24	34	13
4	Taxation agreements <sup>1</sup>	507	510	304	215	283	407	498
5	Health grants	47	52	50	48	53	51	47
6	Trans-Canada highway	51	42	35	29	57	94	83
7	Government contribution under the Hospital	171	265	317	376	415	346	383
8	Insurance and Diagnostic Services Act	48	80	95	102	114	106	
9	Unemployment assistance							128
	Technical and vocational training	8	10	145	181	90	123	188
10	Other	58	64	60	80	91	147	176
11	Sub-totals	962	1,095	1,090	1,117	1,199	1,365	1.556
	To municipalities:							
12	Payments to municipalities	32	33	44	52	53	62	103
13	Totals	994	1, 128	1,134	1,169	1,252	1,427	1. 659
14	Provincial - To municipalities	714	842	1,063	1,148	1,280	1,436	1. 691
15	Municipal - To provinces	17	15	15	17	17	18	25
16	Grand totals	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 prodits pursuant to the Tax Rental Agreements Act. These amounted to \$3 million in 1960, \$3 million in 1961, \$2 million in 1962, \$5 million in 1963, and \$1 million in 1964, and less than \$1 million in 1965 and 1966.

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SECTION E

MISCELLANEOUS TABLES

TABLE 47. Personal Expenditure on Consumer Goods and Services, 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966
				mill	ions of do	ollars	1	
1	Food	5,713	5,829	6, 123	6, 414	6,724	7,114	7, 620
2	Tobacco and alcoholic beverages	1, 606	1, 683	1,782	1, 840	1,911	2,079	2, 225
3 4	Tobacco products and smokers' accessories Alcoholic beverages	702 904	744 939	785 997	800 1,040	814 1,097	88 1 1, 198	935 1, 290
5	Clothing and personal furnishings	2, 355	2, 432	2, 526	2,643	2,803	2,972	3, 141
6 7 8 9 10	Men's and boys' clothing Women's and children's clothing Footwear Laundry and dry cleaning Other	521 998 307 182 347	533 1,028 311 193 367	567 1,069 326 197 367	603 1, 118 330 206 386	648 1, 191 340 221 403	696 1, 261 358 236 421	733 1,334 383 249 442
11	Shelter <sup>1</sup>	3, 621	3,812	3,996	4,323	4,595	4, 907	5, 323
12 13	Gross rents paid by tenants Expenses(taxes, insurance, etc.) paid by owner-	977	1,030	1, 079	1, 177	1, 260	1, 362	1,498
14	occupants	1, 377	1, 501	1,641	1,772	1,922	2,063	2, 292
15	dential capital consumption allowances Other	1, 018 249	1,029 252	1, 007 269	1,089 285	1, 115 298	1, 165 317	1,193 340
16	Household operation	2,919	3,032	3, 202	3, 352	3, 576	3,836	4, 170
17 18 19 20 21 22 23 24	Fuel Electricity Gas Telephone Furniture Home furnishings Appliances, radios and television sets Other	431 326 108 307 307 274 489 677	423 347 123 332 314 285 490 718	470 366 140 359 328 298 507 734	473 384 153 386 338 319 529 770	460 401 171 420 358 356 571 839	473 419 188 453 381 388 619 915	480 469 201 490 407 424 686 1,013
25	Transportation	2,807	2,872	3,160	3,430	3,730	4, 120	4, 262
26 27	Street-car, railway and other fares	414	418	446	459	483	537	590
28	house trailers	1, 257 1, 136	1, 262 1, 192	1, 441	1,648	1, 846 1, 401	2, 107 1, 476	2, 108 1, 564
29	Personal and medical care and death expenses	1,925	2,045	2, 204	2, 396	2,613	2,841	3, 078
30	Medical and dental care Hospital care, private duty nursing, accident and	395	415	458	497	547	600	629
32	sickness insurance, prepaid medical care Other	818 712	906 724	995 751	1, 118 78 1	1, 250 816	1.386 855	1,517 932
33	Miscellaneous	2,594	2,761	2,933	3, 089	3,714	4, 194	5, 021
34 35 36 37	Motion picture theatres <sup>2</sup> Newspapers and magazines Net expenditure abroad Other	65 227 252 2, 050	62 242 209 2, 248	61 253 90 2, 529	64 261 29 2, 735	69 285 84 3, 276	76 308 87 3,723	83 329 100 4,509
38	Grand totals	23, 540	24,466	25,926	27,487	29,666	32,063	34, 840
39	Durable goods	2,664	2,716	2,960	3, 246	3,592	4,001	4, 169
40	Major durable goods <sup>3</sup>	2, 327 337	2, 351 365	2, 57 4 386	2, 834 412	3, 131 461	3, 494 507	3, 625 544
42	Non-durable goods <sup>5</sup>	11,813	12, 178	12,965	13, 518	14, 389	15, 434	16, 913
43	Services <sup>5,6</sup>	9,063	9, 572	10,001	10,723	11,685	12,628	13, 758

