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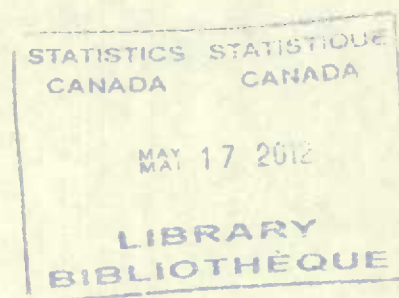
CANADA

NATIONAL ACCOUNTS
INCOME AND EXPENDITURE

1967

DOMINION BUREAU OF STATISTICS

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National Accounts, Production and Productivity Division
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INCOME AND EXPENDITURE

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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.

X "National Accounts, Income and Expenditure, 1962" for the years 1955-59.

X "National Accounts, Income and Expenditure, 1966" for the year 1960.

Revisions to primary source data for the years 1964, 1965 and 1966 have been incorporated.

Contents of this publication are published in French in *Revue Statistique du Canada*, DBS 11-003F.

July 1968.

SECTION B

INDUSTRIAL DISTRIBUTION OF GROSS DOMESTIC
PRODUCT AND OTHER AGGREGATES

TABLE 21. Gross Domestic Product at Factor Cost, by Industry, 1961-67¹

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Agriculture	1,581	2,090	2,346	2,126	2,346	2,952	2,479
2	Forestry	355	377	397	428	482	497	563
3	Fishing and trapping	100	117	116	132	137	147	146
4	Mining, quarrying, and oil wells	1,445	1,561	1,660	1,772	1,949	2,024	2,212
5	Manufacturing	8,501	9,355	10,026	11,047	12,071	13,107	13,606
6	Construction	1,823	1,917	1,987	2,183	2,615	3,174	3,304
7	Transportation	2,170	2,233	2,368	2,588	2,784	2,999	3,190
8	Storage	85	84	100	105	111	126	129
9	Communication	796	871	932	1,030	1,127	1,223	1,364
10	Electric power, gas, and water utilities	1,139	1,204	1,272	1,356	1,458	1,572	1,757
11	Wholesale trade	1,547	1,661	1,759	1,935	2,116	2,392	2,585
12	Retail trade	3,106	3,237	3,450	3,728	4,062	4,374	4,776
13	Finance, insurance, and real estate ¹	3,532	3,696	3,933	4,201	4,595	4,965	5,516
14	Public administration and defence	2,516	2,661	2,806	2,939	3,120	3,523	3,961
15	Service	4,655	5,073	5,545	6,105	6,820	7,666	8,578
16	Totals	33,351	36,137	38,697	41,675	45,793	50,741	54,166

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

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

² This group includes ownership of dwellings.

TABLE 22. Wages, Salaries, and Supplementary Labour Income, by Industry, 1961-67¹

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Agriculture	195	201	209	215	220	228	234
2	Forestry	304	321	330	366	405	443	466
3	Fishing and trapping	25	28	28	32	34	37	37
4	Mining, quarrying, and oil wells	579	596	609	639	728	796	877
5	Manufacturing	5,533	5,935	6,286	6,832	7,590	8,516	9,038
6	Construction	1,288	1,393	1,457	1,622	2,007	2,524	2,633
7	Transportation	1,409	1,435	1,488	1,580	1,715	1,863	2,088
8	Storage	60	61	70	74	80	90	96
9	Communication	476	502	544	570	627	701	785
10	Electric power, gas, and water utilities	371	393	412	436	475	512	591
11	Wholesale trade	1,110	1,174	1,255	1,364	1,518	1,703	1,861
12	Retail trade	1,722	1,801	1,931	2,095	2,332	2,605	2,868
13	Finance, insurance, and real estate	877	933	1,001	1,092	1,199	1,313	1,420
14	Public administration and defence ¹	2,516	2,661	2,806	2,939	3,120	3,523	3,961
15	Service	3,081	3,385	3,719	4,160	4,716	5,428	6,138
16	Totals	19,546	20,819	22,145	24,016	26,766	30,282	33,093

¹ Includes military pay and allowances.

TABLE 23. Investment Income, by Industry, 1961-67¹

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Agriculture	60	71	80	90	100	112	117
2	Forestry	13	11	14	16	13	10	9
3	Fishing and trapping	—	—	—	—	—	—	—
4	Mining, quarrying, and oil wells	374	414	468	559	616	585	583
5	Manufacturing	1,644	1,937	2,167	2,333	2,486	2,457	2,435
6	Construction	117	91	83	91	113	111	101
7	Transportation	189	202	292	385	426	449	404
8	Storage	13	12	16	17	17	20	16
9	Communication	180	212	213	269	291	294	254
10	Electric power, gas, and water utilities	483	519	536	579	631	687	811
11	Wholesale trade	262	305	335	391	428	474	462
12	Retail trade	426	472	518	547	632	639	715
13	Finance, insurance, and real estate	1,996	2,051	2,165	2,298	2,495	2,667	2,991
14	Public administration and defence	—	—	—	—	—	—	—
15	Service	315	362	395	431	472	499	574
16	Totals	6,072	6,659	7,282	8,006	8,720	9,004	9,472

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, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Agriculture	1,008	1,496	1,721	1,464	1,645	2,204	1,698
2	Forestry	31	31	33	31	27	20	24
3	Fishing and trapping	46	56	54	61	62	66	65
4	Mining, quarrying, and oil wells	6	7	7	7	7	7	7
5	Manufacturing	202	220	227	232	239	232	242
6	Construction	269	292	311	335	342	350	380
7	Transportation	84	79	88	93	99	107	113
8	Storage; communication; and electric power, gas, and water utilities	—	—	—	—	—	—	—
9	Retail trade	646	692	733	766	820	818	892
10	Wholesale trade	53	53	66	78	78	80	84
11	Finance, insurance, and real estate	69	59	61	70	76	79	87
12	Service	868	912	971	1,047	1,127	1,190	1,300
13	Totals	3,282	3,897	4,272	4,184	4,522	5,153	4,892

TABLE 25. Business Gross Fixed Capital Formation, by Industry, 1961-67^{1,2}

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Agriculture ³	576	663	762	836	926	1,043	1,073
2	Fishing and trapping							
3	Forestry	50	54	60	88	96	92	89
4	Mining, quarrying, and oil wells	449	480	521	632	735	1,030	1,005
5	Manufacturing	1,085	1,269	1,358	1,831	2,340	2,914	2,516
6	Construction	136	109	135	197	263	249	253
7	Transportation	645	490	566	730	820	970	997
8	Storage ⁴							
9	Communication	340	385	435	426	458	567	579
10	Electric power, gas, and water utilities	706	720	763	892	1,131	1,360	1,485
11	Trade	307	319	338	368	395	468	468
12	Finance, insurance, and real estate ⁵	1,770	1,875	1,980	2,363	2,551	2,643	2,795
13	Service	571	596	673	740	936	1,157	1,105
14	Totals	6,635	6,960	7,591	9,103	10,651	12,493	12,365

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, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Agriculture	- 278	176	311	- 99	56	149	- 124
2	Forestry	- 13	- 16	- 3	- 3	14	- 30	40
3	Fishing and trapping	-	-	-	-	-	-	-
4	Mining, quarrying, and oil wells	10	5	- 20	- 13	37	11	- 4
5	Manufacturing	271	206	64	235	442	496	36
6	Construction	3	14	27	26	29	27	- 11
7	Transportation	- 13	- 4	- 15	12	12	- 1	14
8	Storage							
9	Communication	- 11	-	11	- 2	- 3	- 9	- 1
10	Electric power, gas, and water utilities	Trade:						
11	Grain in commercial channels	- 131	46	- 20	- 31	- 13	14	160
12	Wholesale (excluding grain in commercial channels)	79	- 24	33	65	118	125	81
13	Retail	110	127	141	192	249	153	33
14	Finance, insurance, and real estate	3	2	6	4	7	5	1
15	Service							
16	Totals	30	532	535	386	948	940	225

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Introduction

A seventh consecutive year of expansion carried the gross national product to a level of \$62.1 billion in 1967, an increase of 6.8 per cent following the exceptionally large advance of 11.3 per cent of the previous year. Prices continued to rise, but at a somewhat lower rate than in 1966—3.9 per cent compared with 4.5; the gain in real terms was reduced to 2.8 per cent. A dampening influence on GNP was exerted by a western grain crop much smaller than the record crop of 1966 which bolstered that year's rise; excluding the accrued net income of farm operators, the advance in GNP in value terms was 8 per cent in 1967 compared with 10½ per cent in 1966.

For the year as a whole, the general profile of the economy was one of a widespread easing of demand pressures. Every major expenditure category showed a lower rate of increase than in 1966 except business gross fixed capital formation which dropped by 1 per cent; within this category divergent movements occurred, with residential construction expenditures rising much more strongly than in the prior year and outlays on plant and equipment declining by 3½ and 2 per cent respectively.

Within the year, the pace of expansion in GNP was somewhat uneven—2 per cent in each of the first two quarters, one-half of one per cent in the third and 1 per cent in the fourth. Personal expenditure rose continuously during the year while the capital formation aggregate declined throughout; other components displayed fluctuations, with considerable volatility occurring in non-farm inventories and in the external sector.

A major source of strength was personal expenditure; buoyed up by outlays related to Expo, it increased by over 8 per cent, not much lower than the 1966 rate of advance. Both non-durables and services continued to show strength, while durables advanced only moderately in spite of a 3 per cent rise in new and used car purchases which showed no change in the prior year. In real terms, the advance in total spending of over 4½ per cent was also close to the gain of last year. However, there was a shift in price movements; food prices were virtually unchanged, while a pronounced degree of price acceleration in durables and services accounted for half the increase in value terms.

Developments in the external sector were among the highlights of the year. The current account deficit on a national accounts basis narrowed substantially to \$549 million from \$1,207 million in 1966, as exports of goods and services increased by 11½ per cent while imports advanced 6 per cent overall but declined in the last two quarters. An increase in merchandise exports of 10½ per cent combined with an 8 per cent advance in imports more than doubled the merchandise surplus to \$480 million. Exports to the United States, where economic activity quickened in the second half of the year after a slowdown in the first half, rose 17

per cent while imports advanced 12½ per cent, substantially reducing the trade deficit; notable also was an increase of 45 per cent in exports to Japan. On non-merchandise transactions, receipts increased by over 17 per cent while payments rose barely 2 per cent; thus the deficit was reduced by \$402 million. Prominent in this development was the Expo-affected tourist and travel account which switched from a deficit of \$63 million to a surplus of \$427 million, only the second surplus since 1950.

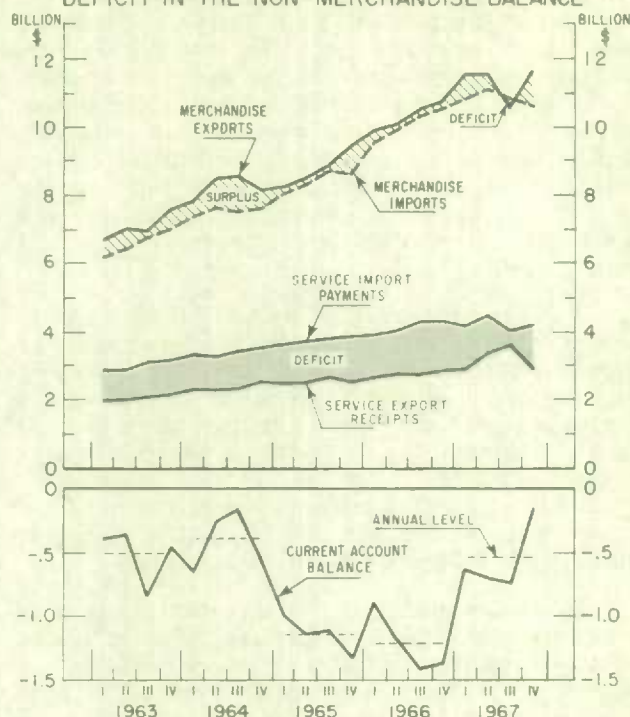
Government expenditures on goods and services rose considerably less than in 1966—9½ per cent compared with 17½. All levels of government reflected the reduced rate of advance: at the federal level, the rise was 8½ per cent as against 19 per cent, while the increase at the provincial-municipal level was 10 per cent compared with 16½ per cent. Inclusive of contributions to the Canada and Quebec Pension Plans, the combined government surplus was reduced by more than half, to \$157 million. Excluding the pension plan contributions the provincial-municipal deficit narrowed by \$62 million while the federal government switched from a small surplus to a deficit of \$256 million.

Notable differences from the pattern of the previous year occurred among the components of business gross fixed capital formation. Expenditures on new residential construction advanced 7½ per cent, up sharply from 2 per cent in 1966. Aided by developments in the money market and government action relating to interest rates on NHA-approved loans and to CMHC direct loans to builders in the spring, housing starts jumped sharply in the second quarter and remained near this level in the latter half of the year. For the year, starts increased to 164,000, some 30,000 units over 1966. This was heavily concentrated in multiple units which rose to 92,000; single family unit starts advanced by 2,000.

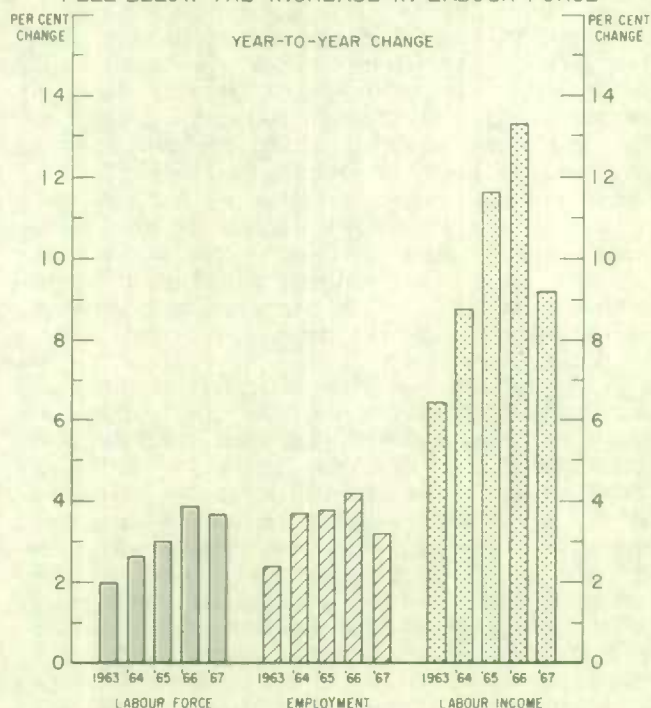
In striking contrast, investment in plant and equipment declined by 3 per cent after annual increases of over 20 per cent in the period 1964-1966. A small decline in the first quarter deepened substantially in the next two before moderating in the fourth quarter; in the last three months of 1967, such investment was running 16 per cent below the peak of the fourth quarter of 1966. Movements in the two components diverged somewhat; non-residential construction declined for the first three quarters before recovering in the fourth, while machinery and equipment declined in the last three quarters after a small increase in the first. With the exception of investment in manufacturing, outlays on plant and equipment ran slightly ahead of last year; however, manufacturing investment declined by 14 per cent with drops of 9 and 19½ per cent in non-durables and durables respectively.

