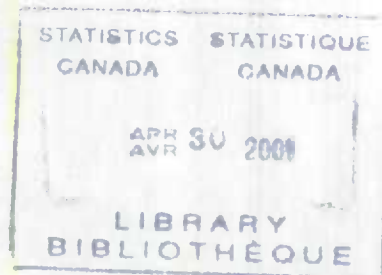


Statistics Canada
National Accounts and Analytical Studies
System of National Accounts
Input-Output Division



**Input-Output Accounts of the Canadian Economy:
Concepts, Definitions and National Economic Accounting Structure**

**Volume Three:
Historical Revision, 1961 - 92**

By

P.S.K. Murty

95

August, 2001

Input-Output Accounts of the Canadian Economy

CONCEPTS, DEFINITIONS AND NATIONAL ECONOMIC ACCOUNTING STRUCTURE

***Volume Three:
Historical Revision, 1961 - 92***

By

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Input-Output Division

August, 2001

AUTHOR'S PREFACE

Scope and Style

This is a reference compendium dealing with the Input-Output Accounts of the Canadian economy. It consists of the following three volumes.

- Volume One: Background and Uses
- Volume Two: Concepts and Accounting Structure
- Volume Three: Historical Revision, 1961-1992

The Input-Output Accounts are prepared and published annually for economic analysis particularly for the content analysis of production and disposition of goods and services. The three volumes of this compendium explain, in simple language, the background and uses, concepts, definitions and the national economic

accounting structure of the Input-Output Accounts along with highlights of the recent historical revision.

They have been written in a style different from the traditional presentation, which generally gives a mere narrative and descriptive account without any detailed explanation of the uses and applications of the databases.

I have chosen the different style for three main reasons.

- First, the information should be useful for a larger audience and presented to the readers in a way that makes it indispensable even for elementary study by college students and beginners in economic analysis.
- Second, the presentation should be simple, unambiguous, and easily understood.
- Third, it should give, where possible, illustrations, tabular information, charts and analytical context to make it well understood by the broader audience to encourage more application of the Input-Output Accounts in economic and business analysis.

Goals

I have two goals in preparing this document.

- My first goal is to try and embody my extensive in-depth knowledge and experience in a detailed manner, rather than in broad generalities, to preserve the institutional memory of the discipline. Consequently, besides other uses, this document is designed as a reference tool primarily to train the professional

and technical support staff by making the style and manner of presentation easy to follow and suitable for teaching purposes.

- My second goal is not to limit the use of this document to only a few sophisticated readers such as the professional staff who are already well acquainted with the subject, but rather, to extend the benefits even to the beginners by giving extensive narrative descriptions where needed, and by answering simple questions that are normally posed by all those who are interested in learning more about economic analysis by using the key data of the Input-Output Accounts.

The Accounts may sound like a mystery for those who do not have familiarity with the details such as ‘what’ they are, ‘why’ they are produced and ‘how’ they can be used for different analytical needs. My primary goal is to demystify the position and change the perception by explaining clearly ‘what’ the Accounts are meant to accomplish, ‘why’ they are created and ‘how’ they can be used in many situations to answer various questions. Let me elaborate on some of the driving forces for the underlying theme of presentation to place the subject in a better perspective.

Generally speaking, presenting the information on the Input-Output Accounts to the audience in an interesting and useful way by keeping the aforesaid objectives in mind is always a challenge, because the authors are faced with the problem of how to begin the study. As the information on the Input-Output Accounts is massively wide and deep which has to be compressed into some meaningful and practical generalities, one can begin the presentation with the explanation indicating the

need for such Accounts, their practical usage and applications for different studies, and their conceptual framework within the internationally used national economic accounting system, which is called the System of National Accounts. There is indeed so much to know for a better understanding of the Input-Output Accounts.

One can also begin the study with a mere narrative and descriptive summary of the existing presentation only, without providing any answers to questions such as those starting with 'what', 'why' and 'how', and without writing anything about the numerous changes that occurred in the recent historical revision program which reshaped the past structure and modernized the Accounts.

A mere narrative and descriptive account presented in this manner without any mention of the past nor any mention about the underlying need of the Input-Output Accounts is inevitably a dull collection of facts.

Readers want to know, for example:

- What are the Input-Output Accounts?
- Why do we produce them in the first place?
- How are they put together?
- What are their concepts and definitions?
- What is their national economic accounting structure?
- Why did we change the previous concepts and definitions?
- Why did we introduce changes to the previous structure of the accounting framework?

- Which specific items in the concepts and accounting structure did we change in the modernization program?

Answers to these questions would make the topic more interesting, illuminating and inspiring to the beginners as well as other readers. While answering those questions, it is also desirable to give examples of numerous uses and applications along with the inherent limitations, so that a clear and unbiased view of the subject could emerge in such a theme. Then, the subject would be transformed from a dull nature to an interesting and thought - provoking type. Such a manner of presentation is user - friendly and would also attract the attention of many new readers, since the information would be more palatable and useful to them. That is the style and type of approach that would indeed instill the interest and fire up the appetite of the readers for more information on the related issues. Also, the reinforcement of the interest of the readers, on the subject at the beginning in the first volume would ensure a better reception of the more complicated information on concepts, definitions, and structure of the national economic accounting framework, which is presented in the second volume.

There is also another advantage. By generating more interest among the readers on the various ways of applying the data to different issues at the very outset, the basic empirical knowledge needed for economic analysis could be disseminated more easily to a larger audience. As a consequence, many readers would be well-informed. That kind of approach would facilitate the training of a broad spectrum of well-informed new analysts in the long-run. The upshot of such a step would be

certainly beneficial to the community at large, because the newly trained analysts could be able to utilize the databases and evaluate the emerging events in the economy. Thus, eventually, the interests of the broader audience would be well served. These are just a few illustrations of advantages that would flow from the different style adopted here.

Having explained my two goals which prompted me to write this document in a style different from the traditional pattern of presentation, let me also explain the need and the benefits of a broader audience.

Benefits of a Broader Audience

One may question why this document with three volumes should be focussed for a broader audience at this time. In answer to this question, I wish to highlight a few important benefits that would accrue by following such an approach.

- First, a broader audience including trainees and beginners is needed now to develop and strengthen a knowledge - based economy in Canada. Such an audience would be able to benefit from this reference compendium by understanding one of the important and currently available basic tools of economic analysis.
- Second, we would be able to increase the analytical potential in human resources to fill the gaps that are constantly created by the retirement of senior professionals.
- Third, the training programs of government statistical offices would be able to use this document for teaching purposes.

- Fourth, universities and colleges, which desire to introduce both short-term and long-term courses on the subject in the field of applied economics ranging from say, three weeks to three months, would have a ready-made textbook for their needs.
- Fifth, a flagship course in macro-economic input-output analysis could be developed in any statistical organization such as Statistics Canada using this document as the basic textbook. Such a course would be enormously beneficial not only for beginners, but also for those who have already been working in the area to strengthen their basic knowledge and to sharpen their analytical and research skills.
- Sixth, this compendium has been written taking into account the Input-Output Accounts in general although, for the sake of examples, reference is made to the Accounts of the Canadian economy in particular. Since the Canadian Accounts follow closely the international Accounts recommended in the 1993 System of National Accounts of the United Nations and other major international organizations, this compendium is relevant for a reference document as well as for a text book not only in Canada but also in other countries of the world which have a system similar to the international system.

Courses

Then, the next question that follows is: Where can we have such a specialized course at the present time to obtain all those benefits?

We know that universities and colleges teach the basic theories in Economics.

However, specialized fields of applications such as the National Economic

Accounts and their components (e.g., Input-Output Accounts) are generally left to

the government departments which have the responsibility to produce those accounts. Therefore, at the present time, only the government offices which eventually get the benefit of knowledge in those specialized areas would have to introduce a training course tailored primarily to specific programs of work where such specialized knowledge is required using this as a text book.

Therefore, no matter how one looks at it, it is inarguable that a reference document such as this compendium outlining the details of the concepts, definitions and the national economic accounting structure with some answers to questions starting with 'what', 'why' and 'how' is highly desirable, timely, and useful for a broader audience. This conclusion appears to be very relevant at this stage, and the goal to provide conceptual knowledge and analytical know-how for all users, including trainees, in the new millennium, which is one of the driving forces of this publication, is not out of place.