<sup>&</sup>lt;sup>1</sup> Excludes transients' shelter.

<sup>2</sup> Excludes amusement taxes.

<sup>3</sup> Includes house trailers, new automobiles, net expenditure on used automobiles, home furnishings, furniture and appliances, radios and television sets.

<sup>4</sup> Includes jewellery, watches, clocks, silverware, toys, sporting and wheeled goods, and tools and garden equipment.

<sup>5</sup> 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.

<sup>6</sup> Includes net expenditure abroad.

TABLE 48. Personal Expenditure on Consumer Goods and Services in Constant (1957) Dollars 1960 - 661,2

ine No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	llars		
1	Food	5,535	5, 593	5, 759	5, 873	6, 063	6, 240	6,302
2	Tobacco and alcoholic beverages	1, 514	1,574	1,647	1, 696	1,731	1,851	1,938
3	Clothing and personal furnishings	2, 291	2, 334	2,397	2, 443	2, 523	2,628	2,678
4	Shelter	3,419	3, 588	3,749	4,039	4, 270	4, 523	4,816
5	Household operation 3,4	2,851	2,972	3, 124	3,253	3,452	3, 674	3,92
6	Transportation	2, 684	2,775	3, 068	3, 336	3,628	3, 985	4,05
7	Personal and medical care and health expenses	1,760	1,856	1,952	2,078	2, 203	2,315	2,40
8	Miscellaneous	2, 348	2,413	2,477	2, 542	2,976	3,246	3,77
9	Grand totals	22, 402	23, 105	24, 173	25, 260	26, 846	28, 462	29, 89
10	Durable goods	2,582	2,686	2, 935	3, 208	3, 585	4, 005	4, 17
11	Non-durable goods <sup>3,4</sup>	11,460	11,723	12, 332	12,641	13, 234	13, 913	14,64
12	Services 3,4,5	8, 360	8, 696	8,906	9, 411	10,027	10, 544	11,07

<sup>&</sup>lt;sup>1</sup> 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, for the years 1962 and 1965.

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

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

1961 1965 1966 1960 millions of dollars 560 599 662 424 457 494

TABLE 49. Imputed Items Included in Gross National Expenditure, 1960 - 661

Line No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	llars		
	Expenditure on consumer goods and services:					1 1		
	Food:					-11-3-1		
1	Farm consumed farm produce	173	157	157	160	158	171	174
2	Other <sup>2</sup>	104	101	107	110	115	124	141
	Shelter:							
3	Imputed net residential rent and imputed re- sidential capital consumption allowances	1,018	1,029	1,007	1, 089	1, 115	1, 165	1,193
4	Imputed lodging, non-residential3	37	37	39	41	43	46	56
5	Other <sup>4</sup>	242	256	261	275	299	323	356
6	Total of imputed items in consumer expen- diture	1, 574	1, 580	1, 571	1, 675	1, 730	1, 829	1, 920
	Government expenditure on goods and services:							
7	Imputed gross rent on government-owned build- ings	235	250	263	282	302	316	339
3	Total of imputed items	1, 809	1, 830	1, 834	1, 957	2, 032	2, 145	2, 259

<sup>\*</sup> See footsots 5, Table 47.