An anticipated 1½ per cent rise in business capital formation is revealed in the 1968 investment intentions survey, with the entire increase coming from a 9½ per cent rise in residential construction;

THE CURRENT ACCOUNT DEFICIT DROPPED AS A HIGHER SURPLUS ON THE MERCHANDISE BALANCE REINFORCED THE EXPO EFFECT OF A LOWER DEFICIT IN THE NON-MERCHANDISE BALANCE



EXPANSION IN LABOUR FORCE,EMPLOYMENT AND LABOUR INCOME SLOWED DOWN IN 1967. THE RATE AND LEVEL OF UNEMPLOYMENT ROSE AS THE YEAR'S GAIN IN EMPLOYMENT FELL BELOW THE INCREASE IN LABOUR FORCE



QUARTERLY DATA, SEASONALLY ADJUSTED, AT ANNUAL RATES

outlays on plant and equipment are expected to be virtually unchanged, with a 1 per cent increase in non-residential construction offset by a 1 per cent decline in machinery and equipment.

Investment in non-farm business inventories showed a small increase for the year, but was almost \$600 million below the accumulation of 1966. Over three-quarters of the reduction was at the manufacturing level, where durables shifted from sizeable accumulation to moderate liquidation, but reduced

investment also occurred at the retail and wholesale levels. Considerable accumulation in the third quarter followed two quarters of moderate investment; however, this gave way to liquidation in the fourth quarter.

The following table summarizes the pattern of demand and the sources of supply for the last three years. Interesting to note is the relative decline of imports in 1967 as a source of supply for the increase in demand.

Demand and its Sources of Supply – Value of Change from Preceding Year¹

	1965	1966	1967
	billions of dollars		
Demand:			
Persons	2.4	2.8	2.9
Government	1.0	1.7	1.1
Business investment	2.1	1.8	- 0.8
Plant and equipment	1.4	1.8	- 0.3
Housing	0.1	—	0.2
Inventory change	0.6	—	- 0.7
Non-residents (exports)	0.7	1.8	1.5
Residual error	0.1	- 0.3	0.2
Increase in demand	6.2	7.8	4.8
Supply:			
National production ²	4.8	5.9	3.9
Imports	1.4	1.9	0.9
Increase in supply	6.2	7.8	4.8
Percentage of increased demand met by imports	(23)	(24)	(18)

¹ Components will not necessarily sum to totals because of rounding.

² GNP inclusive of the residual error of estimate.

Implicit in the aggregates of the income side are some significant developments relating to output and employment. Excluding agriculture, the gain in output as measured by the indexes of real domestic product was slightly more than 3 per cent; the increase in services was somewhat lower than in the last two years, while the rise in the goods-producing sector was much reduced largely due to an increase of only one-half of 1 per cent in durable manufacturing. As a result, there was a considerable shift in the composition of output, with services accounting for over two-thirds of the increase as compared with two-fifths in the two previous years. The labour force increased almost as rapidly as in 1966, but employment rose by a substantially lesser amount and remained virtually stationary in the latter half of the year. The industrial composite employment index recorded a 1½ per cent advance, while declines occurred in the durable manufacturing and construction indexes. The bulk of the increase in employment occurred in the service sector; with greater job opportunities for women in this area, the rise in female employment

was much larger than that for men—6 per cent as against 2 per cent—and for the first time since 1961 women accounted for more than half the total increase. The unemployment rate rose from 3.6 per cent in 1966 to 4.1 per cent, and reached 4.7 per cent during the last quarter before declining somewhat in early 1968.

Labour income increased by over 9 per cent, reduced from the exceptionally large 13½ per cent rise of 1966; almost three quarters of the advance occurred in the service-producing sector, while pay increases in both goods and services were greater than last year. Preliminary indications are that the increase in output per person employed in the commercial non-agricultural industries during 1967 was lower than that of 1966, itself a below-average year. Unit costs continued to rise, and were partly absorbed by profit margins; gross profits advanced 1 per cent compared with 3 per cent in 1966, while net profits declined a further 2½ per cent after a 1 per cent decline previously.

A special feature of 1967 was agriculture. The value of the grain crop was some 22 per cent lower than the value of the record 1966 crop. Reflecting this, accrued net income of farm operators declined 23 per cent after the 34 per cent increase of 1966, though it was some 3 per cent higher than in the less exceptional year of 1965. An unusual development, however, was a break in the downward trend of agricultural employment which increased for the first time since 1954; combined with lower production, this resulted in a very substantial reduction in output per person employed.

Price Movements

Price increases in 1967, though somewhat lower than in the previous year, were still strong and widespread. Overall prices as measured by the implicit price index of Gross National Expenditure rose 3.9 per cent compared with 4.5 per cent in 1966. Quarterly price movements reveal a deceleration in the second part of the year and especially in the last quarter. The year-to-year movements in the implicit price indexes of the major components of Gross National Expenditure are shown in the following table:

Implicit Price Indexes – Percentage Change from the Preceding Year

	1963	1964	1965	1966	1967
Personal expenditure	1.6	1.5	1.9	3.5	3.3
Non-durable goods	1.7	1.7	1.9	4.1	1.9
Durable goods	0.3	- 1.0	- 0.3	—	2.6
Total goods	1.4	1.0	1.5	3.2	2.2
of which: food	2.6	1.6	2.6	6.2	0.1
non-food goods	0.7	0.9	0.9	1.9	3.3
Services excluding net expenditure abroad	1.4	2.3	2.9	3.9	5.7
(Personal expenditure excluding food)	(1.1)	(1.6)	(1.7)	(2.8)	(4.2)
Government expenditure	4.1	3.2	5.0	5.9	6.2
Business gross fixed capital formation	3.1	4.4	4.3	3.8	2.3
Residential construction	3.4	5.5	5.0	6.0	7.2
Non-residential construction	3.4	4.4	6.1	5.4	5.0
Machinery and equipment	2.6	3.8	2.7	2.1	- 1.8
Exports	1.2	2.0	1.4	3.2	1.7
Imports	2.9	1.2	0.4	2.0	1.2
Gross national expenditure	1.8	2.6	3.0	4.5	3.9

The most striking increases occurred in non-food goods, in services, government expenditure and in construction. Within non-food goods there was an increase in the price of durables, reversing the apparent trend of the last few years towards slowly declining prices. Virtually unchanged food prices—after the strong rises of previous years culminating with a 6.2 per cent increase in 1966—exerted a moderating influence on the overall price advance. Another notable factor dampening overall price pressure was the decline in machinery and equipment prices.

In personal expenditures all major non-food categories showed accelerating rates of price increase. These price increases were in part a reflection of increased indirect taxes by all levels of government. The rise in durable goods prices started in the second quarter and was maintained at a somewhat slower rate through the rest of the year. Particularly notable were the more than 5 per cent rise in the prices of furniture and miscellaneous durables and the 1.6 rise in car prices. There was a marked acceleration in the rate of price increase of non-durables other than food; many major items such as clothing, newspapers and magazines,

electricity, tobacco, and gasoline, grease and oil showed increases of between 3 and 7 per cent. The implicit index for services rose by 5.7 per cent, the strongest increase in many years. Most prominent were the increases in prices associated with medical care, recreation, education and transportation. Rents also rose strongly, continuing the acceleration noted in 1966. Within food, the rate of price increase of most components was reduced, while some items—pork, poultry, eggs, and fresh vegetables—declined sharply.

More than half of the very strong rises in the implicit price indexes for both residential and non-residential construction was largely attributable to labour cost for the second successive year. Machinery and equipment prices declined for the first time since the current expansion began in 1961; this resulted from the complete removal in June of the federal sales tax on production machinery and equipment.

The increase in export prices was more moderate than in the previous year. Some important components showed price declines, notably wheat, and meat and meat preparations.

The Components of Demand

Consumer Expenditure

Personal expenditure on goods and services reached a level of \$37.7 billion in 1967, an increase of some 8 per cent compared with 8½ per cent in the preceding year. Expo and other centennial events had a considerable part in this rise, though it should be noted that the large expenditures made by foreign tourists are not included in this aggregate.¹

The large increase in non-durables was broadly based, but especially notable were rises of some 11 per cent in alcoholic beverage purchases, 10 per

cent in outlays on energy sources and 9 per cent on drugs and cosmetics. Total food outlays increased at a lower rate than in 1966—6 per cent as against 7—with prices increasing only fractionally after a 6 per cent advance previously. The gain in volume terms, however, was significantly larger.

The slightly higher rate of advance in durables in 1967, 4½ as against 4 per cent, was due to a 3 per cent gain in new and used car purchases which showed no change in 1966. All other components had lower rates of increase than in the previous years, with furniture rising by 4 per cent, home furnishings by 8 per cent, and radios and appliances by 7 per cent. If price increases are allowed for, the real increase in durables outlays in 1967 was half the increase of the previous year.

The 11½ per cent increase in services excluding net expenditure abroad¹ was also broadly based, but the most pronounced increases were in the series affected by Expo. Recreation expenditures soared by almost 30 per cent, while outlays on purchased transportation rose by over 19 per cent. Other significant advances were registered in medical outlays and household operations (10½ per cent each) and in the shelter component (9 per cent). Also noticeable were sharp increases in price, which accounted for fully half the overall rise.

Personal Expenditure – Percentage Change from the Preceding Year

	1964	1965	1966	1967
Total non-durables.....	6.4	7.3	9.7	9.2 ¹
Purchased food.....	5.1	5.7	7.3	5.8
Clothing (including footwear).....	6.3	6.2	5.8	7.0
Alcoholic beverages	5.5	9.2	7.7	11.3
Tobacco.....	1.8	8.2	6.2	6.4
Total durables	10.7	11.4	4.2	4.7
New and used cars.....	11.8	14.2	—	2.9
Furniture	6.0	6.2	7.0	4.1
Home furnishings	11.6	8.9	9.4	7.8
Radios and appliances	7.9	8.5	10.9	7.0
Total goods.....	7.3	8.1	8.5	8.3
Total services (including net expenditure abroad).....	9.0	8.0	8.9	8.1 ¹
Shelter	6.3	6.8	8.5	8.8
Total transportation.....	7.4	7.9	7.9	14.3
Household operations	9.9	9.2	10.7	10.7
Total personal expenditure.....	7.9	8.1	8.7	8.2

¹ See text footnote above.

Business Gross Fixed Capital Formation

Business gross fixed capital formation including housing totalled \$12.4 billion in 1967, a decline of 1 per cent from the revised 1966 level. While outlays for new housing advanced 7½ per cent, business expenditure on plant and equipment fell by 3 per cent consisting of declines of 3½ per cent and 2 per cent respectively in non-residential buildings and structures and in machinery and equipment. These decreases resulted from a considerable falling-off in investment activity by manufacturers of both durables and non-durables and by service establishments. Declines occurred in all four quarters, though outlays on structures recovered somewhat in the last three months of the year.

The diminution of 2 per cent in new machinery and equipment outlays from the final 1966 estimates (revised upward) reflected major cutbacks by manufacturers. The sharp drop of 3½ per cent in non-residential building and engineering construction expenditures in 1967 was associated with decreases for all industries except agriculture and, notably, electric power. However, the service industry expenditure decline was confined to the commercial sector, with university and hospital construction continuing its upward course.

A number of fiscal measures were effected in 1967 to prevent a larger decline in business investment expenditures. The sales tax on production

machinery and apparatus was lowered from 11 to 6 percentage points in April and completely removed in June. Other measures included the termination on March 31, 1967 of the refundable tax on business profits and the removal of the previous year's measure regarding capital cost allowances.

The value of new residential construction rose by 7½ per cent between 1966 and 1967 to a level of \$2.3 billion. However, completions actually fell by close to 9 per cent from 162,000 to 149,000 units as a consequence of the low carryover of units under construction (89,000) at the beginning of the year. By the end of 1967, units under construction had risen to 103,000. Starts eased from a peak annual rate of 174,000 in the second quarter to 168,000 in the fourth, still well above the 1966 level of 134,000; the total number of starts for 1967 was 164,000.

The following table shows that, although total mortgage approvals increased from the low 1966 level, the major part of the improvement was the result of increased lending by approved lenders under the National Housing Act and continued provision of funds by CMHC. In particular, as a result of changes in the Bank Act in May of the year, chartered banks figured prominently in the mortgage market for the first time. Conventional mortgage lending, although up for the year, remained substantially below the 1965 level despite rises in interest rates during the year.

Mortgage Loan Approvals, Gross Basis – Dwelling Units

	1965	1966	1967
NHA – Approved lenders	25,516	14,567	27,154
Central Mortgage and Housing Corporation	33,942	37,560	42,389
Sub-totals	59,458	52,127	69,543
Conventional lenders	90,221	54,489	68,586
Totals	149,679	106,616	138,429

Investment in Non-farm Business Inventories

Investment in non-farm business inventories showed an accumulation of \$189 million in 1967, a sharp drop from the \$777 million accumulation of the previous year. In the first half of the year there was a moderate accumulation, while a notable build-up followed by a sharp liquidation occurred in the latter half.

Manufacturing contributed about 20 per cent to the total accumulation in 1967. This was entirely concentrated in the investment of non-durable goods producing industries, which more than offset a noticeable liquidation in the stocks of durable goods. Mixed movements occurred in the components of both durables and non-durables. The stock-to-sales ratio for the year as a whole was much above the average ratio of the previous year.

Investment in wholesale trade contributed about 50 per cent to the total accumulation of non-farm business inventories in 1967. The accumulation in wholesale took place entirely in the stocks of durable goods. In non-durable goods there was a slight liquidation resulting from mixed movements in the components. The stock-to-sales ratio for the year was higher than in 1966.

About 20 per cent of the total increase in the investment of business inventories occurred in retail trade. This stock building was mainly concentrated in durable goods with the exception of stocks of motor vehicle dealers which showed a moderate depletion. At the total level in non-durable lines, there was a small build-up, with a noticeable accumulation in the stocks of food dealers offsetting a general liquidation in most other categories. The stock-to-sales ratio for the year was lower than in the previous year.

Value of Physical Change in Non-farm Business Inventories

	1966	1967	1967 minus 1966
	millions of dollars		
Manufacturing	496	36	- 460
Durables	333	- 50	- 383
Non-durables	163	86	- 77
Wholesale	125	81	- 44
Retail	153	33	- 120
"Other" industries	3	39	36
Totals	777	189	- 588

Exports and Imports of Goods and Services

Canada's exports of goods and services rose to \$14.6 billion in 1967, an increase of 11½ per cent over the level of 1966. At the same time, imports of goods and services rose 6 per cent. Thus, the improvement in the deficit on international current

account from \$1.2 to \$0.5 billion (on a national accounts basis) was one of the feature developments of the year. Improvement in the deficit was attributable to an increase in the balance on merchandise trade of \$256 million, dramatically reinforced by a contraction of the deficit on non-merchandise trade of \$402 million.

