

GROSS NATIONAL PRODUCT OF 1959

The recovery from the 1957-1958 recession which began to gain momentum in the latter part of 1958, lifted the gross national product (seasonally adjusted at annual rates) to a level of \$33.4 billion in the first quarter of 1959. This latest advance represents a gain of 2 per cent over the fourth quarter of the previous year. At annual rates, the gross national product in the first quarter was running at a level about 4 per cent above the average for the year 1958 as a whole.

The quarterly national income statistics at the present time do not permit precise comparisons of changes in the physical volume of the nation's output on a seasonally adjusted basis. However, it is clear from related information that the volume of non-agricultural output in the fourth quarter of 1958 had recovered to a point a little above the pre-recession peak; and with prices relatively stable, the 1959 first quarter advance represents, for the most part, a further volume gain above this previous high point.

Business inventory accumulation and consumer spending were the two major expansionary elements in the economy during the first quarter. The resumption of stockbuilding on a large scale was one of the notable developments of the quarter and followed a period during which heavy inventory liquidation had gradually given way to a more neutral position, with little change occurring in either direction. Consumer expenditure, which had shown some hesitation during part of 1958, rose further in the first quarter, continuing the advance which occurred in the final quarter of the preceding year.

Other major components of demand, seasonally adjusted, showed little change or were lower during the quarter. Outlays for new housing turned down, following eighteen months of continued advance. Both starts and completions were off in the quarter, reflecting a number of factors, among which were the severe winter weather, and the curtailment of Central Mortgage and Housing Corporation loans to builders at the end of 1958. Business plant and equipment expenditures were also lower than in the preceding quarter, but the decline here was very slight, amounting to only about 1 per cent. Exports of goods and services showed a small decline in the quarter following the fairly sharp rise which occurred in the final quarter of 1958. Imports of goods and services showed little change.

Turning to developments on the income side, both national and personal income, seasonally adjusted, advanced by between 2 per cent and 3 per cent from the fourth to the first quarter. A notable increase occurred in the labour income component of these two aggregates, which showed an advance of 3.5 per cent, the largest increase since early in 1956. This increase in labour income reflected the com-

bined effect of significantly higher levels of employment and a continued advance in average weekly earnings. Transfer payments to persons, an important component of personal income, declined by 5 per cent in the quarter, reflecting for the most part a drop in Unemployment Insurance payments.

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STUDENT AID

Only 35 per cent of university students in Canada receive assistance in the form of scholarships, bursaries or loans from government or other sources, as compared with 80 per cent in Great Britain, and over 50 per cent in Australia. This and other interesting facts and figures were given by Miss J. Rosemary Bushnell, Research Assistant at the Canadian Universities Foundation, Ottawa, in an address to the University Counselling and Placement Association, in Saskatoon.

The financial hurdle to university education is growing higher every year in Canada and it is generally recognized that if this country is to maintain her position among the nations of the world, the rate at which highly trained personnel can be produced will have to be increased.

STUDENT EXPENDITURES

A recent survey of student expenditures and income, published by the Dominion Bureau of Statistics (summarized in the Bulletin of May 13) found that in 1956-57 students living at home spent an average of \$936 for one year, while those away from home spent an average of \$1,293. Since then there has been a general increase in fees of approximately ten per cent and a rise of 5 points in the consumer price index. Therefore in 1958-59, the average cost of one year at a university might be estimated at \$1,036 for students living at home, and \$1,396 for those away from home. There is little doubt that these figures will be higher in 1959-60.

Lack of funds was responsible for 13.8 per cent of the students covered by the survey postponing their entrance to the university, for a further 2.6 per cent attending on a part-time basis, and for the withdrawal of 5.5 per cent. Much larger numbers are never able to consider higher education for financial reasons.

The Atkinson Study of Utilization of Student Resources in Ontario published in 1957, found that if scholarships or bursaries large enough to make the course financially possible were provided, 66 per cent of the Grade XIII pupils who did not intend to enter a university, would change their plans.

SOURCES OF INCOME

In the summer of 1956, 87.5 per cent of the students had jobs and saved an average of \$449. Forty per cent of undergraduate income