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I am hopeful that this compendium would serve the interests of various users in their quest for knowledge on the much-desired quantifiable type of economic analysis not only in Canada but also in other countries and would also provide them with an important analytical tool for use in special studies on technological changes as well as in the general economic analysis in this new millennium.

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August 2001

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Volume Three:

*Historical Revision,
1961 - 92*

VIII

THE SCOPE OF HISTORICAL REVISION: OVERVIEW

1. INTRODUCTION

This third volume deals exclusively with the results of the historical revision in four chapters (i.e., VIII, IX, X, and XI). Chapter VIII gives an overview while chapters IX and X outline the changes affecting the Income-based GDP and Expenditure-based GDP respectively. Chapter XI gives an account of the structural changes and discusses the impact on the presentation of the Input-Output Accounts.

This third volume will be useful to the readers who have been using the Input-Output Accounts in the past and who are interested in knowing about the specific changes that were incorporated in the historical revision. If, however, the readers are interested in the current production only, they can skip this third volume altogether and use only the first and second volumes which deal with the current production.

In the context of studying the results of the historical revision, the main focus of attention is generally directed towards the impact of the revision on the levels of Gross Domestic Product (GDP) which is extensively used for economic analysis. Therefore, the content and scope of the revisions affecting the components of the total GDP, both Income-based GDP and Expenditure-based GDP are discussed in the next part.

2. REVISION PROGRAM

Before discussing the scope of revisions, it will be useful to highlight a few facts about the historical revision program to give an idea on the complexities involved in such an undertaking.

The 1997 historical revision pertained to the entire System of National Accounts (SNA). It is worth recalling here that the revision, in essence, covered the following four sub-systems:

Sub-systems of SNADivisions Responsible in
Statistics Canada

- | | |
|--|--|
| <ul style="list-style-type: none"> • Input-Output Accounts; • Income and Expenditure Accounts; • Gross Domestic Product by Industry¹ • Balance of Payments and Financial Flows; | <ul style="list-style-type: none"> - Input-Output Division - Income and Expenditure
Accounts Division - Industry Measures and
Analysis Division - Balance of Payments and
Financial Flows Division |
|--|--|

The reasons for the historical revision were always explained in Chapter I and they are not repeated here. Suffice it to say in this chapter that the revision work relating to the four sub-systems was carried out in four different Divisions of the System of National Accounts Branch as indicated against each. It was indeed a massive, very complex and time-consuming work as it covered a time span of 32 years from 1961 to 1992. Because of the in-depth review of work that is involved in this revision program within each Division, the participation of numerous professionals along with technical and support staff became essential to complete

¹ This is the name of one of the sub-systems within the Canadian System of National Accounts, but not the measure of "GDP by industry". The data for the measure of "GDP by industry" are available not only in that sub-system but also in the Input Output Accounts which constitute another sub-system.

the difficult exercise. The persons who participated in the revision program are both from the System of National Accounts Branch and other related Divisions of Statistics Canada. They reviewed their databases which was formerly used as basic inputs into the SNA. In addition, concepts and classification systems in the light of the international SNA 93 were discussed collectively in various committees with the participation of the professional staff concerned. The revision program had two stages. The first stage began in 1994 and covered the review work by ten working committees.² The reports of the working committees were reviewed and discussed in the meetings of the steering committee which made appropriate decisions to implement the required changes in the concerned time-series.

After the steering committee approved the changes that were needed, the second stage began. In this stage, decisions made by the working committees were implemented. This stage was completed for publication during 1998. Both stages of the project took about five years to complete³. It was the most thorough review

² These ten Working Committees were commissioned to review the following areas and to make recommendations for revisions.

- (i) Public Sector Universe;
- (ii) Harmonization of the Public Sector Financial Management System with the Canadian System of National Accounts;
- (iii) Labour Income;
- (iv) Capital Formation;
- (v) International Trade;
- (vi) Personal Expenditure;
- (vii) Financial Services and Insurance;
- (viii) Input-Output Classifications and Valuation;
- (ix) Deflation; and
- (x) Financial Flows and Balance Sheets

³ Some industries were completed earlier than others depending on their relative levels of complexities. For example, manufacturing industries were completed earlier than service industries.

of concepts, methods, and statistical series since the introduction of the National Accounting system in Canada in the 1940s.

The net result of these two stages is captured in this chapter which deals exclusively with the scope of the revisions that affected the Input-Output Accounts. The changes are of three types: structural changes; conceptual changes; and statistical changes.

Structural changes relate to the previous format of the Input-Output Accounts. In that previous format, there were 627 commodities with 216 industries and 136 final demand categories at the lowest level of aggregation which is called the Worksheet (W) level. This type of structural change is discussed at length in Chapter VI.

Conceptual changes relate to definitions of the various items used in the Input-Output Accounts. These may also include changes to classifications of entities or certain types of transactions. For example, universities, which used to be a part of the Personal Sector are classified to the Government Sector in the historical revision. This conceptual change is a mere transfer from one sector to the other. Consequently, it decreased the final demand category of Personal Expenditure and increased the Government Expenditure by the same amount with no net effect on the level of GDP. While conceptual changes such as this involving classification from one category to another did not impact on the level of GDP, other types of conceptual changes such as redefining the output of insurance industry did impact

on the GDP levels. These conceptual changes are discussed in chapters IX and X for Income-based GDP and Expenditure-based GDP respectively.

Statistical changes relate to the rectification of errors and omissions found in the previous data, elimination of breaks and inconsistencies in the time-series, as well as incorporation of new source data. These statistical changes are not the consequence of conceptual and structural changes, but they resulted from incorporation of new data (e.g., charitable and non-profit institutions and inter-census data of agriculture). The details of the statistical changes are also discussed in the chapters IX and X.

In the first volume, two general questions which readers generally pose have been answered in Chapters I and II.⁴ Another familiar question which arises in the context of the historical revision is: what is the effect of the revisions to the level of Gross Domestic Product (GDP) data published previously? This chapter deals with this question and reviews the overall changes to the commonly used measure of Gross Domestic Product at market prices. In economic analysis, 'Gross Domestic Product at Market Prices' is a widely used statistical measure and revisions affecting this measure will be of interest to the users. In other words, revisions made to the previous Input-Output Accounts in general and the Gross

⁴ The questions that have been answered are the following:

- Why historical revisions? (see chapter I)
- What are the uses and applications of Input-Output Accounts? (see chapter II)

Domestic Product at Market prices in particular, which are important elements for analysts, are explained here.

3. **COMPONENTS OF GROSS DOMESTIC PRODUCT**

By using the Input-Output Accounts, Gross Domestic Product at market prices for the total economy can be derived by two different approaches. One approach is to add all the primary inputs in both the Input matrix and the Final Demand matrix.

This approach gives the Income-based Gross Domestic Product at market prices as shown below (see also table 2).

INCOME-BASED GROSS DOMESTIC PRODUCT

This is an aggregate of the following categories:

- i) Wages and Salaries
- ii) Supplementary Labour Income
- iii) Mixed Income (i.e. Net Income of Unincorporated Business and Farm Operators)
- iv) Indirect Taxes
- v) Subsidies (Negative Entry)
- vi) Other Operating Surplus
- vii) Gross Domestic Product at Market Prices which is obtained by summing up items (i) to (vi)

Another approach is to add up all the Final Demand categories. The total will give the Expenditure-based Gross Domestic Product at market prices as shown below (see also table 3).

EXPENDITURE-BASED GROSS DOMESTIC PRODUCT

This aggregate contains the following categories:

- i) Personal Expenditure on Goods and Services
- ii) Government Current Expenditure on Goods and Services
- iii) Gross Fixed Capital Formation
- iv) Value of Physical Change in Inventories
- v) Exports of Goods and Services
- vi) Imports of Goods and Services (Negative Entry)
- vii) Gross Domestic Product at Market Prices which is obtained by adding items (i) to (vi).

These two approaches are illustrated in the tables 2 and 3 by using the link level items of the Input Output Accounts to derive the GDP. They are also compared for both the previously published series and the historically revised series. As will be explained in a later chapter dealing with the structure of the Input-Output Accounts, there are two structural changes. They are:

- one for subsidies in the Income-based GDP; and
- another for government expenditure on goods and services in the Expenditure-based GDP

Both these changes need a special mention here.