Exports and Imports of Goods and Services

	Goods			Services			Current balance
	Exports	Imports	Net	Exports	Imports	Net	
	millions of dollars						
1963	7,082	6,579	503	2,029	3,039	- 1,010	- 507
1964	8,238	7,537	701	2,340	3,433	- 1,093	- 392
1965	8,745	8,627	118	2,520	3,773	- 1,253	- 1,135
1966	10,326	10,102	224	2,747	4,178	- 1,431	- 1,207
1967	11,385	10,905	480	3,223	4,252	- 1,029	- 549
Percentage change between 1966 and 1967	(10.3)	(7.9)		(17.3)	(1.8)		

Merchandise exports rose in the first half of the year, dropped sharply in the third quarter, and moved to a peak in the fourth quarter. At \$11.4 billion for the year, they were 10½ per cent higher than in 1966. Trade of Canada figures for domestic exports show a gain of \$1,051 million in United States markets. Of this increase, \$963 million was in end products, in particular cars and trucks, engines and parts, as well as aircraft engines and parts. A sharp drop in sales of wheat to Eastern Europe and Asia, in particular to the Soviet Union and China, was offset by very large increases in exports to Japan, Italy and the Netherlands.

Merchandise imports reached a peak in the second quarter and declined during the second half of 1967. At \$10.9 billion, they were about 8 per cent higher than in 1966. Trade of Canada revised data attribute \$752 million of the \$802 million increase to the United States suppliers. Increased

imports of automotive products accounted for more than 70 per cent of the rise. Other important items include aircraft with engines and parts, and crude petroleum.

Turning to consider the service account, receipts rose nearly 17½ per cent, payments by less than 2 per cent. The major factor was the turnaround in the net tourist and travel account from a deficit of \$63 million to a surplus of \$427 million. This was only the second surplus since 1950; in 1963 there was a modest positive balance of \$24 million. The remarkable lift of Expo and other centennial activities along with a small decline in the deficit in freight and shipping transactions offset a drop in gold production available for export, higher official contribution payments, and larger deficits for income, business and other governmental transactions.

Domestic Exports¹

	U.S.	U.K.	Other Common- wealth and Pref.	E.C.M.	Other	Total
millions of dollars						
1966						
End products	1,626	56	154	71	213	2,119
Food, feed, beverages, tobacco	429	287	157	172	844	1,888
Crude materials	1,123	232	36	214	343	1,948
Fabricated materials	2,761	548	197	177	329	4,012
Live animals	69	—	—	2	6	78
Special	20	1	3	—	2	25
Totals²	6,028	1,123	547	637	1,736	10,071
1967						
End products	2,589	58	186	57	216	3,107
Food, feed, beverages, tobacco	430	293	180	178	521	1,602
Crude materials	1,186	246	48	219	410	2,108
Fabricated materials	2,822	571	221	222	395	4,230
Live animals	35	—	1	2	5	42
Special	18	—	2	—	2	22
Totals²	7,079	1,169	638	677	1,548	11,112

¹ Source: "Exports by Commodities", DBS Catalogue No. 65-004.² Components will not necessarily sum to totals because of roundings.Imports¹

	U.S.	U.K.	Other Common- wealth and Pref.	E.C.M.	Other	Total
millions of dollars						
1966						
End products	4,452	380	41	307	304	5,483
Food, feed, beverages, tobacco	402	44	152	44	149	792
Crude materials	506	32	139	9	337	1,023
Fabricated materials	1,482	175	79	180	317	2,233
Live animals	12	—	—	—	2	13
Special	281	13	5	11	12	322
Totals^{2,3}	7,136 (7,204)	645 (672)	416 (432)	551	1,119	9,866 (10,072)
1967						
End products	5,329	414	58	363	391	6,555
Food, feed, beverages, tobacco	429	43	169	49	172	862
Crude materials	512	30	126	8	387	1,063
Fabricated materials	1,495	177	78	197	363	2,310
Live animals	21	—	—	1	—	22
Special	236	9	5	9	11	269
Totals^{2,3}	8,022 (7,966)	673 (649)	435 (419)	627	1,324	11,081 (10,874)

¹ Source: "Imports by Commodities", DBS Catalogue No. 65-007.² Components will not necessarily sum to totals because of roundings.³ Revised figures showing the effect of delays in the receipt of customs documents as outlined in DBS Catalogue No. 65-007 (Sept. 1967) are shown in parentheses.

The Government Sector

Total revenue of all governments combined (excluding inter-governmental transfers) rose by \$2,265 million to \$21.3 billion, an increase of nearly 12 per cent. Of this, \$167 million were higher revenues of the Canada and Quebec Pension Plans. Total expenditure rose somewhat more, \$2,456 million, or 13 per cent, so that the overall surplus on a national accounts basis, declined from \$348 to \$157 million.

On the revenue side, direct taxes increased by nearly \$1 billion or 14 per cent. Personal direct tax, almost all income tax, increased by rather more than this, while corporation tax revenue decreased slightly. The proportionately greater income of the provincial governments from these sources was the result of increased abatements to the provinces from the federal government. Part of the increase in personal direct taxes at the federal level can be attributed to the doubling of the maximum old age security tax on personal income imposed at the beginning of the year.

In indirect taxes the rise of \$761 million, or 9 per cent, went mainly to the provincial and municipal governments, with the federal government receiving only one-sixth. At the provincial level, larger sales tax revenue accounted for most of the increase, with higher rates levied in Quebec, New Brunswick and Newfoundland, and the introduction of a sales tax in Manitoba. The only other large gain was in gasoline taxes. The rise in municipal indirect tax

revenue resulted from an 11½ per cent increase in property taxes. The smaller rise in federal indirect tax revenue came mainly from an increase of 1 per cent in the sales tax rate, partially offset by the abolition of sales tax on production machinery and equipment and drugs during the year.

In expenditures, total outlays on goods and services rose by over \$1 billion, with each of the three levels of government increasing its spending by about the same amount. At each level of government this was mainly caused by increases in wages and salaries, with capital formation rising more slowly than the previous year. Transfer payments rose by \$1.3 billion, with large increases in Old Age Security Fund payments resulting from the lower age limit and the introduction of the guaranteed minimum monthly income supplement to old age security recipients, and in hospital and education grants. Smaller increases occurred in employment benefits and Workmen's Compensation benefits.

With the inception of the Canada Assistance Plan, and higher transfers under taxation agreements, transfers from the federal government to the provincial and municipal governments rose by \$330 million.

Thus, with federal expenditures increasing by nearly 13 per cent while revenues were rising by 8½ per cent, the federal surplus of \$164 million in 1966 became a deficit of \$256 million in 1967. At the provincial-municipal level the deficit eased from \$535 million in 1966 to \$473 million in 1967.

The Components of Income

Labour Income

Labour income was more than 9 per cent higher in 1967 than in 1966. Most of the increases reflected higher average earnings, largely the result of higher rates of pay. The increase in the number of employees was less than in the previous year.

Continuing the trend established in the latter half of 1966, labour income in the service-producing sector advanced more rapidly than in the goods-producing sector. The increase in the service-producing industries of 12 per cent, slightly higher than last year, accounted for almost three-quarters of the increase in total wages and salaries, compared with slightly more than one-half of last year's increase. The largest relative gains in wages and salaries were recorded in public utilities (15½ per cent), service (13 per cent), and transportation, storage and communication (12 per cent). Increases in average weekly earnings were greater this year than last, offsetting a slightly reduced rate of increase in employment. This trend was common to most components.

Government wages and salaries rose by almost 14 per cent in 1967; provincial government payrolls showed a greater increase than the federal govern-

ment, 20 per cent compared with 10½ per cent. Municipal government payrolls rose by about 12 per cent over the year.

In the goods-producing sector, wages and salaries increased by approximately 6 per cent as compared to about 13½ per cent in 1966. The primary industries showed an increase of 7 per cent, about the same rate as last year. Within the group, wages and salaries in mining increased faster than in 1966, in spite of lower average hours worked and a lower rate of increase in employment. Declining rates of increase were recorded in the other primary industries. Manufacturing wages and salaries advanced by about 6 per cent, compared with 11½ per cent in 1966. Employment in this industry showed little change for the year, and average hours worked were lower, but the increase in average hourly earnings was somewhat greater than in 1966. Wages and salaries in construction were about 4 per cent higher than last year, as compared with increases of almost 25 per cent in both 1965 and 1966. The slowdown in the rate of increase was the result of declines in employment and in average weekly hours worked, although average hourly earnings increased at a slightly faster rate than in the prior year.

Corporation Profits

Net corporation profits declined a further 2½ per cent in 1967 following a 1 per cent dip in the previous year. However, these annual levels conceal some fluctuations within the period. A rising trend in profits came to a high point in the first quarter of 1966 and was followed for several quarters by movements around a generally declining trend. Profits have moved upward through the last three quarters of 1967, but are still slightly below the first quarter 1966 peak.

Three factors influenced the fluctuations of the last two years. First, the drop in profits in the third quarter of 1966 was reinforced by a number of strikes in the economy. Second, those rail subsidies which are included in corporation profits were particularly high in the fourth quarter of 1966, and had the effect of bolstering the rise in that quarter. Third, fluctuations in the movements of quarterly capital consumption allowances over the past two years influenced movements in net profits.

Net profits in 1967 were lower in the mining industry by 1 per cent, manufacturing 4 per cent, and wholesale trade 5 per cent. A 21 per cent drop in transportation, storage and communication was related to a significant rise in capital consumption allowances, when a tax ruling was introduced in the early part of the year permitting telephone companies to claim higher allowances than previously permissible. Profits of the utility group expanded nearly 25 per cent, while advances of 6, 7 and 15 per cent respectively were experienced in the retail trade, finance, and service industries.

Within the manufacturing industry, profit changes in 1967 were varied with more declines than gains. The textile, wood, paper, electrical, non-metallic mineral, and chemical categories all marked profit declines. The profits of the rubber, petroleum and coal, and printing and publishing groups progressed from their 1966 level, while little change was noted in the food and beverage, and metal industry profits.

Other Investment Income

Rent, interest and miscellaneous investment income rose by nearly 13 per cent in 1967 compared with about 9 per cent in 1966. Government invest-

ment income for all levels combined was higher by \$336 million against a rise of \$142 million in 1966. About 40 per cent of the increase in government investment income came from higher trading profits of government enterprises. This was mainly at the provincial level, with the trading profits of liquor commissions accounting for about half the rise.

Accrued Net Income of Farm Operators

Accrued net income of farm operators from farm production fell by 23 per cent from the exceptionally high level of the previous year.

Predominant in the decline in the value of grain production was a much smaller grain crop than the record crop of 1966; moreover, Canadian Wheat Board profits were considerably reduced from the record level of 1966, reflecting much lower exports in the third and fourth quarters.

Slightly offsetting this movement were advances in livestock production and higher income from other farm products—mainly dairy products, where subsidies were a factor, and tobacco.

Operating expenses again recorded a moderate increase and contributed further to the decline in net income.

Net income of farm operators from farm production, which is reflected in the personal account, declined by nearly 13 per cent in 1967. The smaller decline in this component resulted from the record high final payments made by the Canadian Wheat Board in the first quarter.

Net Income of Non-farm Unincorporated Business

Net income of non-farm unincorporated business rose to \$3,194 million, slightly more than 8 per cent over the 1966 total.

Most industries registered gains over the levels reached in 1966. The service industries alone accounted for just under half the increase—a portion of which was due to Expo—while smaller gains were recorded in retail trade and construction.

Production by Industry¹

Non-agricultural real output rose by 3.1 per cent during 1967, compared to the 6.7 per cent expansion that was recorded for 1966. The rate of growth for 1967 was also considerably less than the average annual rate of growth of 4.8 per cent that took place in the 1946 to 1966 period. Several of the major industry groupings showed increases that were well below their post-war average rates of growth. Manufacturing, for example, increased by only 1.1 per cent in 1967 compared to 4.9 per cent

in the same period, while construction fell by several percentage points from its 1966 level. Of the major industry groupings that rose, the transportation, storage and communication grouping registered the most significant increase, rising to 5.8 per cent from 4.8 per cent during 1946 to 1966.

¹ For further information see "Index of Industrial Production", January 1968, DBS Catalogue No. 61-005.

Percentage Distribution of Gross National Expenditure, 1961-67

[illegible]

Percentage Distribution of National Income by Distributive Shares, 1961 - 67

[illegible]

Percentage Distribution of Gross Domestic Product at Factor Cost, by Industry, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
1	Agriculture	4.7	5.8	6.1	5.1	5.1	5.9	4.6
2	Forestry	1.1	1.1	1.0	1.0	1.0	1.0	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	4.3	4.3	4.3	4.3	4.3	4.0	4.1
5	Manufacturing	25.5	25.9	25.9	26.5	26.4	25.8	25.1
6	Construction	5.5	5.3	5.1	5.2	5.7	6.3	6.1
7	Transportation	6.5	6.2	6.1	6.2	6.1	5.9	5.9
8	Storage	0.3	0.2	0.3	0.3	0.2	0.2	0.2
9	Communication	2.4	2.4	2.4	2.5	2.5	2.4	2.5
10	Electric power, gas, and water utilities	3.4	3.3	3.3	3.3	3.2	3.1	3.3
11	Wholesale trade	4.6	4.6	4.5	4.6	4.6	4.7	4.8
12	Retail trade	9.3	9.0	8.9	8.9	8.9	8.6	8.8
13	Finance, insurance, and real estate	10.6	10.2	10.2	10.1	10.0	9.8	10.2
14	Public administration and defence	7.5	7.4	7.3	7.1	6.8	6.9	7.3
15	Service	14.0	14.0	14.3	14.6	14.9	15.1	15.8
16	Totals	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Personal Income by Source, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
1	Wages, salaries, and supplementary labour income ¹	63.9	62.7	62.8	64.1	64.4	64.6	64.3
2	Military pay and allowances	1.9	1.9	1.8	1.7	1.5	1.4	1.5
3	Net income received by farm operators from farm production	3.4	4.8	4.8	3.8	4.3	4.8	3.8
4	Net income of non-farm unincorporated business	8.0	7.7	7.8	7.7	7.4	6.9	6.7
5	Interest, dividends, and net rental income of persons	10.6	10.7	11.0	10.8	10.6	10.5	10.4
6	Transfer payments (excluding interest)	12.2	12.2	11.8	11.9	11.8	11.8	13.3
7	Totals	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

Selected Per Person Income and Product Series in Current and Constant Dollars, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
Current dollars								
1	Gross National Product	2,055	2,183	2,294	2,457	2,657	2,904	3,042
2	Personal Income	1,564	1,667	1,740	1,822	1,988	2,152	2,313
3	Personal Disposable Income	1,426	1,520	1,586	1,645	1,789	1,928	2,044
4	Personal Expenditure on Consumer Goods and Services	1,341	1,395	1,452	1,538	1,632	1,741	1,848
Constant (1957) dollars								
5	Gross National Expenditure	1,924	2,014	2,079	2,171	2,279	2,382	2,402
6	Personal Expenditure on Consumer Goods and Services	1,267	1,301	1,334	1,392	1,449	1,494	1,535

SECTION A
INCOME AND EXPENDITURE ACCOUNTS

1. Summary Tables

TABLE 1. National Income and Gross National Product, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Wages, salaries, and supplementary labour income	18,996	20,233	21,547	23,433	26,179	29,661	32,389
2	Military pay and allowances	550	586	598	583	587	621	704
3	Corporation profits before taxes ¹	3,427	3,819	4,188	4,819	5,199	5,145	5,020
4	Deduct: Dividends paid to non-residents	- 586	- 584	- 614	- 753	- 780	- 797	- 755
5	Rent, interest, and miscellaneous investment income	2,670	2,832	3,078	3,262	3,537	3,844	4,339
6	Accrued net income of farm operators from farm production ²	1,008	1,496	1,721	1,464	1,645	2,204	1,698
7	Net income of non-farm unincorporated business ³	2,274	2,401	2,551	2,720	2,877	2,949	3,194
8	Inventory valuation adjustment ⁴	- 89	- 130	- 200	- 131	- 325	- 321	- 291
9	Net National Income at factor cost	28,250	30,653	32,869	35,397	38,919	43,306	46,298
10	Indirect taxes less subsidies	4,696	5,293	5,600	6,372	7,238	7,950	8,705
11	Capital consumption allowances and miscellaneous valuation adjustments	4,540	4,892	5,198	5,600	6,110	6,623	7,000
12	Residual error of estimate	- 15	- 263	- 243	24	- 64	241	65
13	Gross National Product at market prices	37,471	40,575	43,424	47,393	52,203	58,120	62,068

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

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

1961	- 278	1964	- 99	1967	- 124
1962	176	1965	56		
1963	311	1966	149		

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

³ Includes net income of independent professional practitioners.

