

GOVERNMENT



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WEEK'S EVENTS IN REVIEW

\$24.2 BILLION NATIONAL PRODUCT: Canada's gross national product in the third quarter of 1953 was at an annual rate of \$24.2 billion, substantially the same as in the second quarter and somewhat higher than the first quarter after seasonal adjustment, according to the Dominion Bureau of Statistics. This stability in output has been accompanied by few shifts among major spending sectors. In the third quarter, a levelling off in the total of consumer expenditure was offset by a strengthening of the investment sector, while the gap between exports of goods and services and imports of goods and services (seasonally adjusted), narrowed somewhat as imports declined slightly.

On the income side, the principal developments of the third quarter occurred in wages, salaries and supplementary labour income, investment income and accrued net income of farm operators from farm production. The stimulating effect of continued increases in real income during the past two years was noted in previous quarterly releases. These gains were associated with the growth of personal expenditure on consumer goods and services and the high level of personal savings. In the third quarter data, however, it may be noted that wages, salaries and supplementary labour income, after seasonal adjustment, were not increasing as heretofore. The third quarter level, seasonally adjusted, was unchanged from the second quarter.

Corporation profits were down moderately from the second quarter, if seasonal factors are taken into account, and they were also down from the third quarter of a year ago. Thus the total of investment income, (which in addition to profits, includes interest, dividends and rents) dropped from \$3.8 billion in the second quarter to \$3.5 billion in the third quarter, (seasonally adjusted at annual rates).

Accrued net income of farm operators from farm production was down 8% from the third quarter of a year ago. The first and second quarters were also lower than a year ago. The decline in the nine-month comparison with a year ago amounted to approximately 13 per cent.

Personal expenditure on consumer goods and services (seasonally adjusted) was at an annual rate of \$14.9 billion in the third quarter, substantially unchanged from the second quarter. The volume of durable goods purchases was running at a level nearly 10% above the third quarter of a year ago. In the non-durable goods sector, while prices have declined somewhat, there has been a more than offsetting increase in the volume of purchases, resulting in a 2 per cent increase in value above a year ago in the third quarter. Services, on the other hand, were subject to a continued increase in prices, and the value went up accordingly, while there was very little change in volume. In nine-month comparison

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