<sup>\*</sup> Includes net expenditure abroad.

All these items are also included in the various components of Gross National Product.
Includes food issued to members of the armed forces and to employees in lieu of wages.
Lodging in bunkhouses, ships, hotels, etc., furnished to employees in lieu of wages.
Includes clothing issued to the armed forces, wood fuel cut and used on farms, and estimated services rendered by without specific charge. banks without specific charge.

TABLE 50. Analysis of Corporation Profits, 1960 - 66

Line No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	llars		
1	Corporation profits before taxes and before dividends paid to non-residents	3, 338	3, 427	3, 819	4, 188	4, 819	5, 199	5, 187
2	Deduct: Corporation income tax liabilities 1,2	- 1,544	- 1,612	- 1,710	- 1,827	- 1, 996	- 2, 164	- 2,190
3	Federal excess of tax liabilities over collections	- 98	44	- 15	34	- 107	- 92	- 88
4	Provincial excess of tax liabilities over collections	- 24	17	72	18	6	- 11	- 24
5	Federal tax collections <sup>3</sup>	1, 364	1, 267	1, 294	1, 328	1, 605	1, 715	1,730
6	Provincial tax collections	302	284	359	447	492	552	572
7	Corporation profits after taxes	1, 794	1, 815	2, 109	2, 361	2, 823	3, 035	2,997
8	Deduct: Dividends paid to non-residents	- 458	- 586	- 584	- 614	- 713	- 751	- 816
9	Corporation profits retained in Canada	1,336	1, 229	1, 525	1, 747	2, 110	2, 284	2, 181
10	Deduct: Dividends paid to Canadian persons	- 459	- 432	- 544	- 637	- 677	- 796	- 907
11	Charitable contributions from corporations	- 40	- 40	- 44	- 44	- 44	- 44	- 44
12	Undistributed corporation profits	837	757	937	1,066	1, 389	1, 444	1,230

¹ Includes elective tax on undistributed income of \$6 million in 1960, \$5 million in 1961, \$7 million in 1962, \$6 million in 1963, \$9 million in 1964, \$7 million in 1965, and \$7 million in 1966.
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.

§ 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", 1960-66

Line No.		1960	1961	1962	1963	1964	1965	1966
				millio	ons of dol	lars		
1	Corporations	2,426	2, 447	2, 680	2, 847	3, 083	3, 415	3,715
2	Individuals and unincorporated business	1,572	1, 633	1,703	1, 806	1, 932	2, 078	2,229
3	Government business enterprises	425	460	509	545	585	617	647
4	Capital consumption allowances and miscellane- ous valuation adjustments <sup>1</sup>	4, 423	4, 540	4, 892	5, 198	5, 600	6, 110	6,591

overies	) as follo	WS:				
1960	1961	1962	1963	1964	1965	1966
		milli	ons of do	llar		
52	53	58	62	64	07	72

## SECTION F

RECONCILIATION STATEMENTS

TABLE 52. Accrued Net Income of Farm Operators From Farm Production, 1960 - 66 Reconciliation Statement

line No.		1960	1961	1962	1963	1964	1965	1966
			mil	lions of dol	lars			
1	Net income of farm operators from farming operations <sup>1</sup>	1,340	1,075	1,628	1,655	1,432	1,785	
2	Deduct: Amounts included in investment income <sup>2</sup>	- 52	- 57	- 58	- 63	- 67	- 75	
3	Deduct: Transfer payments	- 77	- 36	- 70	- 15	- 9	- 11	
4	Other adjustments	- 34	- 4	- 10	5	- 3	- 10	
5	Equals: Net income received by farm operators from farm production	1,177	978	1,490	1,582	1,353	1,689	,
6	Adjustment on grain transactions	9	30	6	139	111	- 44	
7	Accrued net income of farm operators from farm production <sup>6</sup>	1,186	1,008	1,496	1,721	1,464	1,645	