⁴ See footnote 5, Table 2.

TABLE 2. Gross National Expenditure, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Personal expenditure on consumer goods and services	24,466	25,926	27,487	29,666	32,061	34,848	37,714
2	Government expenditure on goods and services ¹	7,236	7,717	8,075	8,654	9,614	11,286	12,377
3	Current expenditure ²	5,699	5,962	6,273	6,813	7,400	8,689	9,568
4	Gross fixed capital formation ³	1,537	1,755	1,802	1,841	2,214	2,597	2,809
5	Business gross fixed capital formation ⁴	6,635	6,960	7,591	9,103	10,651	12,493	12,365
6	New residential construction	1,458	1,577	1,707	2,021	2,124	2,171	2,337
7	New non-residential construction	2,683	2,638	2,835	3,358	4,024	4,850	4,670
8	New machinery and equipment	2,494	2,745	3,049	3,724	4,503	5,472	5,358
9	Value of physical change in inventories ⁵	30	532	535	386	948	940	225
10	Non-farm business inventories	439	310	244	516	905	777	189
11	Farm inventories and grain in commercial channels	- 409	222	291	- 130	43	163	36
12	Exports of goods and services ⁶	7,631	8,259	9,111	10,578	11,265	13,073	14,608
13	Deduct: Imports of goods and services	- 8,542	- 9,082	- 9,618	- 10,970	- 12,400	- 14,280	- 15,157
14	Residual error of estimate	15	263	243	- 24	64	- 240	- 64
15	Gross National Expenditure at market prices	37,471	40,575	43,424	47,393	52,203	58,120	62,068

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

² Also includes net purchases of government commodity agencies and the defence production revolving fund. Excludes shipments of previously produced military equipment to NATO countries, but includes replacements of new equipment.

³ Includes outlay on new durable assets such as building and highway construction by governments, other than government business enterprises (for detail see footnote 1, Table 43, and lines 2, 3 and 4, Table 54). Includes defence plant and equipment.

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

⁵ The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment (see line 8, Table 1).

⁶ Excludes shipments of military equipment to NATO countries under the Defence Appropriation Act. See also Table 55.

TABLE 3. Relation between Net National Income at Factor Cost, Personal Income, Personal Disposable Income, and Personal Net Saving, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Net National Income at factor cost	28,250	30,653	32,869	35,397	38,919	43,306	46,298
2	Add: Transfer payments (excluding interest on the public debt and charitable contributions from corporations) ¹	3,441	3,725	3,848	4,133	4,574	5,047	6,223
3	Add: Interest on the public debt ¹	1,170	1,305	1,423	1,526	1,645	1,805	1,982
4	Deduct: Earnings not paid out to persons ² ...	- 4,339	- 4,711	- 5,206	- 5,903	- 6,076	- 7,095	- 7,301
5	Equals: Personal income	28,522	30,972	32,934	35,153	39,062	43,063	47,202
6	Deduct: Personal direct taxes	- 2,511	- 2,729	- 2,916	- 3,428	- 3,913	- 4,484	- 5,493
7	Equals: Personal disposable income	26,011	28,243	30,018	31,725	35,149	38,579	41,709
8	Deduct: Personal expenditure on consumer goods and services	- 24,466	- 25,926	- 27,487	- 29,666	- 32,061	- 34,848	- 37,714
9	Equals: Personal net saving	1,545	2,317	2,531	2,059	3,088	3,731	3,995
10	Value of physical change in farm inventories	- 278	176	311	- 99	56	149	- 124
11	Personal saving excluding change in farm inventories	1,823	2,141	2,220	2,158	3,032	3,582	4,119

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

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

TABLE 4. Relation between Gross National Product at Market Prices and Gross Domestic Product at Factor Cost, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Gross National Product at market prices	37,471	40,575	43,424	47,393	52,203	58,120	62,068
2	Deduct: Residual error of estimate	15	263	243	- 24	64	- 241	- 65
3	Indirect taxes less subsidies	- 4,696	- 5,293	- 5,600	- 6,372	- 7,238	- 7,950	- 8,705
4	Income received from non-residents	- 209	- 202	- 230	- 332	- 322	- 323	- 281
5	Add: Income paid to non-residents	770	794	860	1,010	1,086	1,135	1,149
6	Gross domestic product at factor cost	33,351	36,137	38,697	41,675	45,793	50,741	54,166

TABLE 5. Gross National Expenditure in Constant (1957) Dollars, 1961-67^{1,2}

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Personal expenditure on consumer goods and services	23,105	24,173	25,260	26,846	28,461	29,902	31,327
2	Government expenditure on goods and services	6,562	6,811	6,848	7,113	7,524	8,335	8,606
3	Current expenditure	4,885	4,957	5,024	5,266	5,514	6,112	6,319
4	Gross fixed capital formation	1,677	1,854	1,824	1,847	2,010	2,223	2,287
5	Business gross fixed capital formation	6,125	6,254	6,618	7,606	8,530	9,633	9,318
6	New residential construction	1,328	1,395	1,461	1,641	1,643	1,585	1,591
7	New non-residential construction	2,494	2,399	2,494	2,830	3,196	3,656	3,350
8	New machinery and equipment	2,303	2,460	2,663	3,135	3,691	4,392	4,377
9	Change in inventories	29	508	510	354	938	891	174
10	Non-farm business inventories	433	293	239	486	874	726	162
11	Farm inventories and grain in commercial channels	- 404	215	271	- 132	64	165	12
12	Exports of goods and services	7,379	7,747	8,445	9,610	10,098	11,345	12,467
13	Deduct: Imports of goods and services	- 8,132	- 8,306	- 8,550	- 9,632	-10,838	- 12,240	- 12,834
14	Residual error of estimate	13	242	221	- 21	55	- 196	- 51
15	Gross National Expenditure in constant (1957) dollars	35,081	37,429	39,352	41,876	44,768	47,670	49,007
16	Index, line 15, 1949 = 100	162.2	173.1	182.0	193.6	207.0	220.4	226.6

¹ These data are given on a 1949 time base in Tables 56 and 57 in order to provide continuity with Tables 5 and 6 in "National Accounts, Income and Expenditure, 1926-1956" and Tables 56 and 57 in "National Accounts, Income and Expenditure", 1961 and 1962.

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

TABLE 6. Implicit Price Indexes - Gross National Expenditure, 1961-67^{1,2}
1957 = 100.0

Line No.		1961	1962	1963	1964	1965	1966	1967
1	Personal expenditure on consumer goods and services	105.9	107.3	108.8	110.5	112.7	116.5	120.4
2	Government expenditure on goods and services	110.3	113.3	117.9	121.7	127.8	135.4	143.8
3	Current expenditure	116.7	120.3	124.9	129.4	134.2	142.2	151.4
4	Gross fixed capital formation	91.7	94.7	98.8	99.7	110.1	116.8	122.8
5	Business gross fixed capital formation	108.3	111.3	114.7	119.7	124.9	129.7	132.7
6	New residential construction	109.8	113.0	116.8	123.2	129.3	137.0	146.9
7	New non-residential construction	107.6	110.0	113.7	118.7	125.9	132.7	139.4
8	New machinery and equipment	108.3	111.6	114.5	118.8	122.0	124.6	122.4
9	Exports of goods and services	103.4	106.6	107.9	110.1	111.6	115.2	117.2
10	Imports of goods and services	105.0	109.3	112.5	113.9	114.4	116.7	118.1
11	Residual error of estimate	106.8	108.5	110.4	113.2	116.9	122.2	126.6
12	Gross National Expenditure at market prices	106.8	108.4	110.3	113.2	116.6	121.9	126.7

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

² 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, 1961-67
Income

Item No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Wages, salaries, and supplementary labour income:							
	(a) From business (28 a)	15,047	15,969	16,928	18,406	20,675	23,408	25,388
	(b) From governments (19 bi)	3,046	3,263	3,506	3,786	4,105	4,665	5,217
	(c) From persons (9 b)	903	1,001	1,113	1,241	1,399	1,588	1,784
	(d) Deduct employer and employee contributions to social insurance and government pension funds (17)	- 787	- 812	- 852	- 912	- 1,027	- 1,843	- 2,031
2	Military pay and allowances (19 bii)	550	586	598	583	587	621	5,704
3	Net income received by farm operators from farm production ¹ (28 c)	978	1,490	1,582	1,353	1,689	2,048	1,785
4	Net income of non-farm unincorporated business (28 e)	2,274	2,401	2,551	2,720	2,877	2,949	3,194
5	Interest, dividends, and net rental income of persons ² (44 a)	3,030	3,305	3,616	3,799	4,139	4,536	4,894
6	Transfer payments (excluding interest):							
	(a) From governments (20 b)	3,441	3,725	3,848	4,133	4,574	5,047	6,223
	(b) Charitable contributions from corporations (44 b)	40	44	44	44	44	44	44
7	Totals	28,522	30,972	32,934	35,153	39,062	43,063	47,202

¹ This item differs from line 6 of Table 1 by excluding the adjustment which has been made to take account of the accrued net earnings arising out of the operations of the Canadian Wheat Board.

² Includes all government debt interest paid to persons.

TABLE 8. Personal Income and Expenditure Account, 1961-67
Expenditure

Item No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
8	Personal direct taxes:							
	(a) Income taxes (12 a)	2,125	2,316	2,487	2,957	3,355	3,903	4,904
	(b) Succession duties and estate taxes (12 b)	146	165	171	179	212	224	215
	(c) Miscellaneous (12 c)	240	248	258	292	346	357	374
9	Purchases of goods and services:							
	(a) From business (24 a)	22,785	24,188	25,653	27,572	29,715	32,199	34,867
	(b) Direct services (1 c)	903	1,001	1,113	1,241	1,399	1,588	1,784
	(c) Travel expenditure (34 a)	642	605	585	712	796	903	877
	(d) Other expenditures abroad (34 b)	136	132	136	141	151	158	186
10	Personal net saving ¹ (48)	1,545	2,317	2,531	2,059	3,088	3,731	3,995
11	Totals	28,522	30,972	32,934	35,153	39,062	43,063	47,202

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

TABLE 9. Government Revenue and Expenditure Account, 1961-67¹

Revenue

Item No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
12	Direct taxes - Persons:							
	(a) Income taxes (8a)	2,125	2,316	2,487	2,957	3,355	3,903	4,904
	(b) Succession duties and estate taxes (8b)	146	165	171	179	212	224	215
	(c) Miscellaneous (8c)	240	248	258	292	346	357	374
13	Direct taxes - Corporations:							
	(a) Income tax collections (44c)	1,551	1,653	1,775	2,097	2,269	2,299	2,417
	(b) Excess of income tax liabilities over income tax collections ² (44d)	61	57	52	- 44	- 44	- 47	- 209
14	Withholding taxes (44e)	116	125	127	140	168	203	218
15	Indirect taxes (29a)	4,947	5,585	5,911	6,695	7,564	8,466	9,227
16	Investment income:							
	(a) Interest (44f)	483	536	605	648	730	865	1,055
	(b) Profits of government business enterprises (44g)	643	715	790	878	941	948	1,094
17	Employer and employee contributions to social insurance and government pension funds (1d)	787	812	852	912	1,027	1,843	2,031
18	Totals³	11,099	12,212	13,028	14,754	16,568	19,061	21,326

¹ See also Table 36.² See footnote 2, Table 50.³ Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.TABLE 10. Government Revenue and Expenditure Account, 1961-67¹

Expenditure

Item No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
19	Purchases of goods and services: ²							
	(a) From business (24b)	3,640	3,868	3,971	4,285	4,922	6,000	6,456
	(b) Direct service:							
	(i) Wages and salaries (1b)	3,046	3,263	3,506	3,786	4,105	4,665	5,217
	(ii) Military pay and allowances (2)	550	586	598	583	587	621	704
20	Transfer payments:							
	(a) Interest ³ (45)	1,170	1,305	1,423	1,526	1,645	1,805	1,982
	(b) Other (6a)	3,441	3,725	3,848	4,133	4,574	5,047	6,223
	(c) Capital assistance (49d)	6	27	61	82	84	59	65
21	Subsidies (29b)	251	292	311	323	326	516	522
22	Surplus (+) or deficit (-) (on transactions relating to the National Accounts) ⁴ (51)	- 1,005	- 854	- 690	36	325	348	157
23	Totals⁵	11,099	12,212	13,028	14,754	16,568	19,061	21,326

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 budgetary 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, 1961-67
Revenue

Item No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
24	Sales to residents:							
	(a) Persons (9a)	22,785	24,188	25,653	27,572	29,715	32,199	34,867
	(b) Governments ¹ (19a)	3,640	3,868	3,971	4,285	4,922	6,000	6,456
	(c) Business gross fixed capital formation: ²							
	(i) New residential construction (54a)	1,458	1,577	1,707	2,021	2,124	2,171	2,337
	(ii) New non-residential construction (54b)	2,683	2,638	2,835	3,358	4,024	4,850	4,670
	(iii) New machinery and equipment (54c)	2,494	2,745	3,049	3,724	4,503	5,472	5,358
	(d) Value of physical change in inventories (55)	30	532	535	386	948	940	225
25	Sales to non-residents:							
	(a) Travel expenditure (38b)	482	562	609	662	747	840	1,304
	(b) Other (38c)	6,940	7,495	8,272	9,584	10,196	11,910	13,023
26	Residual error of estimate	15	263	243	- 24	64	- 240	- 64
27	Totals	40,527	43,868	46,874	51,568	57,243	64,142	68,176

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

TABLE 12. Business Operating Account, 1961-67
Expenditure

Item No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
28	Factor costs:							
	(a) Wages, salaries, and supplementary labour income (1a)	15,047	15,969	16,928	18,406	20,675	23,408	25,388
	(b) Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (41)	6,072	6,659	7,282	8,006	8,720	9,004	9,472
	(c) Net income received by farm operators from farm production ¹ (3)	978	1,490	1,582	1,353	1,689	2,048	1,785
	(d) Adjustment on grain transactions ² (49c)	30	6	139	111	- 44	156	- 87
	(e) Net income of non-farm unincorporated business (4)	2,274	2,401	2,551	2,720	2,877	2,949	3,194
	(f) Inventory valuation adjustment (50)	- 89	- 130	- 200	- 131	- 325	- 321	- 291
29	Other costs:							
	(a) Indirect taxes (15)	4,947	5,585	5,911	6,695	7,564	8,466	9,227
	(b) Less subsidies (21)	- 251	- 292	- 311	- 323	- 326	- 516	- 522
	(c) Capital consumption allowances and miscellaneous valuation adjustments (49b)	4,540	4,892	5,198	5,600	6,110	6,623	7,000
30	Purchases from non-residents (33b)	6,994	7,551	8,037	9,107	10,367	12,084	12,945
31	Residual error of estimate	- 15	- 263	- 243	24	- 64	241	65
32	Totals	40,527	43,868	46,874	51,568	57,243	64,142	68,176

¹ See footnote 1, Table 7.² This item is the adjustment to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. See footnote 5, Table 52.