The structural change regarding the subsidies relates to the break-down and articulation in the Accounts. The subsidies are broken down into two categories:

- Subsidies on products (e.g., Milk subsidies)
- Subsidies on production (e.g., Manpower employment subsidies)

The subsidies on products are commodity-specific and they are allocated to the commodities concerned. The subsidies on production, however, are not commodity-specific and can be allocated only to the industries that received them. One can assume, however, that they are applicable to all the commodities produced by the receiving industries, and allocate them to all such commodities on a proportionate basis. But this is not done in the Input-Output Accounts. They are kept as a separate category and allocated only to industries as mentioned earlier.

The structural change in the government sector relates to the sales revenue of government which used to be shown in the Final Demand as negative categories in the past. These categories are now routed to the industries in the output matrix and they are no longer shown in the Final Demand matrix.

4. HISTORICAL REVISION CHANGES IN DATA

The historical revision affected the level of various components differently. The changes in each of the items in the Income-based GDP from 1961 to 1992 are

presented in the following Tables 4 to 10 and charts 5 to 18. Similarly, the revisions to the items of the Expenditure-based GDP are shown in Tables 11 to 16 and charts 19 to 30.

The changes are reflected in charts 5 to 30 in two parts. The first part of the charts shows the differences between the previously published data and the historically revised series while the second part shows only the magnitude of change itself over the years.

Income-based GDP

<u>Table</u>	<u>Charts</u>	<u>Category</u>
4	5 and 6	Wages and Salaries
5	7 and 8	Supplementary Labour Income
6	9 and 10	Total Labour Income
7	11 and 12	Mixed Income
7A		Accrued Net Income of Farm Operators
7B		Net Income of Non-farm Unincorporated Business
8	13 and 14	Total Indirect Taxes
9	15 and 16	Total Subsidies
10	17 and 18	Other Operating Surplus

Expenditure-based GDP

<u>Table</u>	<u>Charts</u>	<u>Category</u>
11	19 and 20	Total Personal Expenditure on Consumer Goods and Services
12	21 and 22	Net Government Current Expenditure on Goods and Services
13	23 and 24	Total Gross Fixed Capital Formation
14	25 and 26	Total Value of Physical Change in Inventories
15	27 and 28	Total Exports of Goods and Services
16	29 and 30	Total Imports of Goods and Services

These tables and charts give an idea of the different impact on the levels of the categories involved in both the Income-based GDP and the Expenditure-based GDP.

5. OVERVIEW OF HISTORICAL REVISION FOR 1992

A. Gross Domestic Product at Market Prices

Table 1 accompanied by charts 3 and 4 show the total revision from the “old” (i.e. before historical revision) to the “new “ (i.e. after historical revision) estimates of the total Gross Domestic Product at Market Prices. These revisions in the Gross Domestic Product ranged from \$367 million in 1961 to \$8421 million in 1992 (see Table 1). In percentage terms, the changes involved about 1% of the total Gross Domestic Product in most of the years covered in this revision. It can be seen from

chart 3 that the previous movements reflecting troughs and peaks did not change on account of the historical revision and they are still the same after the revision.

Since the historical revision covered a period of 32 years from 1961 to 1992, the data of one year, namely, 1992 is taken for discussion and analysis as an illustration to indicate the scope of the revisions as measured in the Gross Domestic Product at market prices (GDP).

As already mentioned, the historical revision consists of three types of changes: structural; conceptual; and statistical. Of these three types of changes, only the conceptual and the statistical changes had an impact on the level of Gross Domestic Product. Some changes increased the level while others lowered it. The net impact on Gross Domestic Product at the overall level as well as the effects on the individual components are briefly discussed in this chapter for 1992. Although it is not the main objective of this report to undertake a complete analysis of the revisions, an overview of the changes to the Gross Domestic Product at market prices (GDP) with some of the major categories that contributed to the changes is given here because of the importance of the Gross Domestic Product for economic analysis.

By way of illustration, the impact of these changes for 1992 on the individual categories of the Income-based Gross Domestic Product are shown in Table 17 and Chart 31. The Expenditure-based Gross Domestic Product and the changes thereof

are shown in Table 18 and Chart 32. Table 19 shows the breakdown by component for the total change in income-based Gross Domestic Product while Table 20 shows similar information for the expenditure-based Gross Domestic Product at market prices.

It can be seen from Tables 17 and 18 that the total change to the Gross Domestic Product in the year 1992 was \$8,421 million. While there are some changes in most of the items, the major changes occurred in a few and they are briefly highlighted in this chapter. Some of the changes are positive and some others are negative and they are listed below in two categories – one under the Income-based GDP and the other under the Expenditure-based GDP. The details of the conceptual changes which were made in the components of GDP are explained in Chapter IX for the Income-based GDP and in Chapter X for the Expenditure-based GDP.

Income-Based Gross Domestic Product at Market Prices, 1992

The major categories of changes are the following:

Positive changes:		Total change	%
		\$millions	
1.	Supplementary labour income	2344	27.9
2.	Mixed income containing net income of unincorporated business and farm operations	2163	25.7
3.	Indirect taxes	1838	21.9
4.	Other Operating surplus	1894	22.5
5.	Subsidies	<u>1029</u>	<u>12.1</u>
6.	Sub-total for positive items	<u>9268</u>	<u>110.1</u>
Negative changes:		Total change	%
		\$millions	
7.	Wages and salaries	-847	-10.1
8.	Total revision	8421	100.0

In effect, then, supplementary labour income, net income of unincorporated business, indirect taxes, other operating surplus and subsidies contributed to 110.0% of the increase (positive change) in the level of Gross Domestic Product with an offset (negative change) of 10% in wages and salaries. The supplementary labour income had the largest increase of about 28% and it was followed by increases of about 26% in the mixed income containing net income of unincorporated business and farm operations and 22% in indirect taxes. About 75% of the change was contributed by these three categories for the year 1992.

Expenditure-Based Gross Domestic Product, 1992

The major categories of changes are the following:

Positive changes:		Total change	%
		\$millions	
1.	Exports	8594	102.0
2.	Government current expenditure on goods and services	7374	87.6
3.	Personal expenditure on good and services	<u>1181</u>	<u>14.0</u>
4.	Sub-total positive categories	<u>17149</u>	<u>203.6</u>
Negative changes:		Total change	%
		\$millions	
5.	Imports	-5140	-61.0
6.	Value of physical change in inventories	-2511	-29.8
7.	Gross fixed capital formation	-1077	-12.8
8.	Sub-total: negative categories	<u>-8728</u>	<u>-103.6</u>
9.	Total change	<u>8421</u>	<u>100.0</u>

In the Expenditure-based Gross Domestic Product, however, the change was attributable to six categories (i.e. three positive and three negative). The three categories that contributed substantially to the increase in the expenditure-based Gross Domestic Product are: exports, (102%); government expenditure on goods and services (88%); and personal expenditure on goods and services (14%). This total increase in these categories was partly offset by imports (-61%); value of physical change in inventories (-30%) and Gross fixed capital formation (-13%).

Although exports and imports have substantial changes individually, the net exports (i.e. after deducting imports from exports) had an impact of only a 41% increase on the level of Gross Domestic Product (exports 102% less imports 61%=41%). Government current expenditure on goods and services tops the list of categories that increased the level of Gross Domestic Product, as the change was about 88%. This is followed by increases in net exports of 41% and personal expenditure on goods and services of 14%.

The above analysis reflects only the position as it looks on the surface without going into details of changes particularly in relation to their effects on the level of GDP. Such detailed analysis showing changes which had no impact on the GDP as well as those which had an impact are discussed in the two chapters that follow. The components of Income-based GDP are discussed in Chapter IX while those of Expenditure-based GDP are presented in Chapter X.

Based on the experience of 1992, the changes in indirect taxes and other operating surplus raised the level of Income-based GDP as shown below. Other categories were more or less offsetting (i.e. positive items were cancelled out by negative items) with no net increase.

Income-Based GDP**\$Million****Indirect taxes:**

- Grants in-lieu-of-taxes for government departments,	834
- agencies and other institutions such as universities, colleges, public hospitals and correctional institutions	
Personal portion of motor vehicle licences	1682

Other Operating Surplus:

- Government capital consumption allowances	3408
- Insurance adjustment consisting of investment income of property and casualty insurance companies-(missed before)	<u>3257</u>
Total	<u>9181</u>

In the Expenditure-based GDP also, there are only two Final Demand categories that contributed to a significant overall change for 1992 as shown below.