1 These figures are published by the Agriculture Division, Dominion Burner occupied houses.
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.
3 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.
4 See also line 6, Table 1.
5 The years prior to 1966 do not incorporate the major revisions made this year to the Agriculture Division estimates of farm net income, the National Accounts estimates for 1966 are based on this revised series, no reconciliation statement is given for this year.

TABLE 53. Federal Government Surplus or Deficit, 1960-66

Reconciliation of Federal Government Transactions Related to the National Accounts with Public Accounts Data

Line No.		1960	1961	1962	1963	1964	1965	1966
			milli	ons of d	ollars			
	Revenue		1		1		1	7
1	Total budgetary revenue as per Public Accounts of Canada for fiscal years ended							
2	March 31	5,290	5,618	5,730	5.879	6,253	7,180	7.000
	Extra-budgetary revenues:	286	86	151	166	762	396	(633
3	Old Age Security tax collections	609	624	681	725	883	1,129	1,240
5	Prairie Farm Assistance Act levy Unemployment insurance, employer and employee contributions	270	277	285	294	305	324	343
6	Government pension funds, employer and employee contributions	200	233	233	240	269	278	338
8	Interest receipts of social insurance and government pension funds  Excess of corporation tax accruals over collections	106	114	122	139	152	177	198
9	FIGURE Delore taxes (net of losses) of government business enterprises	120	144	- 15 160	34	- 107 232	- 92 248	- 88 208
10	Interest on loans, advances and investments Less: Return on investments included in budgetary revenue	1.4.0	151	166	184	186	193	25
12	Less; Fostal revenue	- 233 - 176	- 322 - 179	- 324	- 336 - 196	- 367	- 486	- 497
13	Budgetary revenue items offset against budgetary expenditures <sup>1</sup>	- 100	- 94	- 105	- 108	- 119	- 132	- 137
15		- 43	- 35	- 41	- 40	- 49	- 13	- 21
10	Total revenue as per National Accounts	6,411	6,668	6,859	7, 177	8, 187	8,973	9,72
	When							
16	Expenditure Tetal hudgatan and district and							
10	Total budgetary expenditures as per Public Accounts of Canada for fiscal years ended March 31	5,703	5.958	6,521	6,570	6,872	7 910	
17	Adjustment of budgetary expenditure from fiscal to a calendar year basis	211	332	- 7	107	296	7,218	7,735
18	Expenditures of extra-budgetary funds: Old Age Security fund payments	500	000	501				
19	Unemployment insurance benefits	588	603	721	776 394	881	901	1,006
20	Government pension fund payments. Prairie Farm Assistance Act payments	61	66	76	82	99	109	125
22	Transfers to extra-budgetary lunds	- 68	- 65	- 105	- 66	- 62	- 65	- 68
23	Adjustment to place other government funds and crown agencies on a dishursement							00
	basis Budgetary expenditures offset against income of government business enterprises;	- 2	- 24	93	29	- 80	83	12
24	Post Office expenditures		- 183	- 188	- 204	- 207	- 234	- 256
25 26	Deficits of government business enterprises Reserves and write-offs	- 58	- 85	- 96	- 74	- 86	- 107	- 75
27	Duugetary levelue ilems oliset against nungeraty exhenditure.	- 47 - 100	- 39 - 94	- 39	- 85 - 108	- 119 - 119	- 59 - 132	- 79 - 137
28	All other adjustments to budgetary expenditure	44	131	114	71	63	80	223
29	Total expenditure as per National Accounts	6,662	7,129	7,424	7,507	7,891	8,405	9,597
	Surplus or deficit							
30	Budgetary surplus or deficit as per Public Accounts of Canada (line 1 minus line 16)	- 413	- 340	- 791	- 691	- 619	- 38	- 30
32	Difference of total adjustments to revenue and expenditure items above Surplus or deficit as per National Accounts (line 15 minus line 29)	162	- 121	226 - 565	361	915	606	99
	( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( )	201	301	900	330	296	568	124