TABLE 13. Non-residents' Revenue and Expenditure Account, 1961 - 67

Receipts from Canada

Canadian Imports

Item No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
33	Receipts from business:							
	(a) Interest and dividends (46 a)	630	646	686	822	875	910	897
	(b) Other than interest and dividends (30)	6,994	7,551	8,037	9,107	10,367	12,084	12,945
34	Receipts from persons:							
	(a) Travel expenditure (9 c)	642	605	585	712	796	903	877
	(b) All other receipts (9 d)	136	132	136	141	151	158	186
35	Receipts from Government - Interest (46 b)	140	148	174	188	211	225	252
36	Surplus (+) or deficit (-) on current account (on transactions relating to the National Accounts) (56)	- 911	- 823	- 507	- 392	-1,135	-1,207	- 549
37	Totals	7,631	8,259	9,111	10,578	11,265	13,073	14,608

TABLE 14. Non-residents' Revenue and Expenditure Account, 1961 - 67

Payments to Canada

Canadian Exports

Item No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
38	Payments to business:							
	(a) Interest and dividends (42 a)	92	77	80	193	160	137	97
	(b) Travel expenditure (25 a)	482	562	609	662	747	840	1,304
	(c) Other payments (25 b)	6,940	7,495	8,272	9,584	10,196	11,910	13,023
39	Payments to other sectors:							
	Interest and dividends (42 b)	117	125	150	139	162	186	184
40	Totals	7,631	8,259	9,111	10,578	11,265	13,073	14,608

TABLE 15. Investment Income Appropriation Account, 1961 - 67

Source

Item No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
41	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (28 b)	6,072	6,659	7,282	8,006	8,720	9,004	9,472
42	Interest and dividends from non-residents received by:							
	(a) Corporations (38 a)	92	77	80	193	160	137	97
	(b) Other sectors (39)	117	125	150	139	162	186	184
43	Totals	6,281	6,861	7,512	8,338	9,042	9,327	9,753

TABLE 16. Investment Income Appropriation Account, 1961-67
Disposition

Item No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
44	To Canadian residents:							
	(a) Interest, dividends, and net rental income of persons (5)	3,030	3,305	3,616	3,799	4,139	4,536	4,894
	(b) Charitable contributions from corporations (6b)	40	44	44	44	44	44	44
	(c) Corporation income tax collections (13a)	1,551	1,653	1,775	2,097	2,269	2,299	2,417
	(d) Excess of corporation income tax liabilities over collections ¹ (13b)	61	57	52	- 44	- 44	- 47	- 209
	(e) Withholding taxes (14)	116	125	127	140	168	203	218
	(f) Government interest revenue (16a)	483	536	605	648	730	865	1,055
	(g) Profits of government business enterprises (16b)	643	715	790	878	941	948	1,094
	(h) Undistributed corporation profits (49a)	757	937	1,066	1,292	1,354	1,149	1,073
45	Less: Interest on the public debt (20a)	- 1,170	- 1,305	- 1,423	- 1,526	- 1,645	- 1,805	- 1,982
46	To non-residents, interest and dividends received from:							
	(a) Business (33a)	630	646	686	822	875	910	897
	(b) Government (35)	140	148	174	188	211	225	252
47	Totals	6,281	6,861	7,512	8,338	9,042	9,327	9,753

¹ See footnote 2, Table 50.

TABLE 17. National Saving Account, 1961-67
Source

Item No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
48	Personal net saving (10)	1,545	2,317	2,531	2,059	3,088	3,731	3,995
49	Business gross saving:							
	(a) Undistributed corporation profits (44h)	757	937	1,066	1,292	1,354	1,149	1,073
	(b) Capital consumption allowances and miscellaneous valuation adjustments ¹ (29c)	4,540	4,892	5,198	5,600	6,110	6,623	7,000
	(c) Adjustment on grain transactions (28d)	30	6	139	111	- 44	156	- 87
	(d) Capital assistance (20c)	6	27	61	82	84	59	65
50	Inventory valuation adjustment (28f)	- 89	- 130	- 200	- 131	- 325	- 321	- 291
51	Government surplus (+) or deficit (-) (22)	- 1,005	- 854	- 690	36	325	348	157
52	Residual error of estimate	- 15	- 263	- 243	24	- 64	241	65
53	Totals	5,769	6,932	7,862	9,073	10,528	11,986	11,977

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

TABLE 18. National Saving Account, 1961 - 67
Disposition

Item No.		1961	1962	1963	1964	1965	1966	1967
54	Business gross fixed capital formation: ¹	millions of dollars						
	(a) New residential construction (24 ci)	1,458	1,577	1,707	2,021	2,124	2,171	2,337
	(b) New non-residential construction (24 cii)	2,683	2,638	2,835	3,358	4,024	4,850	4,670
	(c) New machinery and equipment (24 ciii)	2,494	2,745	3,049	3,724	4,503	5,472	5,358
55	Value of physical change in inventories (24 d)	30	532	535	386	948	940	225
56	Surplus (+) or deficit (-) on current account with non-residents (36)	- 911	- 823	- 507	- 392	- 1,135	- 1,207	- 549
57	Residual error of estimate	15	263	243	- 24	64	- 240	- 64
58	Totals	5,769	6,932	7,862	9,073	10,528	11,986	11,977

¹ See footnote 4, Table 2. For reconciliation with "Private and Public Investment" figures published by the Department of Trade and Commerce, see Table 54.

TABLE 19. Sector Accounts Consolidation, 1961 - 67
National Income and Gross National Product

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
	Income originating in:							
1	Personal sector	903	1,001	1,113	1,241	1,399	1,588	1,784
2	Wages, salaries, and supplementary labour income	903	1,001	1,113	1,241	1,399	1,588	1,784
3	Business sector	24,312	26,395	28,282	30,465	33,592	37,244	39,461
4	Wages, salaries, and supplementary labour income	15,047	15,969	16,928	18,406	20,675	23,408	25,388
5	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents)	6,072	6,659	7,282	8,006	8,720	9,004	9,472
6	Net income received by farm operators from farm production	978	1,490	1,582	1,353	1,689	2,048	1,785
7	Adjustment on grain transactions	30	6	139	111	- 44	156	- 87
8	Net income of non-farm unincorporated business	2,274	2,401	2,551	2,720	2,877	2,949	3,194
9	Inventory valuation adjustment	- 89	- 130	- 200	- 131	- 325	- 321	- 291
10	Government sector	3,596	3,849	4,104	4,369	4,692	5,286	5,921
11	Wages, salaries, and supplementary labour income	3,046	3,263	3,506	3,786	4,105	4,665	5,217
12	Military pay and allowances	550	586	598	583	587	621	704
13	Non-residents' sector	- 561	- 592	- 630	- 678	- 764	- 812	- 868
	Interest and dividends paid by non-residents:							
14	(a) To Canadian corporations	92	77	80	193	160	137	97
15	(b) To other Canadian sectors	117	125	150	139	162	186	184
	Less interest and dividends received by non-residents:							
16	(a) From Canadian business	- 630	- 646	- 686	- 822	- 875	- 910	- 897
17	(b) From Canadian governments	- 140	- 148	- 174	- 188	- 211	- 225	- 252
18	Net National Income at factor cost	28,250	30,653	32,869	35,397	38,919	43,306	46,298
19	Capital consumption allowances and miscellaneous valuation adjustments	4,540	4,892	5,198	5,600	6,110	6,623	7,000
20	Indirect taxes	4,947	5,585	5,911	6,695	7,564	8,466	9,227
21	Less subsidies	- 251	- 292	- 311	- 323	- 326	- 516	- 522
22	Residual error of estimate	- 15	- 263	- 243	24	- 64	241	65
23	Gross National Product at market prices	37,471	40,575	43,424	47,393	52,203	58,120	62,068

TABLE 20. Sector Accounts Consolidation, 1961 - 67
Gross National Expenditure

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Personal expenditure on consumer goods and services	24,466	25,926	27,487	29,666	32,061	34,848	37,714
2	Purchases from business	22,785	24,188	25,653	27,572	29,715	32,199	34,867
3	Purchases of direct services	903	1,001	1,113	1,241	1,399	1,588	1,784
4	Purchases from non-residents	778	737	721	853	947	1,061	1,063
5	Government expenditure on goods and services	7,236	7,717	8,075	8,654	9,614	11,286	12,377
6	Purchases from business	3,640	3,868	3,971	4,285	4,922	6,000	6,456
7	Wages and salaries	3,046	3,263	3,506	3,786	4,105	4,665	5,217
8	Military pay and allowances	550	586	598	583	587	621	704
9	Business gross fixed capital formation	6,635	6,960	7,591	9,103	10,651	12,493	12,365
10	New residential construction	1,458	1,577	1,707	2,021	2,124	2,171	2,337
11	New non-residential construction	2,683	2,638	2,835	3,358	4,024	4,850	4,670
12	New machinery and equipment	2,494	2,745	3,049	3,724	4,503	5,472	5,358
13	Value of physical change in inventories	30	532	535	386	948	940	225
14	Exports of goods and services	7,631	8,259	9,111	10,578	11,265	13,073	14,608
15	Payments to Canadian business	7,514	8,134	8,961	10,439	11,103	12,887	14,424
16	Payments to other sectors	117	125	150	139	162	186	184
17	Imports of goods and services	- 8,542	- 9,082	- 9,618	- 10,970	- 12,400	- 14,280	- 15,157
18	Receipts from Canadian business	- 7,624	- 8,197	- 8,723	- 9,929	- 11,242	- 12,994	- 13,842
19	Receipts from persons	- 778	- 737	- 721	- 853	- 947	- 1,061	- 1,063
20	Receipts from government	- 140	- 148	- 174	- 188	- 211	- 225	- 252
21	Residual error of estimate	15	263	243	- 24	64	- 240	- 64
22	Gross National Expenditure at market prices	37,471	40,575	43,424	47,393	52,203	58,120	62,068

TABLE 27. ✓ Corporation Profits, by Industry, 1961 - 67

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Agriculture	15	13	18	19	18	17	15
2	Forestry							
3	Fishing and trapping							
4	Mining, quarrying, and oil wells	361	406	458	604	602	570	566
5	Manufacturing	1,555	1,816	2,045	2,223	2,371	2,302	2,214
6	Construction	94	63	55	60	78	74	65
7	Transportation	126	125	205	284	306	308	235
8	Storage	12	12	15	16	16	19	15
9	Communication	137	157	164	190	214	226	187
10	Electric power, gas, and water utilities	87	96	75	74	92	94	117
11	Wholesale trade	222	262	292	345	378	419	398
12	Retail trade	213	233	257	272	312	297	316
13	Finance, insurance, and real estate	530	543	499	607	660	643	689
14	Service	75	93	105	125	152	176	203
15	Totals¹	3,427	3,819	4,188	4,819	5,199	5,145	5,020

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

SECTION C

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME

TABLE 28. Personal Income, Geographical Distribution, 1961-67¹

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Newfoundland	428	449	484	523	583	654	712
2	Prince Edward Island	101	111	118	132	146	151	167
3	Nova Scotia	882	934	981	1,041	1,144	1,220	1,355
4	New Brunswick	636	674	708	777	875	946	1,028
5	Quebec	7,272	7,803	8,254	8,980	9,979	10,945	12,141
6	Ontario	11,490	12,252	13,099	14,057	15,444	16,986	18,758
7	Manitoba	1,395	1,578	1,599	1,725	1,858	1,997	2,231
8	Saskatchewan	1,130	1,576	1,742	1,587	1,875	2,144	2,091
9	Alberta	2,125	2,333	2,455	2,571	2,903	3,278	3,535
10	British Columbia	2,953	3,139	3,366	3,628	4,110	4,589	5,022
11	Yukon and Northwest Territories	49	50	53	57	62	72	79
12	Foreign Countries ²	61	73	75	75	83	81	83
13	Canada	28,522	30,972	32,934	35,153	39,062	43,063	47,202

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

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

TABLE 29. Personal Income per Person, Geographical Distribution, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
		dollars						
1	Newfoundland	934	959	1,017	1,083	1,195	1,327	1,424
2	Prince Edward Island	962	1,037	1,093	1,211	1,339	1,385	1,532
3	Nova Scotia	1,197	1,252	1,306	1,373	1,513	1,614	1,790
4	New Brunswick	1,064	1,114	1,163	1,272	1,423	1,533	1,658
5	Quebec	1,383	1,453	1,506	1,608	1,755	1,893	2,069
6	Ontario	1,843	1,929	2,021	2,120	2,275	2,440	2,624
7	Manitoba	1,513	1,686	1,685	1,799	1,925	2,074	2,317
8	Saskatchewan	1,222	1,695	1,867	1,685	1,974	2,245	2,183
9	Alberta	1,595	1,704	1,750	1,799	2,002	2,241	2,372
10	British Columbia	1,813	1,891	1,981	2,079	2,287	2,449	2,579
11	Yukon and Northwest Territories	1,324	1,250	1,293	1,357	1,512	1,674	1,795
12	Canada	1,564	1,667	1,740	1,822	1,988	2,152	2,313

TABLE 30. Personal Disposable Income,¹ Geographical Distribution, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Newfoundland	406	424	458	492	547	613	661
2	Prince Edward Island	96	106	112	126	139	142	157
3	Nova Scotia	832	879	923	973	1,064	1,129	1,244
4	New Brunswick	597	633	664	726	812	877	947
5	Quebec	6,689	7,159	7,558	8,140	9,099	9,871	10,812
6	Ontario	10,312	10,992	11,759	12,482	13,587	14,908	16,227
7	Manitoba	1,273	1,447	1,464	1,569	1,694	1,813	2,005
8	Saskatchewan	1,040	1,471	1,625	1,456	1,722	1,972	1,881
9	Alberta	1,963	2,155	2,272	2,358	2,662	3,007	3,200
10	British Columbia	2,698	2,859	3,060	3,277	3,685	4,101	4,422
11	Yukon and Northwest Territories	44	45	48	51	55	65	70
12	Foreign countries ²	61	73	75	75	83	81	83
13	Canada	26,011	28,243	30,018	31,725	35,149	38,579	41,709

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

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

Thurs May 15
TABLE 31. Wages, Salaries, and Supplementary Labour Income,¹ Geographical Distribution, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Newfoundland	286	297	326	356	409	470	490
2	Prince Edward Island	52	56	59	64	70	79	88
3	Nova Scotia	542	572	605	647	708	784	848
4	New Brunswick	404	426	450	492	550	628	679
5	Quebec	4,974	5,343	5,687	6,237	6,942	7,871	8,585
6	Ontario	7,889	8,420	8,995	9,782	10,900	12,309	13,422
7	Manitoba	897	939	987	1,040	1,124	1,244	1,386
8	Saskatchewan	634	666	698	742	812	922	1,012
9	Alberta	1,279	1,355	1,424	1,540	1,737	1,974	2,185
10	British Columbia	1,983	2,099	2,252	2,461	2,851	3,290	3,595
11	Yukon and Northwest Territories	42	44	45	51	53	63	69
12	Foreign countries	14	16	19	21	23	27	30
13	Canada	18,996	20,233	21,547	23,433	26,179	29,661	32,389

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

**TABLE 32. Net Income Received by Farm Operators from Farm Production,¹
Geographical Distribution, 1961-67**

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Newfoundland	2	2	2	2	2	2	2
2	Prince Edward Island	6	6	6	13	18	11	8
3	Nova Scotia	13	11	10	6	9	8	6
4	New Brunswick	10	9	8	14	24	14	11
5	Quebec	181	175	161	145	164	193	187
6	Ontario	333	347	346	320	375	467	457
7	Manitoba	52	151	108	155	168	174	194
8	Saskatchewan	100	440	567	361	535	670	482
9	Alberta	224	282	309	272	331	425	358
10	British Columbia	57	67	65	65	63	84	80
11	Yukon and Northwest Territories	—	—	—	—	—	—	—
12	Canada	978	1,490	1,582	1,353	1,689	2,048	1,785

¹ This item differs from line 6, Table 1, by excluding the adjustment which has been made to take account of the accrued earnings arising out of the operations of the Canadian Wheat Board.