Expenditure-Based GDP**\$Millions****Personal Expenditure on goods and services**

- Motor vehicle licences	1682
- Cost of insurance services	3257

Government Expenditure on goods and services

- Government Grants-in-lieu of taxes paid for departments, agencies and other institutions	834
- Government Capital consumption allowances	<u>3408</u>
Total	<u>9181</u>

Thus, based on the experience of 1992, the above two items in the expenditure-based GDP contributed to the rise in the level of GDP while all the remaining changes were more or less offsetting (i.e. positive items were cancelled out by negative items) with no net increase.

This analysis for 1992 raises another question whether the same situation is valid for other years. The quick answer is that it need not necessarily be the same as in 1992 because of varying circumstances that existed in each year. However, for the purpose of further research and analysis of the revisions *per se*, the changes for each category of income-based GDP are shown in Tables 4, 5, 6, 7, 7A, 7B, 8, 9, and 10 (listed below) while the changes for each category of expenditure-based GDP are shown in Tables 11, 12, 13, 14, , 15, and 16. These tables show the previously published data, the revised series, and change in absolute terms as well as percentage terms for each year from 1961 to 1992 and they can be used for any in-depth analysis of the factors that contributed to the level changes in the GDP.

Two charts accompany each table. One of them shows the absolute levels of the previously published series in contrast to the revised series. Another chart shows the movements in changes to identify the turning points in those years. In other words, both the tables and the charts listed contain all the details needed to analyze the over-all position for each year.

Similar data on the previously published GDP and the revised GDP at market prices along with the charts are available in Table 1 accompanied by Charts 3 and 4.

From the foregoing numerous tables and charts, users can have an overview on the magnitude of changes in the revision and choose what they desire to study at length depending on their choices.

B. Other Related Analytical Measures:

Net Domestic Product at Factor Cost and Final Domestic Demand

In addition to the GDP, (i.e., the Income-based type as well as the Expenditure-based type), two other measures, namely, 'Net Domestic Product at Factor Cost' and 'Final Domestic Demand' are important for economic analysis. They are published in the Income and Expenditure Accounts, but not in the Input Output Accounts. They are worth mentioning here as they too are relevant for economic analysis. While the 'Net Domestic Product at Factor cost' is published explicitly in the Income-based GDP table, the 'Final Domestic Demand' is published in the

Expenditure-based GDP table. The data for these two measures are extracted from the relevant publications⁵ and shown in Table F-4 and H respectively.

Net Domestic Product at Factor cost

The categories that are used to derive this measure are recapitulated in Table F1 (p. 110).

The 'Net Domestic Product at Factor Cost' consists of returns to the factors of production, that is, without the capital consumption allowances. The additional categories that are needed to derive the 'Gross Domestic Product at Market Prices' from the 'Net Domestic Product at Factor Cost' are also shown in Table F-3 as 'differences' between the two measures for a better understanding of the conceptual relationship between them.

⁵ For example, for historically revised data, see *National Economic and Financial Accounts*, 1961-1992, catalogue no. 13-001-SPB, Statistics Canada, Ottawa, November 1998. For previously published data, see catalogue 13-531 occasional, 1926-1986; catalogue 13-201 Annual, 1977-1998; catalogue 13-201 Annual 1980-1991, and catalogue 13-201-XPB, 1984-1995.

Table F-3: Derivation of Net Domestic Product at Factor Cost and Gross Domestic Product at Market Prices

<div>Net Domestic Product at Factor Cost</div>	{	=	{	Wages, Salaries, and Supplementary
				Labour Income
				<u>Plus</u>
				Corporation profits before taxes
				<u>Plus</u>
				Government business enterprise profits before taxes
				<u>Plus</u>
				Interest and miscellaneous investment Income
				<u>Plus</u>
				Accrued net income of farm operators from farm production
				<u>Plus</u>
				Net income of unincorporated business including rent
<u>Plus</u>				
Inventory valuation adjustment				
				<u>Equals</u>
<div>Difference between “Factor Cost Value” and “Market Price Value”</div>	{	=	{	<div>Net Domestic Product at Factor cost</div>
				<u>Plus</u>
				Indirect taxes
				<u>Less</u>
				Subsidies
				<u>Plus</u>
				Capital consumption allowances
				<u>Equals</u>
				<div>Gross Domestic Product at Market Prices</div>

Thus, by definition, the difference⁶ between the 'Gross Domestic Product at Market Prices' and the 'Net Domestic Product at Factor Cost' is the sum of three items which increases the level of 'factor cost' value to that of the 'market price' value. Those items are:

- Indirect Taxes;
- Subsidies (Negative Entry); and
- Capital Consumption Allowances.

As the capital consumption allowance are combined with profits in the Input-Output Commodity called 'Other Operating Surplus', the 'Net Domestic Product at factor cost' cannot be derived by using the data of the Input-Output Accounts.

As the components making up the 'Net Domestic Product at factor cost' are published only in the Income and Expenditure Accounts, the required data for that measure can be obtained from that source alone.

The changes that occurred at the two different levels, namely, 'Net Domestic Product at factor cost' and 'GDP at market prices', are contrasted in Table G to evaluate their relative impact. The last column of this table indicates the changes that occurred only in the categories other than those included in the 'Net Domestic

⁶ The Statistical difference between the "Income-based Gross Domestic Product at Market Prices" and the "Expenditure-based Gross Domestic Product at Market Prices" is divided by 2 and the resulting figure, which is called "Statistical discrepancy", is used to balance both sides of the Accounts. In other words, it is deducted from the side which has the higher total and added to the side which has the lower total to balance both sides. This is only a statistical balancing item, but not an aggregate based on concepts. It exists only in the Income and Expenditure Accounts, but not in the Input Output Accounts.

Product at factor cost', which are: indirect taxes, subsidies (negative entry) and capital consumption allowances. Thus, the analysis can be narrowed down to the categories that are outside the 'Net Domestic Product at Factor Cost' as summarized in this table. For example, for some years in the 1960s, the changes occurred mostly in the categories of the Net Domestic Product at Factor Cost which represents the total return to labour and capital. In the succeeding three decades, however, the categories that raised the level of NDP at Factor Cost to the level of Market Prices contributed to a substantial portion of the revisions as shown in Chart 1. This is just a general assessment at the macro-level and it has to be followed-up to individual categories if a detailed analysis is desired for each year.

However, this foregoing brief analysis provides the guidelines for such a detailed analysis of the changes that occurred in the historical revision. It can be concluded from this analysis that the position of 1992 is not necessarily valid for other years as the categories have a different movement in those years. It needs further study for each year if it is desired depending on the requirements of the analysis.

Final Domestic Demand

We have seen earlier how the historical revision impacted on the levels of GDP at Market Prices as well as the Net Domestic Product at Factor Cost. Users might wish to know whether the impact occurred in the domestic sectors or the non-resident sector. To provide answers to this question, we should look at a different measure called the 'Final Domestic Demand' which relates only to the domestic

economy. This measure is derived by adding together 'personal expenditure on goods and services', 'government current expenditure on goods and services', and the 'gross fixed capital formation' of both the government and business sectors.⁷ It shows the level of final demand of domestic sectors⁸ only (that is, without the demand of the non-resident sector) and it is explicitly published in the Income and Expenditure Accounts on an annual basis. The data of this measure are pulled together and presented in Table H (p.117) for 1961 to 1992 in order to determine whether the change in the GDP was in the domestic sectors or in the non-resident sector.

The changes in the Final Domestic Demand are contrasted to the changes in the GDP at market prices in Table J to determine the magnitude of the impact that occurred within the domestic sectors of the economy. It can be seen from this table that, in almost all the years, most of the impact occurred within the domestic sectors. The non-resident sector consisting of exports and imports of the Final Demand matrix had a minor impact on the level of GDP in the historical revision as shown in Chart 2. Most of the changes occurred in the Personal and Government sectors of the economy for almost all the years from 1961 to 1992 (see Tables 11 and 12). This position of 1992 is not necessarily valid for other years as the categories have different levels of changes in those years. The data

⁷ These items are available in the "Expenditure-based Gross Domestic Product" of the Income and Expenditure Accounts as well as the Input Output Accounts. While the measure is explicitly published in the Income and Expenditure Accounts, it is not published as such in the Input Output Accounts. But, it can be obtained by adding together the items concerned from the database.

⁸ As it represents only the purchases for final use, the inventories are not counted in this measure.

presented in the attached tables by each category of the Expenditure-based GDP can be utilized if detailed analytical studies are desired. The detailed analysis of the components in the Expenditure-based GDP is presented in Chapter X.