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.
 These adjustments are largely revenue items excluded from the National Accounts such as proceeds from sales of existing assets.
 This adjustment replaces budgetary appropriations to various funds and agencies by the outlays actually made by these funds and agencies.

PABLE 54. Business Gross Fixed Capital Formation, 1960 - 66 Reconciliation Statement

Line No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	llars		
1	Total private and public investment in Canada <sup>1</sup>	8, 262	8, 172	8,715	9,393	10,944	12,865	14, 897
2	Deduct: New residential construction by govern- ments <sup>2,3</sup>	- 13	- 9	- 10	- 6	- 7	- 9	- 3
3	New non-residential construction by governments <sup>3</sup>	- 1,420	- 1,368	- 1,562	- 1,609	- 1,618	- 1,958	- 2,354
4	New machinery and equipment outlays by governments <sup>3</sup>	- 137	- 160	- 183	- 187	- 216	- 247	
5	Business gross fixed capital formation	6,692	6,635	6,960	7,591	9, 103		

TABLE 55. Exports and Imports of Goods and Services, 1960-661 Reconciliation Statement

Line No.		1960	1961	1962	1963	1964	1965	1966
			-	milli	ons of do	Ilars		
	Exports of goods and services:							
1	Merchandise exports	5,392	5,889	6, 380	7,082	8,240	8,737	10,270
2	Gold production available for export	162	162	155	154	145	138	125
3	Interest and dividends received from non-residents	173	209	202	230	3 13	315	294
4	Other receipts from services rendered to non- residents	1, 383	1,474	1,646	1,796	1,978	2,177	2,533
5	Sub-total: "Current receipts" as per Canadian Balance of International Payments	7,110	7,734	8,383	9,262	10,676	11,367	13,222
6	Adjustments — Inheritances and immigrants' funds statistical 1	- 102 -	- 103 -	- 124 -	- 151 -	- 169 -	211	- 256 - 97
8	Total "exports of goods and services" as per National Accounts <sup>2</sup>	7,008	7, 631	8, 259	9, 111	10,507	11, 156	12,869
	Imports of goods and services:		1111					
9	Merchandise imports	5,540	5,716	6, 203	6,579	7,540	8,636	9,890
10	Interest and dividends paid to non-residents	653	770	794	860	978	1,048	1,178
11	Other payments for services rendered by non- residents	2, 160	2,230	2,260	2,365	2,591	2,819	3, 137
12	Sub-total: "Current payments" as per Cana- dian Balance of International Payments	8,353	8,716	9,257	9,804	11,109	12,503	14, 205
13 14	Adjustments — Inheritances and immigrants' funds statistical	- 181 -	- 174	- 1 <u>75</u>	- 186 -	-190	- 206	- 196 - 39
15	Total "imports of goods and services" as per National Accounts <sup>2</sup>	8, 172	8,542	9,082	9,618	10,919	12, 297	13,970

Data sources are mainly reports on the "Canadian Balance of International Payments" (Balance of Payments and Districted Plows Division), Dominion Bureau of Statistics. Figures exclude mutual aid to NATO countries. Revisions for 1304 and 1965 shown in DBS Catalogue No. 67-201 have not been incorporated into the National Accounts. However, the correct relationship between revised 1965 and 1966 totals has been maintained by introducing a link adjusting entery in the table.

2 See also Table 2.

<sup>&</sup>lt;sup>1</sup> As published in the annual reports Public and Private Investment in Canada-Outlook.

