

income which recorded the largest per capita gain (in real terms) of the postwar period. The rise in durable goods purchases in 1955 was especially marked, with a gain of about 11 p.c., while non-durable goods purchases and outlays for services showed gains of 6 and 7 p.c. respectively. Non-durable goods purchases accounted for about one-half of the total gain in consumer outlays, although in percentage terms the increase was only about half as great as that for durable goods purchases. While there were marked shifts in the composition of consumer prices in 1955, on average they showed little change, so that the volume increase in total consumer expenditure paralleled the value increase of 7 p.c.

In the durable goods group, some of the more striking increases in 1955 occurred in the following items: unit sales of new passenger cars were up by 25 p.c. over 1954 (the gain from the first to second quarter was particularly noteworthy); refrigerator shipments were up 14 p.c.; washing machine shipments 25 p.c.; and television set shipments 22 p.c. Sales of furniture and appliance stores also showed major gains. Prices of durable goods in 1955 were about 5 p.c. below the average for 1954 so that the volume gain in durable goods purchases amounted to about 17 p.c. compared with a value gain of 11 p.c. The advance in total durable goods sales over 1954 was accompanied by an increase in instalment credit outstanding.

The major gain in non-durable goods purchases in 1955 was in the food component, which rose by 5 p.c. In contrast to 1954 when purchases of clothing declined, there was a modest gain in that item in 1955. Gains in other sub-components of the non-durable goods group were widespread. Since prices of non-durable goods were relatively stable, the volume gain in non-durable expenditure in 1955 was approximately the same as the value increase of 6 p.c.

Consumer outlays for services continued to move upward during the year. The advance was accompanied by a price increase, so that the volume of consumer services in 1955 was somewhat less than the value increase.

In the fourth quarter of 1955 personal expenditure on consumer goods and services was running at a rate of \$17,200,000,000, about 2 p.c. above the average for the year 1955 as a whole.

Purchases of goods and services by all levels of government (federal, provincial and municipal) amounted to \$4,600,000,000 in 1955, 6 p.c. above the 1954 level. The increase over 1954 reflected gains in federal and provincial capital investment outlays, the expansion of municipal facilities associated with the high level of house-building activity, higher outlays for salaries and wages and slightly higher defence expenditures. Defence outlays did not constitute a major expansionary influence in 1955 but continued to provide an important sustaining element.

Gross domestic investment in fixed durable assets reached an alltime peak of \$5,300,000,000 in 1955, 13 p.c. above 1954. This gain provided an important stimulus to final demand in 1955, in contrast to 1954 when declines occurred in non-residential construction and investment in machinery and equipment. The year-end level of gross domestic investment was at a seasonally adjusted annual rate of \$5,800,000,000, 9 p.c. above the 1955 yearly average. The year-to-year increase over 1954 was spread among the three major groups—housing, non-residential construction, and new machinery and equipment. The advance in housing contributed about one-half of the total gain; new investment in machinery and equipment accounted for less than one-third, and non-residential construction provided the remainder.

The rise in construction activity was matched by increased employment in the construction industry as measured by the labour force survey. For 1955 as a whole, total construction employment was 10 p.c. above the 1954 average, while in the fourth quarter of 1955, the gain was 13 p.c. over the corresponding period of the previous year. Slightly higher prices for construction materials and an increase in wage rates accompanied these developments in 1955. In the fourth quarter comparison, the increase in both wage rates and building material costs was substantially greater than the average gain for the full