Table F-4: Net Domestic Product at Factor Cost⁹, 1961-1992

(\$millions)

Sources	Year (1)	Previously Published (2)	Historical Revision (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x 100
Catalogue 13-531 Occasional, <i>National Income and Expenditure Accounts</i> , Annual Estimates, 1926-1986	1961	30,963	31,318	355	1.1
	1962	33,707	34,019	312	0.9
	1963	36,277	36,592	315	0.9
	1964	39,547	39,908	361	0.9
	1965	43,351	43,875	524	1.2
	1966	48,713	49,186	473	1.0
	1967	52,204	52,713	509	1.0
	1968	57,168	57,779	611	1.1
	1969	63,316	63,943	627	1.0
	1970	67,389	68,107	718	1.1
	1971	73,681	74,291	610	0.8
	1972	83,121	83,837	716	0.9
	1973	98,419	99,421	1,002	1.0
	1974	118,387	119,760	1,373	1.2
	1975	135,595	137,238	1,643	1.2
	1976	155,619	157,081	1,462	0.9
Catalogue 13-201 Annual, <i>National Income and Expenditure Accounts</i> , Annual Estimates, 1977-1980	1977	169,784	171,847	2,063	1.2
	1978	190,225	191,816	1,591	0.8
	1979	218,917	221,120	2,203	1.0
	1980	247,047	250,030	2,983	1.2
Catalogue 13-201 Annual, <i>National Income and Expenditure Accounts</i> , Annual Estimates, 1980-1991	1981	278,687	280,772	2,085	0.7
	1982	290,828	292,830	2,002	0.7
	1983	316,275	318,202	1,927	0.6
Catalogue 13-201 XPB, <i>National Income and Expenditure Accounts</i> , Annual Estimates, 1984-1995	1984	350,274	349,978	-296	-0.1
	1985	374,805	377,740	2,935	0.8
	1986	390,435	392,427	1,992	0.5
	1987	426,052	427,236	1,184	0.3
	1988	471,975	471,579	-396	-0.1
	1989	502,383	500,147	-2,236	-0.4
	1990	512,967	512,091	-876	-0.2
	1991	513,089	510,580	-2,509	-0.5
	1992	518,545	516,322	-2,223	-0.4

⁹ For previously published series, see *National Income and Expenditure Accounts*, Annual Estimates, Catalogue 13-531 Occasional, 1926-86; Catalogue 13-201 Annual, 1977-1988; Catalogue 13-201 Annual, 1980-91; and Catalogue 13-201XPB, 1984-1995. For historical revision data, see *National Economic and Financial Accounts*, Catalogue (13-001) SPB, 1961-1992.

Table G: Changes from the Previously Published Data to the Revised Series for Net Domestic Product at Factor Cost and Gross Domestic Product at Market Prices, 1961-1992

(\$Millions)

Year (1)	Net Domestic Product at Factor Cost (see table G) (2)	Gross Domestic Product at Market Prices (see table 1) (3)	Difference (4)
1961	355	367	12
1962	312	347	35
1963	315	319	4
1964	361	360	-1
1965	524	221	-303
1966	473	380	-93
1967	509	521	12
1968	611	769	158
1969	627	646	19
1970	718	1583	865
1971	610	1339	729
1972	716	1223	507
1973	1002	1367	365
1974	1373	1671	298
1975	1643	1955	312
1976	1462	1972	510
1977	2063	2654	591
1978	1591	3542	1951
1979	2203	3489	1286
1980	2983	5352	2369
1981	2085	4497	2412
1982	2002	5293	3291
1983	1927	5440	3513
1984	296	4512	4216
1985	2935	7149	4214
1986	1992	6130	4138
1987	1184	6505	5321
1988	-396	5883	6279
1989	-2236	5445	7681
1990	-876	8668	9544
1991	-2509	6763	9272
1992	-2223	8421	10644

Chart 1: Changes from the Previously Published Data to the Revised Series for Net Domestic Product at Factor Cost and Gross Domestic Product at Market Prices, 1961-1992

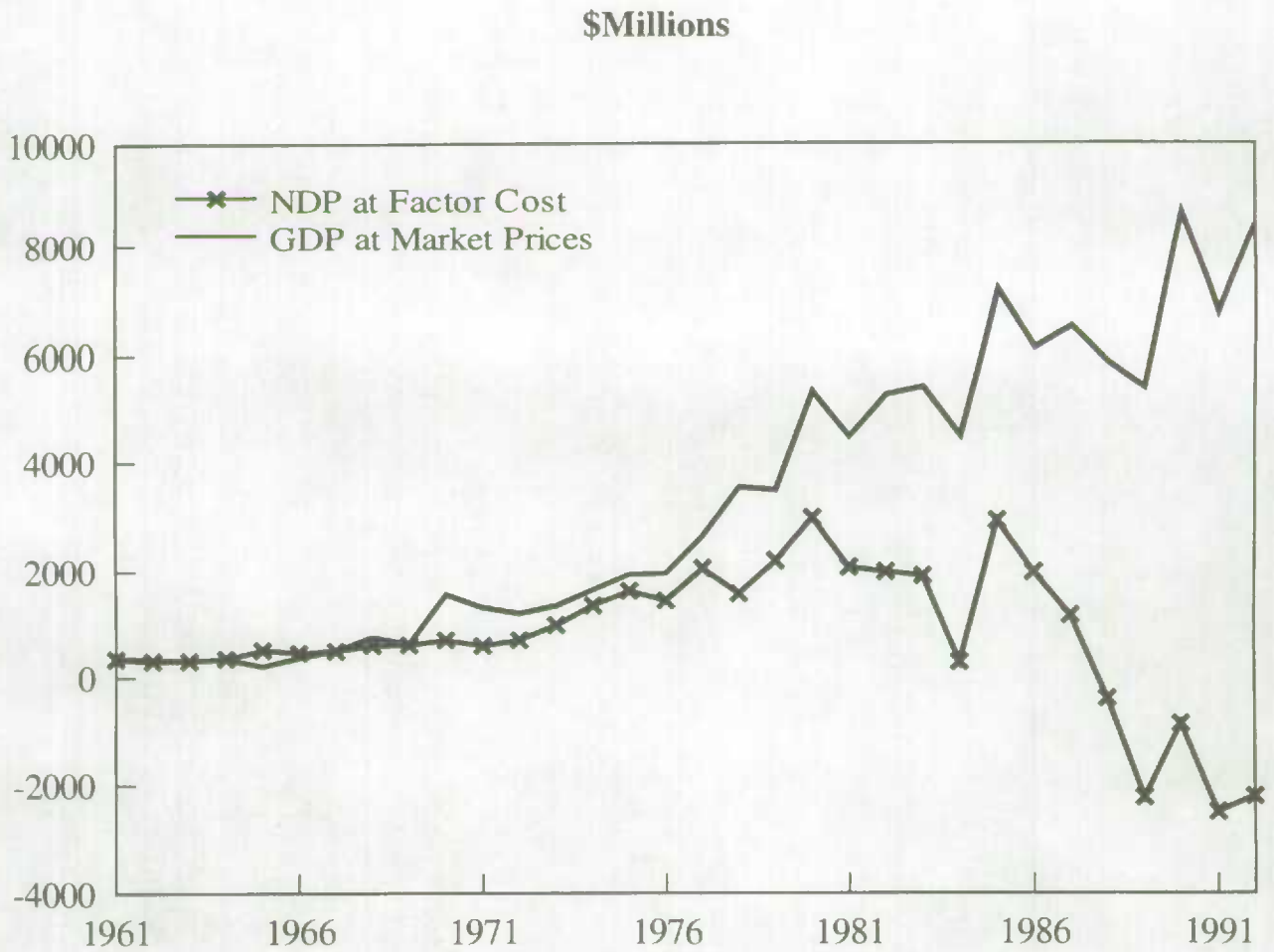


Table H: Final Domestic Demand,¹⁰ 1961-1992
(\$Millions)