<sup>2</sup> 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.

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

TABLE 56. Gross National Expenditure in Constant (1949) Dollars, 1960-561

Line No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	llars		
1	Personal expenditure on consumer goods and services	17,945	18,508	19,364	20, 235	21,506	22,800	23,947
2	Government expenditure on goods and services	4, 197	4, 393	4.561	4,588	4,763	5,072	5,524
3 4 5	Current expenditure	3, 067 1, 141 - 11	3, 227 1, 175 - 9	3, 274 1, 299 - 12	3, 317 1, 279 - 8	3,478 1,295 - 10	3, 629 1, 457 - 14	3,918 1,627 - 21
6	Business gross fixed capital formation	4, 345	4, 272	4, 361	4,615	5,305	5,954	6,577
7 8 9 10	New residential construction New non-residential construction New machinery and equipment Adjusting entry	937 1,637 1,770	941 1,698 1,627 6	989 1,633 1,738	1,035 1,698 1,882	1, 162 1, 927 2, 215	2, 176	1,137 2,471 2,965 4
11	Change in inventories	361	26	462	464	322	854	857
12 13 14	Non-farm business inventories	262 86 13	350 - 484 160	237 258 - 33	193 325 - 54	- 39 2 - 158 88	706 77 71	627 19 <b>8</b> 32
15	Exports of goods and services	5,806	6,224	6,534	7, 118	8,051	8,452	9,428
16	Deduct: Imports of goods and services	- 6,743	- 6,845	- 6,992	- 7, 188	-8,064	- 9,042	- 10,087
17	Residual error of estimate	28	11	182	165	4	- 5	- 207
18	Adjusting entry	- 90	- 74	- 185	- 257	- 230	- 246	- 190
19	Gross National Expenditure in constant (1949) dollars	25, 849	26, 515	28, 287	29,740	31,657	33,839	35,849
20	Index, line 19, 1949 = 100	158. 2	162. 2	173.1	182.0	193. 7	207.0	219.3

¹ The price indexes from 1960 to 1966, 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, 1960-66<sup>1</sup> (1949 = 100.0)

Line No.		1960	1961	1962	1963	1964	1965	1966
1	Personal expenditure on consumer goods and services	131.2	132. 2	133. 9	135.8	137.9	140.6	145.5
2	Government expenditure on goods and services	161.3	164. 7	169. 2	176.0	181.7	189.2	202.2
3 4	Current expenditure	169.5 137.6	176. 6 130. 8	182. 1 135. 1	189. 1 140. 9	195.9 142.2	203.4 152.0	216.6 164.9
5	Business gross fixed capital formation	154.0	155.3	159.6	164.5	171.6	178.9	185.7
6 7 8	New residential construction New non-residential construction New machinery and equipment	154. 0 157. 4 151. 0	155. 0 158. 0 153. 3	159.5 161.5 157.9	164.9 167.0 162.0	173.9 174.3 168.1	182.4 184.9 172.5	191.6 194.7 176.2
9	Exports of goods and services	120.7	122.6	126. 4	128.0	130.5	132.0	136.5
10	Imports of goods and services	121. 2	124.8	129.9	133.8	135.4	136.0	138.5
11	Residual error of estimate	141.2	142.1	144.3	146.9	150.7	155,3	162.5
12	Gross National Expenditure at market prices	140.4	141.3	143.4	146.0	149.7	154.0	161.2

<sup>&</sup>lt;sup>1</sup> 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, 1960 - 661