**TABLE 33. Net Income of Non-farm Unincorporated Business, Geographical Distribution,
1961-67**

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Newfoundland	41	46	47	50	52	53	56
2	Prince Edward Island	13	13	14	15	17	17	19
3	Nova Scotia	89	91	96	103	110	111	119
4	New Brunswick	59	64	68	73	76	77	82
5	Quebec	522	559	595	633	666	679	746
6	Ontario	822	856	928	990	1,052	1,079	1,167
7	Manitoba	136	138	142	151	160	166	179
8	Saskatchewan	125	133	139	149	158	161	176
9	Alberta	194	213	217	229	242	250	270
10	British Columbia	270	286	302	324	341	353	377
11	Yukon and Northwest Territories	3	2	3	3	3	3	3
12	Canada	2,274	2,401	2,551	2,720	2,877	2,949	3,194

TABLE 34. Interest, Dividends, and Net Rental Income of Persons, Geographical Distribution, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Newfoundland	25	26	28	30	30	32	35
2	Prince Edward Island	8	9	10	10	11	11	12
3	Nova Scotia	74	82	90	96	98	106	115
4	New Brunswick	49	54	58	63	66	71	76
5	Quebec	732	775	850	928	1,007	1,094	1,168
6	Ontario	1,384	1,499	1,614	1,689	1,857	2,036	2,211
7	Manitoba	143	160	174	181	192	210	226
8	Saskatchewan	100	136	163	148	168	193	205
9	Alberta	200	225	241	251	268	296	320
10	British Columbia	314	338	387	402	441	485	524
11	Yukon and Northwest Territories	1	1	1	1	1	2	2
12	Canada	3,030	3,305	3,616	3,799	4,139	4,536	4,894

TABLE 35. Government Transfer Payments, excluding Interest, Geographical Distribution, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Newfoundland	78	82	86	92	99	117	151
2	Prince Edward Island	20	23	24	25	26	31	36
3	Nova Scotia	135	146	150	163	175	186	234
4	New Brunswick	119	125	128	141	149	163	184
5	Quebec	966	1,053	1,074	1,163	1,330	1,431	1,820
6	Ontario	1,132	1,202	1,300	1,387	1,525	1,703	2,160
7	Manitoba	177	200	198	211	221	239	282
8	Saskatchewan	185	216	190	205	221	242	263
9	Alberta	243	272	280	302	346	404	480
10	British Columbia	382	402	413	440	476	525	606
11	Yukon and Northwest Territories	4	4	5	4	6	6	7
12	Foreign countries	—	—	—	—	—	—	—
13	Canada	3,441	3,725	3,848	4,133	4,574	5,047	6,223

SECTION D
GOVERNMENT SUPPLEMENTARY TABLES

TABLE 36. Government Revenue and Expenditure, by Level of Government, 1961 - 67¹
Revenue

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Direct taxes — Persons	2,511	2,729	2,916	3,428	3,913	4,484	5,493
2	Federal	2,132	2,088	2,193	2,558	2,716	2,955	3,572
3	Provincial	353	611	692	839	1,166	1,497	1,891
4	Municipal	26	30	31	31	31	32	30
5	Direct taxes — Corporations²	1,612	1,710	1,827	2,053	2,225	2,252	2,208
6	Federal ³	1,311	1,279	1,362	1,546	1,675	1,696	1,630
7	Provincial ⁴	301	431	465	507	550	556	578
8	Withholding taxes — Federal	116	125	127	140	168	203	218
9	Indirect taxes	4,947	5,585	5,911	6,695	7,564	8,466	9,227
10	Federal	2,190	2,401	2,451	2,847	3,252	3,575	3,707
11	Provincial	1,233	1,535	1,663	1,947	2,209	2,535	2,905
12	Municipal	1,524	1,649	1,797	1,901	2,103	2,356	2,615
13	Investment income	1,126	1,251	1,395	1,526	1,671	1,813	2,149
14	Federal	409	448	510	570	630	690	800
15	Provincial	461	511	564	612	679	735	911
16	Municipal	256	292	321	344	362	383	401
17	Canada Pension Plan	—	—	—	—	—	5	37
18	Employer and employee contributions to social insurance and government pension funds	787	812	852	912	1,027	1,843	2,031
19	Federal	510	518	534	574	618	690	704
20	Provincial	251	265	286	305	370	402	438
21	Municipal	26	29	32	33	39	37	40
22	Canada Pension Plan	—	—	—	—	—	531	624
23	Quebec Pension Plan	—	—	—	—	—	183	225
24	Transfers from other levels of government	1,985	2,212	2,334	2,549	2,925	3,395	4,157
25	Provinces — From Canada	1,095	1,090	1,117	1,199	1,365	1,557	1,900
26	From municipalities	15	15	17	17	22	30	38
27	Municipalities — From Canada	33	44	52	53	69	105	92
28	From provinces	842	1,063	1,148	1,280	1,469	1,703	2,127
29	Total revenue	13,084	14,424	15,362	17,303	19,493	22,456	25,483
30	Federal	6,668	6,859	7,177	8,235	9,059	9,809	10,631
31	Provincial	3,709	4,458	4,804	5,426	6,361	7,312	8,661
32	Municipal	2,707	3,107	3,381	3,642	4,073	4,616	5,305
33	Canada Pension Plan	—	—	—	—	—	536	661
34	Quebec Pension Plan	—	—	—	—	—	183	225

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

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

³ See footnote 1, Table 39.

⁴ See footnote 2, Table 50.

TABLE 37. Government Revenue and Expenditure, by Level of Government, 1961-67¹
Expenditure

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Goods and services	7,236	7,717	8,075	8,654	9,614	11,286	12,377
2	Federal ²	2,982	3,025	2,934	3,046	3,293	3,920	4,259
3	Provincial	1,467	1,563	1,725	1,929	2,188	2,663	3,015
4	Municipal	2,787	3,129	3,416	3,679	4,133	4,703	5,103
5	Transfer payments to persons (excluding interest on the public debt)	3,441	3,725	3,848	4,133	4,574	5,047	6,223
6	Federal	2,006	2,112	2,133	2,239	2,312	2,478	2,936
7	Provincial	1,332	1,515	1,612	1,792	2,141	2,441	3,154
8	Municipal	103	98	103	102	121	128	133
9	Interest on the public debt	1,170	1,305	1,423	1,526	1,645	1,805	1,982
10	Federal	786	866	935	995	1,052	1,151	1,245
11	Provincial	166	192	224	249	271	297	357
12	Municipal	218	247	264	282	322	357	380
13	Subsidies	251	292	311	323	326	516	522
14	Federal	221	260	275	277	259	375	390
15	Provincial	30	32	36	46	67	141	132
16	Capital assistance - Federal	6	27	61	82	84	59	65
17	Transfers to other levels of government	1,985	2,212	2,334	2,549	2,925	3,395	4,157
18	Canada - To provinces	1,095	1,090	1,117	1,199	1,365	1,557	1,900
19	To municipalities	33	44	52	53	69	105	92
20	Provinces - To municipalities	842	1,063	1,148	1,280	1,469	1,703	2,127
21	Municipalities - To provinces	15	15	17	17	22	30	38
22	Total expenditure	14,089	15,278	16,052	17,267	19,168	22,108	25,326
23	Federal	7,129	7,424	7,507	7,891	8,434	9,845	10,887
24	Provincial	3,837	4,365	4,745	5,296	6,136	7,245	8,785
25	Municipal	3,123	3,489	3,800	4,080	4,598	5,218	5,654
26	Deficit (-) or surplus (+)	- 1,005	- 854	- 690	36	325	348	157
27	Federal ⁴	- 461	- 565	- 330	344	625	164	- 256
28	Provincial	- 128	93	59	130	225	67	- 124
29	Municipal	- 416	- 382	- 419	- 438	- 525	- 602	- 349
30	Canada Pension Plan	-	-	-	-	-	536	661
31	Quebec Pension Plan	-	-	-	-	-	183	225
32	Total expenditure minus deficit (or plus surplus)	13,084	14,424	15,362	17,303	19,493	22,456	25,483
33	Federal	6,668	6,859	7,177	8,235	9,059	9,809	10,631
34	Provincial	3,709	4,458	4,804	5,426	6,361	7,312	8,661
35	Municipal	2,707	3,107	3,381	3,642	4,073	4,616	5,305
36	Canada Pension Plan	-	-	-	-	-	536	661
37	Quebec Pension Plan	-	-	-	-	-	183	225

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

² Defence expenditures included in these figures are as follows: 1961, \$1,613 million; 1962, \$1,680 million; 1963, \$1,572 million; 1964, \$1,584 million; 1965, \$1,559 million; 1966, \$1,709 million; 1967, \$1,805 million.

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

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

TABLE 38. Direct Taxes - Persons, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
Federal:								
1	Income	2,050	1,994	2,102	2,465	2,612	2,846	3,473
2	Succession duties and estate taxes	80	93	69	91	101	106	96
3	Miscellaneous	2	1	2	2	3	3	3
4	Totals	2,132	2,088	2,193	2,558	2,716	2,955	3,572
Provincial:								
5	Income	75	322	385	492	743	1,057	1,431
6	Motor vehicles licences and permits ¹	69	72	76	87	96	101	107
7	Succession duties	66	72	82	88	111	118	119
8	Hospital insurance premiums	122	122	125	146	187	189	198
9	Miscellaneous	21	23	24	26	29	32	36
10	Totals	353	611	692	839	1,166	1,497	1,891
11	Municipal - Miscellaneous	26	30	31	31	31	32	30
12	Grand totals	2,511	2,729	2,916	3,428	3,913	4,484	5,493

TABLE 39. Direct Taxes - Corporations, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Federal - Income¹	1,311	1,279	1,362	1,546	1,675	1,696	1,630
	Provincial:							
2	Income ²	276	400	428	466	503	501	527
3	Tax on mining and logging profits	25	31	37	41	47	55	51
4	Totals	301	431	465	507	550	556	578
5	Grand totals	1,612	1,710	1,827	2,053	2,225	2,252	2,208

¹ Excludes refundable tax on corporate cash profits introduced May 1966. The amounts collected were \$132 million in 1966 and \$109 million in 1967.

² See footnote 2, Table 50.

TABLE 40. Indirect Taxes, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
	Federal:							
1	Banks and insurance companies	—	—	—	—	—	—	—
2	Customs import duties	515	636	577	624	665	759	755
3	Excise duties	358	379	393	408	431	465	481
4	Excise taxes	1,302	1,369	1,462	1,794	2,129	2,322	2,442
5	Miscellaneous	15	17	19	21	27	29	29
6	Totals	2,190	2,401	2,451	2,847	3,252	3,575	3,707
	Provincial:							
7	Amusement	24	26	27	31	33	39	44
8	Corporation tax (not on profits)	23	22	23	27	34	48	55
9	Gasoline	430	473	522	595	659	732	776
10	Licences, fees, and permits	33	35	36	41	46	46	46
11	Motor vehicle licences and permits ¹	109	114	120	129	139	145	153
12	Miscellaneous taxes on natural resources	133	152	159	188	205	211	226
13	Real property	9	9	10	11	12	14	16
14	Retail sales tax (including liquor and tobacco)	317	530	577	719	839	1,039	1,268
15	Miscellaneous	155	174	189	206	242	261	321
16	Totals	1,233	1,535	1,663	1,947	2,209	2,535	2,905
	Municipal:							
17	Amusement	2	2	2	2	4	—	—
18	Licences, fees, and permits	33	33	36	38	43	45	47
19	Real property	1,251	1,375	1,502	1,631	1,838	2,071	2,311
20	Retail sales tax	68	54	60	20	4	5	5
21	Miscellaneous	170	185	197	210	214	235	252
22	Totals	1,524	1,649	1,797	1,901	2,103	2,356	2,615
23	Grand totals	4,947	5,585	5,911	6,695	7,564	8,466	9,227

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

TABLE 41. Government Investment Income, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
	Federal:							
1	Interest on government-held public funds	114	122	139	152	179	199	228
2	Interest on loans, advances and investments	151	166	184	186	205	271	334
3	Profits (net of losses) of government business enterprises	144	160	187	232	246	220	238
4	Totals	409	448	510	570	630	690	800
	Provincial:							
5	Interest on government-held public funds	74	84	98	110	114	129	148
6	Interest on loans, advances and investments	87	98	106	113	133	154	197
7	Profits (net of losses) of government business enterprises	300	329	360	389	432	452	566
8	Totals	461	511	564	612	679	735	911
	Municipal:							
9	Interest on government-held public funds	16	19	23	25	33	37	38
10	Interest on loans, advances and investments	41	47	55	62	66	70	73
11	Profits (net of losses) of government business enterprises	199	226	243	257	263	276	290
12	Totals	256	292	321	344	362	383	401
13	Canada Pension Plan	—	—	—	—	—	5	37
14	Grand totals	1,126	1,251	1,395	1,526	1,671	1,813	2,149

TABLE 42. Employer and Employee Contributions to Social Insurance and Government Pension Funds, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
	Federal:							
1	Public service pensions	233	233	240	269	294	347	354
2	Unemployment insurance	277	285	294	305	324	343	350
3	Totals	510	518	534	574	618	690	704
	Provincial:							
4	Public service pensions	114	125	141	155	189	212	238
5	Workmen's compensation	118	125	132	137	166	175	185
6	Industrial employees' vacations	19	15	13	13	15	15	15
7	Totals	251	265	286	305	370	402	438
8	Municipal — Public service pensions	26	29	32	33	39	37	40
9	Canada Pension Plan	—	—	—	—	—	531	624
10	Quebec Pension Plan	—	—	—	—	—	183	225
11	Grand totals	787	812	852	912	1,027	1,843	2,031