Year (1)	Previously Published (2)	Historical Revision (3)	Changes (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1961	41165	41438	273	0.7
1962	43809	44133	324	0.7
1963	46719	47041	322	0.7
1964	51236	51544	308	0.6
1965	56648	56949	301	0.5
1966	63517	63898	381	0.6
1967	68408	69049	641	0.9
1968	74019	74714	695	0.9
1969	81423	82233	810	1.0
1970	87312	88315	1003	1.1
1971	96069	97266	1197	1.2
1972	107035	108349	1314	1.2
1973	123778	125208	1430	1.2
1974	147491	149450	1959	1.3
1975	172677	174920	2243	1.3
1976	196481	198454	1973	1.0
1977	217192	220313	3121	1.4
1978	239392	243485	4093	1.7
1979	269111	273697	4586	1.7
1980	303954	309355	5401	1.8
1981	351102	355367	4265	1.2
1982	370491	374163	3672	1.0
1983	397250	401245	3995	1.0
1984	425433	430205	4772	1.1
1985	464220	470262	6042	1.3
1986	499167	504737	5570	1.1
1987	545322	550162	4840	0.9
1988	597199	601798	4599	0.8
1989	649116	651527	2411	0.4
1990	675852	679886	4034	0.6
1991	688846	693040	4194	0.6
1992	701770	709247	7477	1.1

¹⁰For previously published series, see *National Income and Expenditure Accounts*, Annual Estimates, Catalogue 13-531 Occasional, 1926-86; Catalogue 13-201 Annual, 1977-1988; Catalogue 13-201 Annual, 1980-91; and Catalogue 13-201XPB, 1984-1995. For historical revision data, see *National Economic and Financial Accounts*, Catalogue (13-001) SPB, 1961-1992.

Table J: Changes in Final Domestic Demand and Gross Domestic Product at Market Prices, 1961-1992

(\$Millions)

Year (1)	Gross Domestic Product at Market Prices (2) (see table 1)	Final Domestic Demand (3) (see Table H)	Difference (4) = (2)-(3)
1961	367	273	94
1962	347	324	23
1963	319	322	-3
1964	360	308	52
1965	221	301	-80
1966	380	381	-1
1967	521	641	-120
1968	769	695	74
1969	646	810	-164
1970	1583	1003	580
1971	1339	1197	142
1972	1223	1314	-91
1973	1367	1430	-63
1974	1671	1959	-288
1975	1955	2243	-288
1976	1972	1973	-1
1977	2054	3121	-1067
1978	3542	4093	-551
1979	3489	4586	-1097
1980	5352	5401	-49
1981	4497	4265	232
1982	5293	3672	1621
1983	5440	3995	1445
1984	4512	4772	-260
1985	7149	6042	1107
1986	6130	5570	560
1987	6505	4840	1665
1988	5883	4599	1284
1989	5445	2411	3034
1990	8668	4034	4634
1991	6763	4194	2569
1992	8421	7477	944

Chart 2: Changes in Final Domestic Demand and Gross Domestic Product
At Market Prices, 1961-1992
\$Millions

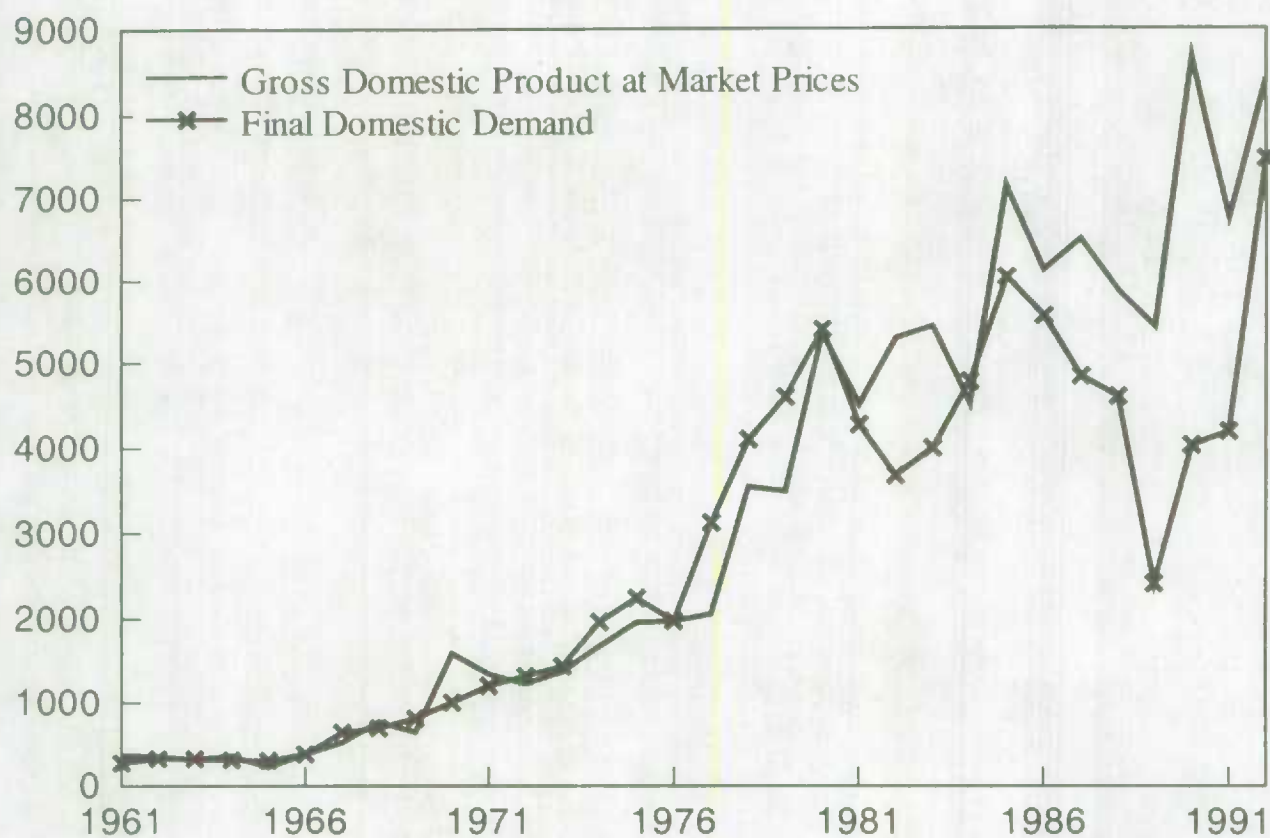


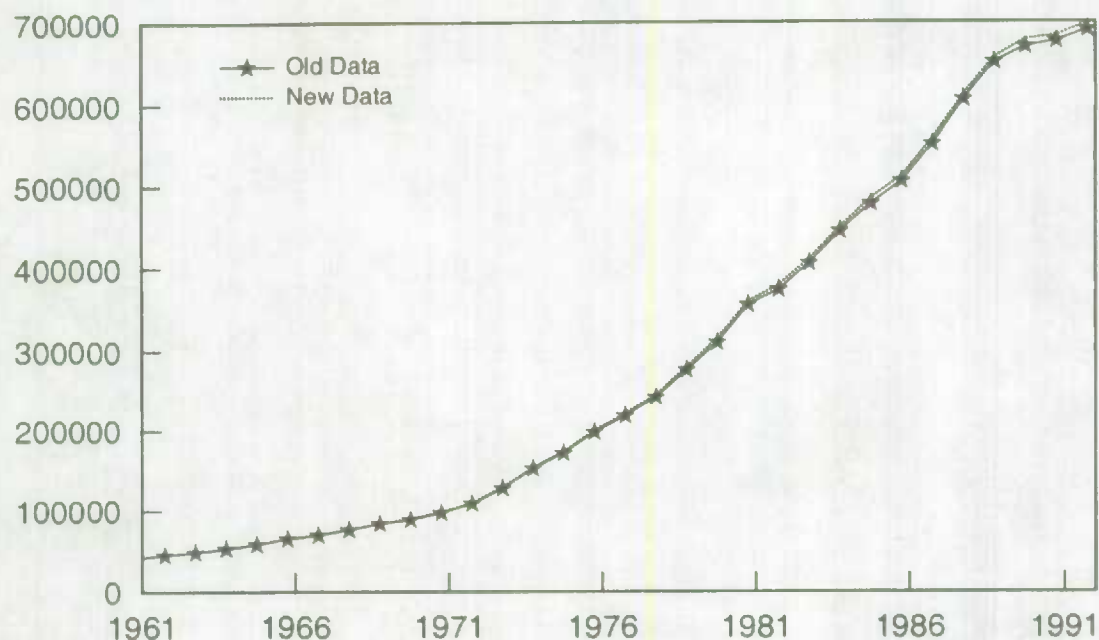
Table 1: Total Gross Domestic Product at Market Prices, 1961-92
 (\$Millions)