Line No.		1960	1961	1962	1963	1964	1965	1966
				milli	ons of do	llars		
1	Food	4,671	4,720	4,860	4,956	5, 117	5, 266	5,319
2	Tobacco and alcoholic beverages	1,398	1, 454	1, 521	1,567	1,599	1,710	1,790
3	Clothing and personal furnishings	2,076	2, 115	2, 172	2, 214	2, 286	2, 382	2,427
4	Shelter	2,146	2.252	2,353	2,535	2,680	2, 838	3,022
5	Household operation <sup>2,3</sup>	2,428	2,531	2,660	2,770	2,940	3,129	3,343
6	Transportation	2, 205	2, 280	2,520	2,740	2, 980	3, 274	3,334
7	Personal and medical care and death expenses	1,226	1, 293	1,359	1,447	1,534	1,612	1,673
8	Miscellaneous	1,745	1,793	1,840	1,889	2, 211	2,412	2,802
9	Adjusting entry	50	70	79	117	159	177	237
10	Grand totals	17, 945	18, 508	19, 364	20, 235	21, 506	22, 800	23,947
		***	20,000	10,001	20, 900	41,500	24,000	WO, 0 & 1
11	Durable goods	2,254	2, 344	2,562	2, 800	3, 129	3,495	3,642
12	Non-durable goods <sup>2,3</sup>	9, 980	10, 209	10,739	11,008	11,525	12, 116	12,755
13	Services <sup>2,3,4</sup>	5,639	5, 866	6,008	6, 348	6,764	7, 113	7,469
14	Adjusting entry	72	89	55	79	88	76	81

See footnote 1, Table 56.
Personal expenditure on electricity and gas in constant (1949) dollars were as follows:

1960	1961	1962	1963	1964	1965	1966
		milli	ons of doll	lars		
372	401	434	460	491	526	581

See footnote 5, Table 47.
Includes net expenditure abroad.

## APPENDIX

TABLE I. Population of Canada, by Provinces, 1960 - 66

Estimated as of June 1

Line No.		1960	1961	1962	1963	1964	1965	1966
					housands			
1	Newfoundland	448	458	470	481	491	498	505
2	Prince Edward Island	103	105	106	107	107	108	109
3	Nova Scotia	727	737	746	756	760	761	760
4	New Brunswick	589	598	607	614	617	623	327
5	Quebec	5, 142	5, 259	5, 366	5, 468	5,562	5,657	5,744
6	Ontario	6, 111	6, 236	6,342	6,448	6,586	6,731	6,895
7	Manitoba	906	922	935	950	958	962	958
8	Saskatchewan	915	925	930	933	943	951	954
9	Alberta	1,291	1, 332	1, 370	1,405	1, 432	1,451	1,464
10	British Columbia	1,602	1,629	1,659	1,695	1,738	1,789	1,862
11	Yukon	14	14	15	15	16	15	15
12	Northwest Territories	22	23	24	24	25	25	26
13	Canada	17, 870	18, 238	18, 570	18, 896	19, 235	19, 571	19,919

Source: Dominion Bureau of Statistics, Census Division. Estimated Population of Canada, by Province at June 1. 1966, Catalogue No. 91-201.

TABLE II. The Civilian Labour Force, 1960 - 661

line No.		1960	1961	1962	1963	1964	1965	1966
					thousand	5		
1	Civilian non-institutional population, 14 years of age and over	11, 831	12,053	12, 280	12, 536	12,817	13, 128	13,475
10.1	Civilian labour force - Employed:							
2	Non-agricultural	5, 282	5,374	5, 565	5,726	5.979	6, 268	6,60
3	Agricultural	683	681	660	649	630	594	54
4	Totals	5, 965	6, 055	6, 225	6, 375	6, 609	6,862	7, 15
5	Civilian labour force — Unemployed	446	466	390	374	324	280	26
6	Total civilian labour force <sup>2</sup>	6, 411	6, 521	6, 615	6, 748	6, 933	7, 141	7,42

 $^1$  Incorporates new definitions of "Employed" and "Unemployed". For earlier years see \it 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: 1960 - 119,000 persons; 1961 - 121,000 persons; 1962 - 126,000 persons; 1963 - 123,000 persons; 1964 - 119,000 persons; 1965 - 112,000 persons; 1966 - 106,000 persons. The figures are monthly averages.

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