TABLE 43. Government Expenditure on Goods and Services, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
Federal:								
1	Wages, salaries, and supplementary labour income	1,024	1,064	1,121	1,187	1,249	1,479	1,604
2	Military pay and allowances	550	586	598	583	587	621	704
3	Other purchases of goods and services	1,408	1,375	1,215	1,276	1,457	1,820	1,951
4	Totals¹	2,982	3,025	2,934	3,046	3,293	3,920	4,259
Provincial:								
5	Wages, salaries, and supplementary labour income	654	702	757	826	926	1,052	1,241
6	Other purchases of goods and services	813	861	968	1,103	1,262	1,611	1,774
7	Totals¹	1,467	1,563	1,725	1,929	2,188	2,663	3,015
Municipal:								
8	Wages, salaries, and supplementary labour income	1,368	1,497	1,628	1,773	1,930	2,134	2,372
9	Other purchases of goods and services	1,419	1,632	1,788	1,906	2,203	2,569	2,731
10	Totals¹	2,787	3,129	3,416	3,679	4,133	4,703	5,103
11	Grand totals	7,236	7,717	8,075	8,654	9,614	11,286	12,377

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:

	1961	1962	1963	1964	1965	1966	1967
millions of dollars							
Federal	383	348	279	299	396	477	548
Provincial	547	624	659	776	875	987	1,077
Municipal	607	783	864	766	943	1,133	1,184
Totals	1,537	1,755	1,802	1,841	2,214	2,597	2,809

TABLE 44. Government Transfer Payments, including Interest, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
Federal:								
1	Family and youth allowances	517	529	537	559	597	602	607
2	Re-establishment credits	2	1	—	—	—	—	—
3	Rehabilitation benefits	1	1	1	1	1	1	2
4	Pensions World Wars I and II ²	158	162	160	162	172	176	183
5	War veterans' allowances	76	87	89	95	108	110	110
6	Unemployment insurance benefits	494	409	394	344	312	295	353
7	Prairie farm assistance act	35	30	15	9	11	6	3
8	Pensions to government employees	66	76	82	99	111	125	136
9	Interest on the public debt	786	866	935	995	1,052	1,151	1,245
10	Old age security fund payments	597	713	767	871	890	994	1,318
11	Payments to western grain producers	—	40	—	—	—	—	—
12	Grants to universities ²	16	19	26	27	27	57	58
13	Assistance to immigrants	2	1	2	2	2	5	6
14	Miscellaneous	42	44	60	70	81	107	160
15	Totals	2,792	2,978	3,068	3,234	3,364	3,629	4,181
Provincial:								
16	Direct relief	34	39	49	56	73	87	123
17	Workmen's compensation benefits	94	104	111	118	142	158	175
18	Old age and blind pensions	82	103	103	116	122	109	85
19	Mothers' and disabled persons allowances	72	81	79	93	108	110	118
20	Pensions to government employees	48	55	62	69	86	97	111
21	Grants to private non-commercial institutions	952	1,075	1,149	1,276	1,534	1,786	2,314
22	Interest on the public debt	166	192	224	249	271	297	357
23	Miscellaneous	50	58	59	64	76	94	228
24	Totals	1,498	1,707	1,836	2,041	2,412	2,738	3,511
Municipal:								
25	Direct relief	70	69	73	74	83	87	89
26	Pensions to government employees	9	10	11	13	18	19	20
27	Grants to private non-commercial institutions	24	19	19	15	20	22	24
28	Interest on the public debt	218	247	264	282	322	357	380
29	Totals	321	345	367	384	443	485	513
30	Grand totals	4,611	5,030	5,271	5,659	6,219	6,852	8,205

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

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

TABLE 45. Subsidies, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
	Federal:							
	Agricultural:							
1	Freight assistance on western feed grains	18	14	17	20	20	21	21
2	Hog premiums	7	7	7	8	9	9	10
3	Agricultural commodities stabilization board-loss	22	72	74	56	43	17	17
4	Assistance re-storage costs on grain	46	44	36	39	33	34	28
5	Miscellaneous	2	1	2	2	19	61	102
6	Sub-totals	95	138	136	125	124	142	178
	Other subsidies:							
7	Emergency gold mines assistance	12	14	15	15	15	15	15
8	Maritime Freight Rates Act	13	13	11	17	10	20	14
9	Movement of coal	17	18	19	20	26	32	34
10	Miscellaneous	84	77	94	100	84	166	149
11	Sub-totals	126	122	139	152	135	233	212
12	Total federal subsidies	221	260	275	277	259	375	390
13	Total provincial subsidies	30	32	36	46	67	141	132
14	Grand totals	251	292	311	323	326	516	522

TABLE 46. Transfers to Other Levels of Government, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
	Federal:							
	To provinces:							
1	Old age and blind pensions	35	40	43	49	38	25	16
2	Disabled persons allowances	16	19	20	23	18	15	10
3	Statutory grants	21	25	23	24	34	14	28
4	Taxation agreements ¹	510	304	215	283	423	498	668
5	Post-secondary education grants	—	—	—	—	—	—	75
6	Health grants	52	50	48	53	52	47	44
7	Trans-Canada highway	42	35	29	57	94	83	71
8	Government contribution under the Hospital Insurance and Diagnostic Services Act	265	317	376	415	346	383	445
9	Unemployment assistance	80	95	102	114	106	128	53
10	Canada Assistance Plan	—	—	—	—	—	—	142
11	Technical and vocational training	10	145	181	90	123	188	175
12	Other	64	60	80	91	131	176	173
13	Sub-totals	1,095	1,090	1,117	1,199	1,365	1,557	1,900
	To municipalities:							
14	Payments to municipalities	33	44	52	53	69	105	92
15	Totals	1,128	1,134	1,169	1,252	1,434	1,662	1,992
16	Provincial — To municipalities	842	1,063	1,148	1,280	1,469	1,703	2,127
17	Municipal — To provinces	15	15	17	17	22	30	38
18	Grand totals	1,985	2,212	2,334	2,549	2,925	3,395	4,157

¹ These data are after deduction of refunds to the federal government by the provinces on account of succession duty credits pursuant to the Tax Rental Agreements Act. These amounted to \$3 million in 1961, \$2 million in 1962, \$5 million in 1963, and \$1 million in 1964, and less than \$1 million in 1965, 1966, and 1967.

SECTION E
MISCELLANEOUS TABLES

TABLE 47. Personal Expenditure on Consumer Goods and Services, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Food	5,829	6,123	6,414	6,724	7,114	7,620	8,073
2	Tobacco and alcoholic beverages	1,683	1,782	1,840	1,911	2,079	2,225	2,431
3	Tobacco products and smokers' accessories....	744	785	800	814	881	935	995
4	Alcoholic beverages	939	997	1,040	1,097	1,198	1,290	1,436
5	Clothing and personal furnishings	2,432	2,526	2,643	2,803	2,972	3,141	3,365
6	Men's and boys' clothing	533	567	603	648	696	733	781
7	Women's and children's clothing	1,028	1,069	1,118	1,191	1,261	1,334	1,426
8	Footwear	311	326	330	340	358	383	414
9	Laundry and dry cleaning	193	197	206	221	236	249	258
10	Other	367	367	386	403	421	442	486
11	Shelter¹	3,812	3,996	4,323	4,595	4,907	5,323	5,790
12	Gross rents paid by tenants	1,030	1,079	1,177	1,260	1,362	1,498	1,672
13	Expenses (taxes, insurance, etc.) paid by owner-occupants	1,501	1,641	1,772	1,922	2,063	2,292	2,476
14	Net imputed residential rent and imputed residential capital consumption allowances	1,029	1,007	1,089	1,115	1,165	1,193	1,276
15	Other	252	269	285	298	317	340	366
16	Household operation	3,032	3,202	3,352	3,576	3,836	4,170	4,522
17	Fuel	423	470	473	460	473	480	510
18	Electricity	347	366	384	401	419	469	540
19	Gas	123	140	153	171	188	201	213
20	Telephone	332	359	386	420	453	490	539
21	Furniture	314	328	338	358	381	407	424
22	Home furnishings	285	298	319	356	388	424	457
23	Appliances, radios and television sets	490	507	529	571	619	686	734
24	Other	718	734	770	839	915	1,013	1,105
25	Transportation	2,872	3,160	3,430	3,730	4,120	4,262	4,549
26	Street-car, railway and other fares	418	446	459	483	537	590	704
27	New automobiles, used automobiles (net) and house trailers	1,262	1,441	1,648	1,846	2,107	2,108	2,171
28	Automotive operating expenses	1,192	1,273	1,323	1,401	1,476	1,564	1,674
29	Personal and medical care and death expenses	2,045	2,204	2,396	2,613	2,841	3,078	3,381
30	Medical and dental care	415	458	497	547	600	629	691
31	Hospital care, private duty nursing, accident and sickness insurance, prepaid medical care	906	995	1,118	1,250	1,376	1,512	1,676
32	Other	724	751	781	816	865	937	1,014
33	Miscellaneous	2,761	2,933	3,089	3,714	4,192	5,029	5,603
34	Motion picture theatres ²	62	61	64	69	75	83	94
35	Newspapers and magazines	242	253	261	285	308	329	363
36	Net expenditure abroad	209	90	29	84	80	93	- 367
37	Other	2,248	2,529	2,735	3,276	3,729	4,524	5,513
38	Grand totals	24,466	25,926	27,487	29,666	32,061	34,848	37,714
39	Durable goods	2,716	2,960	3,246	3,592	4,001	4,169	4,365
40	Major durable goods ³	2,351	2,574	2,834	3,131	3,494	3,625	3,785
41	Miscellaneous durable goods ⁴	365	386	412	461	507	544	580
42	Non-durable goods⁵	12,178	12,965	13,518	14,389	15,438	16,930	18,488
43	Services^{5,6}	9,572	10,001	10,723	11,685	12,622	13,749	14,861

¹ Excludes transients' shelter.² Excludes amusement taxes.³ Includes house trailers, new automobiles, net expenditure on used automobiles, home furnishings, furniture and appliances, radios and television sets.⁴ Includes jewellery, watches, clocks, silverware, toys, sporting and wheeled goods, and tools and garden equipment.⁵ The items electricity and gas (items 18 and 19 above) are now classified to non-durable goods and not to services. This treatment differs from that used in "National Accounts, Income and Expenditure, 1926-1956".⁶ Includes net expenditure abroad.

**TABLE 48. Personal Expenditure on Consumer Goods and Services in Constant (1957) Dollars
1961-67^{1,2}**

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Food	5,593	5,759	5,873	6,063	6,240	6,302	6,673
2	Tobacco and alcoholic beverages	1,574	1,647	1,696	1,731	1,851	1,938	2,069
3	Clothing and personal furnishings	2,334	2,397	2,443	2,523	2,628	2,678	2,736
4	Shelter	3,588	3,749	4,039	4,270	4,523	4,817	5,061
5	Household operation ^{3,4}	2,972	3,124	3,253	3,452	3,674	3,927	4,115
6	Transportation	2,775	3,068	3,336	3,628	3,985	4,059	4,173
7	Personal and medical care and health expenses	1,856	1,952	2,078	2,203	2,315	2,403	2,504
8	Miscellaneous	2,413	2,477	2,542	2,976	3,245	3,778	3,996
9	Grand totals	23,105	24,173	25,260	26,846	28,461	29,902	31,327
10	Durable goods	2,686	2,935	3,208	3,585	4,005	4,176	4,258
11	Non-durable goods ^{3,4}	11,723	12,332	12,641	13,234	13,920	14,662	15,708
12	Services ^{3,4,5}	8,696	8,906	9,411	10,027	10,536	11,064	11,361

¹ These data are given on a 1949 time base in Table 58 in order to provide continuity with Table 48 in "National Accounts, Income and Expenditure, 1926-1956" and Table 58 in "National Accounts, Income and Expenditure", for the years 1962 and 1966.

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

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

	1961	1962	1963	1964	1965	1966	1967
millions of dollars							
	457	494	524	560	599	662	710

⁴ See footnote 5, Table 47.

⁵ Includes net expenditure abroad.

TABLE 49. Imputed Items Included in Gross National Expenditure, 1961-67¹

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
Expenditure on consumer goods and services:								
Food:								
1	Farm consumed farm produce	157	157	160	158	171	174	168
2	Other ²	101	107	110	115	124	141	151
Shelter:								
3	Imputed net residential rent and imputed residential capital consumption allowances	1,029	1,007	1,089	1,115	1,165	1,193	1,276
4	Imputed lodging, non-residential ³	37	39	41	43	46	56	61
5	Other ⁴	256	261	275	299	323	350	384
6	Total of imputed items in consumer expenditure	1,580	1,571	1,675	1,730	1,829	1,914	2,040
Government expenditure on goods and services:								
7	Imputed gross rent on government-owned buildings	250	263	282	302	316	339	358
8	Total of imputed items	1,830	1,834	1,957	2,032	2,145	2,253	2,398

¹ All these items are also included in the various components of Gross National Product.

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

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

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

TABLE 50. Analysis of Corporation Profits, 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Corporation profits before taxes and before dividends paid to non-residents	3,427	3,819	4,188	4,819	5,199	5,145	5,020
2	Deduct: Corporation income tax liabilities ^{4,2}	- 1,612	- 1,710	- 1,827	- 2,053	- 2,225	- 2,252	- 2,208
3	Federal excess of tax liabilities over collections	44	- 15	34	- 50	- 40	- 31	- 175
4	Provincial excess of tax liabilities over collections	17	72	18	15	- 4	- 16	- 34
5	Federal tax collections ³	1,267	1,294	1,328	1,605	1,715	1,727	1,805
6	Provincial tax collections	284	359	447	492	554	572	612
7	Corporation profits after taxes	1,815	2,109	2,361	2,766	2,974	2,893	2,812
8	Deduct: Dividends paid to non-residents	- 586	- 584	- 614	- 753	- 780	- 797	- 755
9	Corporation profits retained in Canada	1,229	1,525	1,747	2,013	2,194	2,096	2,057
10	Deduct: Dividends paid to Canadian persons	- 432	- 544	- 637	- 677	- 796	- 903	- 940
11	Charitable contributions from corporations	- 40	- 44	- 44	- 44	- 44	- 44	- 44
12	Undistributed corporation profits	757	937	1,066	1,292	1,354	1,149	1,073 ✓

¹ Includes elective tax on undistributed income of \$5 million in 1961, \$7 million in 1962, \$6 million in 1963, \$9 million in 1964, \$7 million in 1965, \$6 million in 1966 and \$6 million in 1967.

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

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

TABLE 51. Capital Consumption Allowances and Miscellaneous Valuation Adjustments by "Form of Organization", 1961-67

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Corporations	2,447	2,680	2,847	3,083	3,415	3,729	3,959
2	Individuals and unincorporated business	1,633	1,703	1,806	1,932	2,078	2,252	2,396
3	Government business enterprises	460	509	545	585	617	642	645
4	Capital consumption allowances and miscellaneous valuation adjustments ¹	4,540	4,892	5,198	5,600	6,110	6,623	7,000

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

	1961	1962	1963	1964	1965	1966	1967
millions of dollars							
	53	58	62	64	67	72	77

SECTION F
RECONCILIATION STATEMENTS

TABLE 52. Accrued Net Income of Farm Operators From Farm Production, 1961-67
Reconciliation Statement

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Net income of farm operators from farming operations ¹	1,075	1,628	1,655	1,432	1,785		
2	Deduct: Amounts included in investment income ²	- 57	- 58	- 63	- 67	- 75		
3	Deduct: Transfer payments ³	- 36	- 70	- 15	- 9	- 11		
4	Other adjustments ⁴	- 4	- 10	5	- 3	- 10	7	7
5	Equals: Net income received by farm operators from farm production	978	1,490	1,582	1,353	1,689		
6	Adjustment on grain transactions ⁵	30	6	139	111	- 44		
7	Accrued net income of farm operators from farm production⁶	1,008	1,496	1,721	1,464	1,645		

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

² Includes corporation profits in agriculture and imputed net rent of owner-occupied houses.