Year (1)	Old Data (2)	New Data (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1961	40886	41253	367	0.9
1962	44518	44755	237	0.5
1963	47740	48059	319	0.7
1964	52293	52653	360	0.7
1965	57829	58050	221	0.4
1966	64563	64943	380	0.6
1967	69313	69834	521	0.8
1968	75516	76285	769	1.0
1969	83360	84006	646	0.8
1970	88784	90367	1583	1.8
1971	97291	98630	1339	1.4
1972	108901	110124	1223	1.1
1973	127829	129196	1367	1.1
1974	152619	154290	1671	1.1
1975	171938	173893	1955	1.1
1976	198324	200296	1972	1.0
1977	218704	221358	2654	1.2
1978	241984	245526	3542	1.5
1979	276096	280309	4213	1.5
1980	309893	315245	5352	1.7
1981	355995	360492	4497	1.3
1982	374440	379733	5293	1.4
1983	405721	411161	5440	1.3
1984	444736	449248	4512	1.0
1985	477989	485138	7149	1.5
1986	505665	511794	6129	1.2
1987	551600	558105	6505	1.2
1988	605904	611787	5883	1.0
1989	650746	656191	5445	0.8
1990	669467	678135	8668	1.3
1991	676476	683239	6763	1.0
1992	690122	698543	8421	1.2

Sources: For previously published series, see *National Income and Expenditure Accounts*, Annual Estimates, Catalogue 13-531 Occasional, 1926-86; Catalogue 13-201 Annual, 1977-1988; Catalogue 13-201 Annual, 1980-91; and Catalogue 13-201XPB, 1984-1995. For historical revision data, see *National Economic and Financial Accounts*, Catalogue (13-001) SPB, 1961-1992.

Chart 3: Gross Domestic Product at Market Prices, 1961-92

millions of dollars

**Chart 4: Changes to the Gross Domestic Product at Market Prices, 1961-92**

millions of dollars

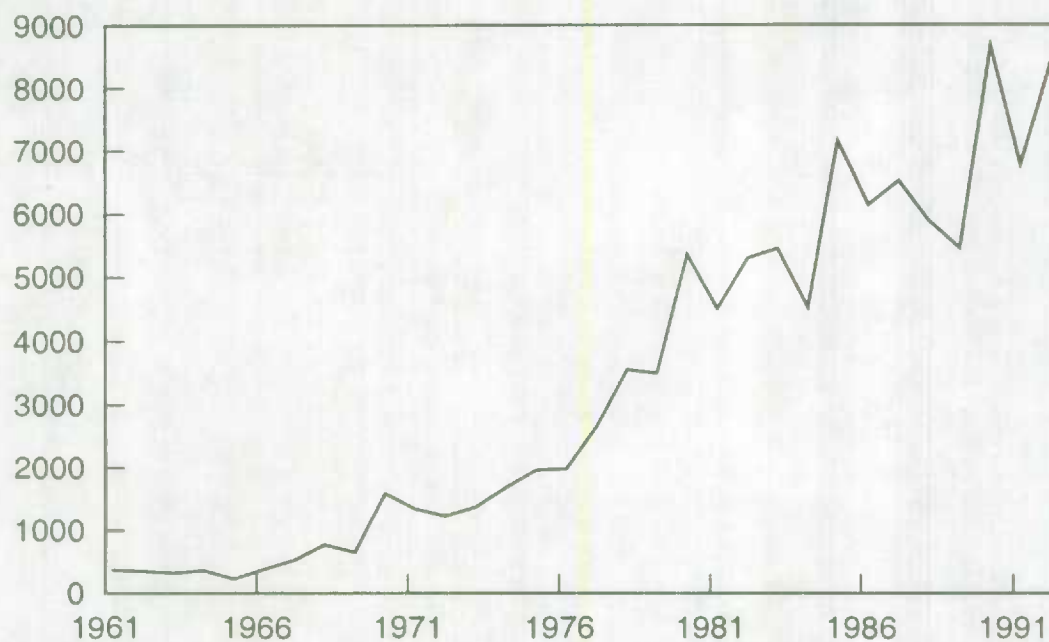


Table 2: Components of Income-based Gross Domestic Product At Market Prices

Previously Published Components				Historical Revision Components	
	Primary Inputs: Link Level #	Description		Primary Inputs: Link Level #	Description
1	624	Wages and Salaries	1	676	Wages and Salaries
2	625	Supplementary Labour Income	2	677	Supplementary Labour Income
3	626	Net Income of Unincorporated Business	3	678	Mixed Income
4	621	Commodity Indirect Taxes	4	672	Indirect Taxes on Products
5	623	Other Indirect Taxes	5	675	Indirect Taxes on Production
6	622	Subsidies	6	673	Subsidies on Products
			7	674	Subsidies on Production
7	627	Other Operating Surplus	8	679	Other Operating Surplus
8		Total Gross Domestic Product at Market Prices (1 to 7 above).	9		Total Gross Domestic Product at Market Prices (1 to 8 above).

Table 3: Components of Expenditure-Based Gross Domestic Product at Market Prices

Previously Published Components			Historical Revision Components		
	Final Demand Categories	Link Level		Final Demand Categories	Link Level
1	Personal Expenditure on Goods and Services	PE 1 to 40	1	Personal Expenditure on Goods and Services	PE 1 to 48
2	Government Current Expenditure on Goods and Services		2	Government Current Expenditure on Goods and Services	
	- Expenditure	GCE 1222 to 127		- Expenditure	GCE 154 to 159
	- Revenue (Negative entry)	GCE 131 to 136		Moved to Industries	
3	Gross Fixed Capital Formation		3	Gross Fixed Capital Formation	
	- Machinery and Equipment	M&E 41 to 79		- Machinery and Equipment	M&E 49 to 99
	- Construction	CON 80 to 119		- Construction	CON 100 to 151
4	Value of Physical Change in Inventories	INV 120 to 121	4	Value of Physical Change in Inventories	INV 152 to 153
5	Exports of Goods and Services	128 to 129	5	Exports of Goods and Services	160 to 161
6	Imports Goods and Services (Negative entry)	130	6	Imports of Goods and Services (Negative entry)	162
7	Total Gross Domestic Product at Market Prices (items to 6 above)		7	Total Gross Domestic Product at Market Prices (items 1 to 6 above)	

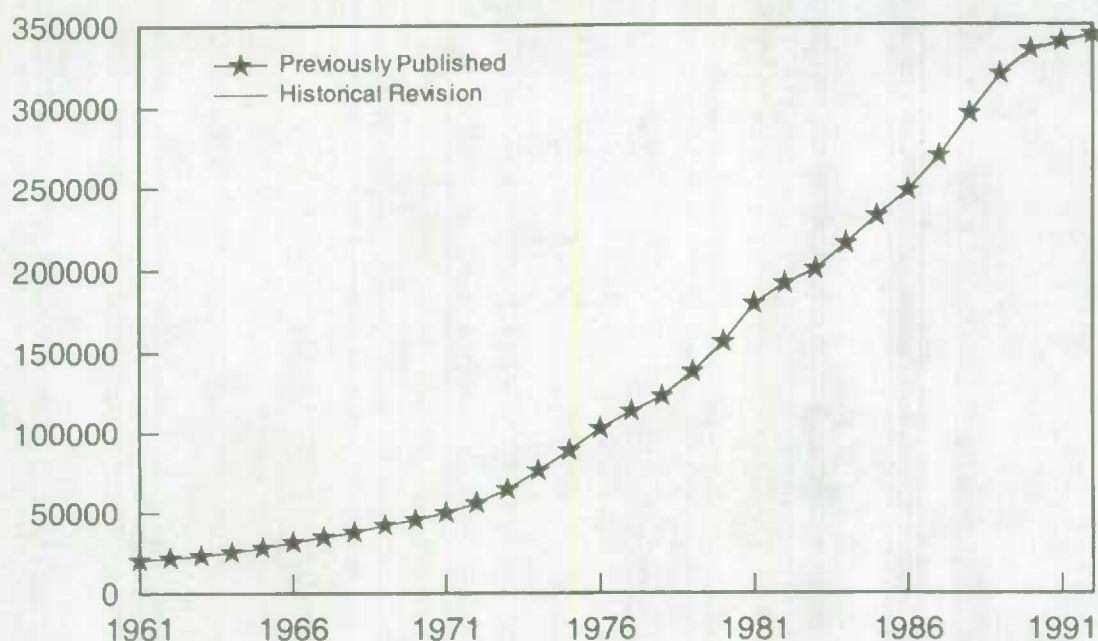
Table 4: Wages and Salaries¹¹, 1961-92
(\$Millions)