³ These items are deducted since transfer payments are excluded from Net National Income at factor cost. Includes payments made under the provisions of the Prairie Farm Assistance Act, Western Grain Producers' Acreage Payment Plan, Federal-Provincial Emergency Unthreshed Grain Assistance Act, and payments to P.E.I. potato growers for losses to the 1960 potato crop.

⁴ These adjustments consist of an estimate of net income of farm operators from farming operations in Newfoundland and an adjustment for the difference in the valuation of the physical change in inventories. The Agriculture Division values the change in the quantity of farm held grain at average annual prices, whereas the National Accounts estimates value this quantity change each quarter in terms of average quarterly prices.

⁵ Since the National Income measures earnings arising out of current production rather than receipts of income, it is appropriate to include in Table 1 income accruing to farm operators from farm production rather than income received. Accordingly, an adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board.

⁶ See also line 6, Table 1.

⁷ The years prior to 1966 do not incorporate the major revisions made in that year to the Agriculture Division estimates of farm net income. Since the National Accounts estimates for 1966 and 1967 are based on this revised series, no reconciliation statement is given for these years.

TABLE 53. Federal Government Surplus or Deficit, 1961-67
Reconciliation of Federal Government Transactions Related to the National Accounts with Public Accounts Data

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
Revenue								
1	Total budgetary revenue as per Public Accounts of Canada for fiscal years ended March 31	5,618	5,730	5,879	6,253	7,180	7,696	8,376
2	Adjustment of budgetary revenue from fiscal to a calendar year basis	86	151	166	762	396	422	506
3	Extra-budgetary revenues:							
4	Old Age Security tax collections	624	681	725	883	1,129	1,239	1,440
5	Prairie Farm Assistance Act levy	7	8	9	11	10	11	11
6	Unemployment insurance, employer and employee contributions	277	285	294	305	324	343	350
7	Government pension funds, employer and employee contributions	233	233	240	269	294	347	354
8	Interest receipts of social insurance and government pension funds	114	122	139	152	179	199	228
9	Excess of corporation tax accruals over collections	44	15	34	- 59	- 40	- 31	- 175
10	Profits before taxes (net of losses) of government business enterprises	144	160	187	232	246	220	238
11	Interest on loans, advances and investments	151	166	184	186	205	271	334
12	Less: Return on investments included in budgetary revenue	- 322	- 324	- 336	- 367	- 476	- 516	- 598
13	Less: Postal revenue	- 179	- 192	- 196	- 224	- 239	- 249	- 269
14	Budgetary revenue items offset against budgetary expenditures ¹	- 94	- 105	- 108	- 119	- 126	- 130	- 130
15	All other adjustments to budgetary revenue ²	- 35	- 41	- 40	- 49	- 23	- 13	- 34
15	Total revenue as per National Accounts	6,668	6,859	7,177	8,235	9,059	9,809	10,631
Expenditure								
16	Total budgetary expenditures as per Public Accounts of Canada for fiscal years ended March 31	5,958	6,521	6,570	6,872	7,218	7,735	8,798
17	Adjustment of budgetary expenditure from fiscal to a calendar year basis	332	- 7	107	296	288	811	762
18	Expenditures of extra-budgetary funds:							
19	Old Age Security Fund payments	603	721	776	881	901	1,006	1,334
20	Unemployment insurance benefits	494	409	394	344	312	295	353
21	Government pension fund payments	66	76	82	99	111	125	135
22	Prairie Farm Assistance Act payments	35	30	15	9	11	6	3
23	Transfers to extra-budgetary funds	- 65	- 105	- 66	- 62	- 65	- 68	- 70
24	Adjustment to place other government funds and crown agencies on a disbursement basis ³	- 24	93	29	- 80	73	31	73
25	Budgetary expenditures offset against income of government business enterprises:							
26	Post Office expenditures	- 183	- 188	- 204	- 207	- 234	- 256	- 294
27	Deficits of government business enterprises	- 85	- 96	- 74	- 86	- 105	- 76	- 82
28	Reserves and write-offs	- 39	- 39	- 85	- 119	- 63	- 79	- 173
29	Budgetary revenue items offset against budgetary expenditure ¹	- 94	- 105	- 108	- 119	- 126	- 130	- 130
30	All other adjustments to budgetary expenditure	131	114	71	63	113	245	178
29	Total expenditure as per National Accounts	7,129	7,424	7,507	7,891	8,434	9,645	10,887
Surplus or deficit								
30	Budgetary surplus or deficit as per Public Accounts of Canada (line 1 minus line 16)	- 340	- 791	- 691	- 619	- 38	- 39	- 422
31	Difference of total adjustments to revenue and expenditure items above	- 121	226	361	963	663	203	166
32	Surplus or deficit as per National Accounts (line 15 minus line 29)	- 461	- 565	- 330	344	625	164	- 256

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

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

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

TABLE 54. Business Gross Fixed Capital Formation, 1961-67
Reconciliation Statement

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Total private and public investment in Canada¹	8,172	8,715	9,393	10,944	12,865	15,090	15,174
2	Deduct: New residential construction by governments ²	- 9	- 10	- 6	- 7	- 9	- 10	- 15
3	New non-residential construction by governments ³	- 1,368	- 1,562	- 1,609	- 1,618	- 1,958	- 2,252	- 2,464
4	New machinery and equipment outlays by governments ³	- 160	- 183	- 187	- 216	- 247	- 335	- 330
5	Business gross fixed capital formation	6,635	6,960	7,591	9,103	10,651	12,493	12,365

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

² Excluding residential construction under Veterans' Land Act, construction of veterans' rental housing by Central Mortgage and Housing Corporation and joint federal-provincial housing (Section 36, National Housing Act), which are included in line 5.

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

TABLE 55. Exports and Imports of Goods and Services, 1961-67¹
Reconciliation Statement

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
Exports of goods and services:								
1	Merchandise exports	5,889	6,380	7,082	8,238	8,745	10,326	11,385
2	Gold production available for export	162	155	154	145	138	125	112
3	Interest and dividends received from non-residents	209	202	230	332	322	323	281
4	Other receipts from services rendered to non-residents	1,474	1,646	1,796	2,032	2,276	2,567	3,167
5	Sub-total: "Current receipts" as per <i>Canadian Balance of International Payments</i>	7,734	8,383	9,262	10,747	11,481	13,341	14,945
6	Adjustments - Inheritances and immigrants' funds	- 103	- 124	- 151	- 169	- 216	- 268	- 337
7	Total "exports of goods and services" as per National Accounts²	7,631	8,259	9,111	10,578	11,265	13,073	14,608
Imports of goods and services:								
8	Merchandise imports	5,716	6,203	6,579	7,537	8,627	10,102	10,905
9	Interest and dividends paid to non-residents	770	794	860	1,010	1,086	1,135	1,149
10	Other payments for services rendered by non-residents	2,230	2,260	2,365	2,624	2,898	3,241	3,316
11	Sub-total: "Current payments" as per <i>Canadian Balance of International Payments</i>	8,716	9,257	9,804	11,171	12,611	14,478	15,370
12	Adjustments - Inheritances and emigrants' funds	- 174	- 175	- 186	- 201	- 211	- 198	- 213
13	Total "imports of goods and services" as per National Accounts²	8,542	9,082	9,618	10,970	12,400	14,280	15,157

¹ Data sources are mainly reports on the "Canadian Balance of International Payments" (Balance of Payments and Financial Flows Division), Dominion Bureau of Statistics. Figures exclude mutual aid to NATO countries.

² See also Table 2.

TABLE 56. Gross National Expenditure in Constant (1949) Dollars, 1961-67¹

Line No.		1961	1962	1963	1964	1965	1966	1967
millions of dollars								
1	Personal expenditure on consumer goods and services	18,508	19,364	20,235	21,506	22,798	23,954	25,094
2	Government expenditure on goods and services	4,393	4,561	4,588	4,763	5,039	5,582	5,765
3	Current expenditure	3,227	3,274	3,317	3,478	3,644	4,038	4,175
4	Gross fixed capital formation	1,175	1,299	1,279	1,295	1,410	1,559	1,604
5	Adjusting entry	- 9	- 12	- 8	- 10	- 15	- 15	- 14
6	Business gross fixed capital formation	4,272	4,361	4,615	5,305	5,947	6,717	6,498
7	New residential construction	941	989	1,035	1,162	1,164	1,123	1,127
8	New non-residential construction	1,698	1,633	1,698	1,927	2,176	2,488	2,281
9	New machinery and equipment	1,627	1,738	1,882	2,215	2,607	3,104	3,094
10	Adjusting entry	6	1	-	1	-	2	- 4
11	Change in inventories	26	462	464	322	854	811	158
12	Non-farm business inventories	350	237	193	392	706	586	131
13	Farm inventories and grain in commercial channels	- 484	258	325	- 158	77	198	14
14	Adjusting entry	160	- 33	- 54	88	71	27	13
15	Exports of goods and services	6,224	6,534	7,118	8,100	8,508	9,570	10,509
16	Deduct: Imports of goods and services	- 6,845	- 6,992	- 7,188	- 8,102	- 9,118	-10,296	-10,796
17	Residual error of estimate	11	182	165	- 16	41	- 148	- 38
18	Adjusting entry	- 74	- 185	- 257	- 228	- 235	- 162	- 152
19	Gross National Expenditure in constant (1949) dollars	26,515	28,287	29,740	31,650	33,834	36,028	37,038
20	Index, line 19, 1949 = 100	162.2	173.1	182.0	193.6	207.0	220.4	226.6

¹ The price indexes from 1961 to 1967, 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, 1961-67¹
(1949 = 100.0)

Line No.		1961	1962	1963	1964	1965	1966	1967
1	Personal expenditure on consumer goods and services	132.2	133.9	135.8	137.9	140.6	145.5	150.3
2	Government expenditure on goods and services	164.7	169.2	176.0	181.7	190.8	202.2	214.7
3	Current expenditure	176.6	182.1	189.1	195.9	203.1	215.2	229.2
4	Gross fixed capital formation	130.8	135.1	140.9	142.2	157.0	166.6	175.1
5	Business gross fixed capital formation	155.3	159.6	164.5	171.6	179.1	186.0	190.3
6	New residential construction	155.0	159.5	164.9	173.9	182.5	193.4	207.4
7	New non-residential construction	158.0	161.5	167.0	174.3	184.9	194.9	204.7
8	New machinery and equipment	153.3	157.9	162.0	168.1	172.7	176.3	173.2
9	Exports of goods and services	122.6	126.4	128.0	130.6	132.4	136.6	139.0
10	Imports of goods and services	124.8	129.9	133.8	135.4	136.0	138.7	140.4
11	Residual error of estimate	142.1	144.3	146.9	150.7	155.6	162.6	168.5
12	Gross National Expenditure at market prices	141.3	143.4	146.0	149.7	154.3	161.3	167.6

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

TABLE 58. Personal Expenditure on Consumer Goods and Services in Constant (1949) Dollars, 1961-67¹

Line No.		1961	1962	1963	1964	1965	1966	1967
		millions of dollars						
1	Food	4,720	4,860	4,956	5,117	5,266	5,318	5,632
2	Tobacco and alcoholic beverages	1,454	1,521	1,567	1,599	1,710	1,790	1,911
3	Clothing and personal furnishings	2,115	2,172	2,214	2,286	2,382	2,427	2,479
4	Shelter	2,252	2,353	2,535	2,680	2,838	3,023	3,176
5	Household operation ^{2,3}	2,531	2,660	2,770	2,940	3,129	3,344	3,504
6	Transportation	2,280	2,520	2,740	2,980	3,274	3,334	3,428
7	Personal and medical care and death expenses	1,293	1,359	1,447	1,534	1,612	1,673	1,744
8	Miscellaneous	1,793	1,840	1,889	2,211	2,411	2,807	2,969
9	Adjusting entry	70	79	117	159	176	238	251
10	Grand totals	18,508	19,364	20,235	21,506	22,798	23,954	25,094
11	Durable goods	2,344	2,562	2,800	3,129	3,495	3,645	3,716
12	Non-durable goods ^{2,3}	10,209	10,739	11,008	11,525	12,122	12,768	13,679
13	Services ^{2,3,4}	5,866	6,008	6,348	6,764	7,107	7,464	7,664
14	Adjusting entry	89	55	79	88	74	77	35

¹ See footnote 1, Table 56.

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

	1961	1962	1963	1964	1965	1966	1967
	millions of dollars						
	401	434	460	491	526	581	623

³ See footnote 5, Table 47.

⁴ Includes net expenditure abroad.

APPENDIX

TABLE I. Population of Canada, by Provinces, 1961-67

Estimated as of June 1

Line No.		1961	1962	1963	1964	1965	1966	1967
		thousands						
1	Newfoundland.....	458	468	476	483	488	493	500
2	Prince Edward Island	105	107	108	109	109	109	109
3	Nova Scotia	737	746	751	755	756	756	757
4	New Brunswick	598	605	609	611	615	617	620
5	Quebec	5,259	5,371	5,481	5,584	5,685	5,781	5,868
6	Ontario	6,236	6,351	6,481	6,631	6,788	6,961	7,149
7	Manitoba	922	936	949	959	965	963	963
8	Saskatchewan	925	930	933	942	950	955	958
9	Alberta	1,332	1,369	1,403	1,429	1,450	1,463	1,490
10	British Columbia	1,629	1,660	1,699	1,745	1,797	1,874	1,947
11	Yukon	14	15	15	15	14	14	15
12	Northwest Territories	23	25	26	27	27	29	29
13	Canada	18,238	18,583	18,931	19,290	19,644	20,015	20,405

Source: Dominion Bureau of Statistics, Census Division, "Estimated Population of Canada, by Province at June 1, 1967", Catalogue No. 91-201.

TABLE II. The Civilian Labour Force, 1961-67¹

Line No.		1961	1962	1963	1964	1965	1966	1967
		thousands						
1	Civilian non-institutional population, 14 years of age and over	12,053	12,280	12,536	12,817	13,128	13,475	13,874
	Civilian labour force — Employed:							
2	Non-agricultural	5,374	5,565	5,726	5,979	6,268	6,609	6,820
3	Agricultural	681	660	649	630	594	544	559
4	Totals²	6,055	6,225	6,375	6,609	6,862	7,152	7,379
5	Civilian labour force — Unemployed	466	390	374	324	280	267	315
6	Total civilian labour force^{2,3}	6,521	6,615	6,748	6,933	7,141	7,420	7,694

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

² The number of persons in the regular Armed Forces not included in these totals is as follows: 1961 — 121,000 persons; 1962 — 126,000 persons; 1963 — 123,000 persons; 1964 — 119,000 persons; 1965 — 112,000 persons; 1966 — 106,000 persons; 1967 — 106,000 persons. The figures are monthly averages.

³ Components may not add to totals due to rounding.

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