Years (1)	Previously Published (2)	Historical Revision (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1961	20192	20147	-45	-0.2
1962	21727	21679	-48	-0.2
1963	23164	23111	-53	-0.2
1964	25296	25240	-56	-0.2
1965	28139	28077	-62	-0.2
1966	31537	31418	-119	-0.4
1967	34903	34774	-129	-0.4
1968	37837	37704	-133	-0.4
1969	42304	42161	-143	-0.3
1970	45816	45667	-149	-0.3
1971	50209	50048	-161	-0.3
1972	56198	56018	-180	-0.3
1973	64745	64536	-209	-0.3
1974	76752	76536	-216	-0.3
1975	89210	88972	-238	-0.3
1976	102761	102475	-286	-0.3
1977	113475	113155	-320	-0.3
1978	123034	122639	-395	-0.3
1979	138410	137960	-450	-0.3
1980	156819	156401	-418	-0.3
1981	179966	179634	-332	-0.2
1982	192017	191607	-410	-0.2
1983	200450	200078	-372	-0.2
1984	215698	215286	-412	-0.2
1985	232256	231829	-427	-0.2
1986	247942	247343	-599	-0.2
1987	269469	268756	-713	-0.3
1988	295620	294840	-780	-0.3
1989	319638	318716	-922	-0.3
1990	334389	333460	-929	-0.3
1991	339424	338525	-899	-0.3
1992	343916	343069	-847	-0.2

¹¹ The details for the conceptual changes made in the historical revision are explained in Chapter IV with an illustration for the impact on the GDP using 1992 data.

Chart 5: Wages and Salaries, 1961-92

Millions of dollars

**Chart 6: Changes to Wages and Salaries, 1961-92**

Millions of dollars

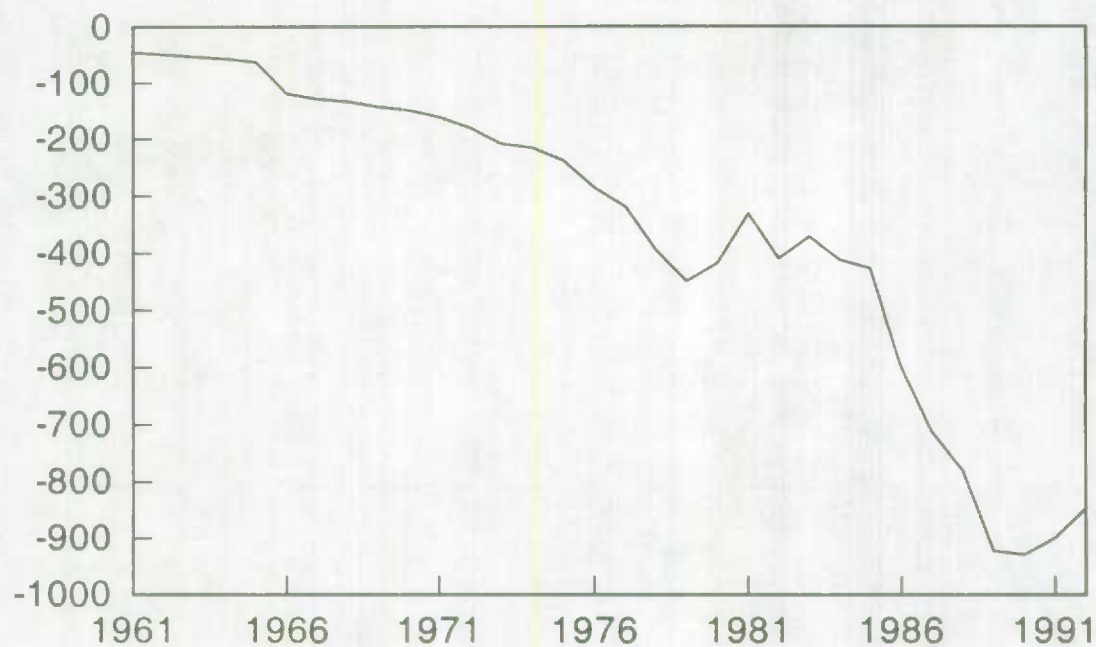


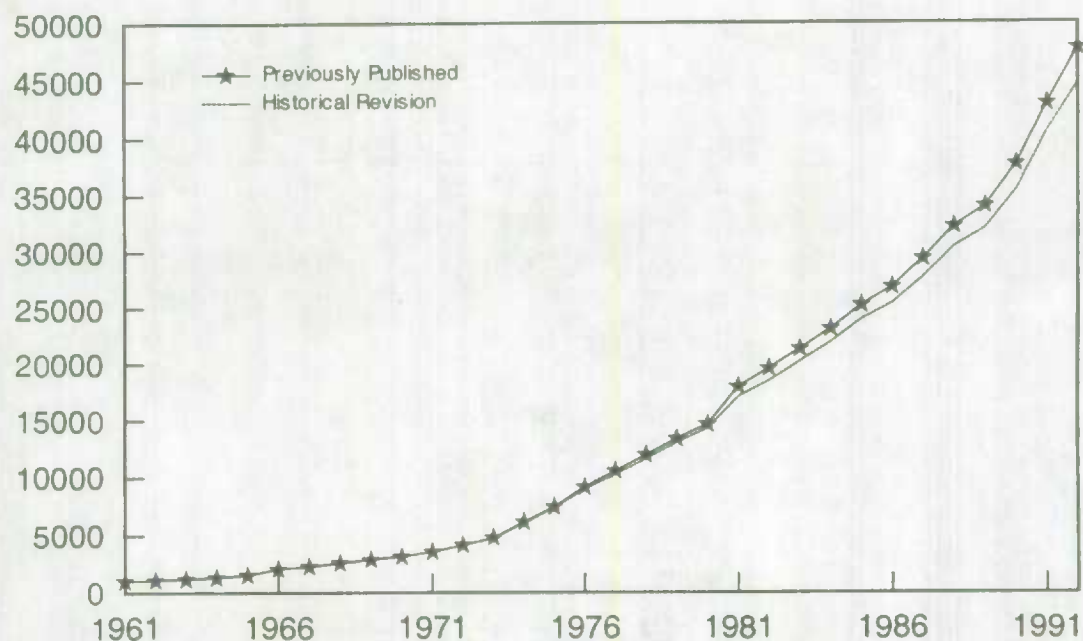
Table 5: Supplementary Labour Income¹², 1961-92
(\$Millions)

Year (1)	Previously Published (2)	Historical Revision (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1961	1000	1036	36	3.6
1962	1065	1106	41	3.8
1963	1162	1208	46	4.0
1964	1289	1340	51	4.0
1965	1494	1553	59	3.9
1966	2042	2089	47	2.3
1967	2247	2293	46	2.0
1968	2548	2593	45	1.8
1969	2857	2904	47	1.6
1970	3136	3185	49	1.6
1971	3549	3508	-41	-1.2
1972	4143	4090	-53	-1.3
1973	4776	4708	-68	-1.4
1974	6115	6034	-81	-1.3
1975	7413	7332	-81	-1.1
1976	9123	8937	-186	-2.0
1977	10546	10234	-312	-3.0
1978	11899	11576	-323	-2.7
1979	13326	12985	-341	-2.6
1980	14605	14241	-364	-2.5
1981	17944	17082	-862	-4.8
1982	19587	18477	-1110	-5.7
1983	21350	20204	-1146	-5.4
1984	23151	21963	-1188	-5.1
1985	25262	23996	-1266	-5.0
1986	26859	25412	-1447	-5.4
1987	29365	27686	-1679	-5.7
1988	32203	30409	-1794	-5.6
1989	33994	32026	-1968	-5.8
1990	37698	35431	-2267	-6.0
1991	42954	40567	-2387	-5.6
1992	47703	44720	-2983	-6.3

¹² The details for the conceptual changes made in the historical revision are explained in Chapter IV with an illustration for the impact on the GDP using 1992 data.

Chart 7: Supplementary Labour Income, 1961-92

millions of dollars

**Chart 8: Changes to the Supplementary Labour Income, 1961-92**

millions of dollars

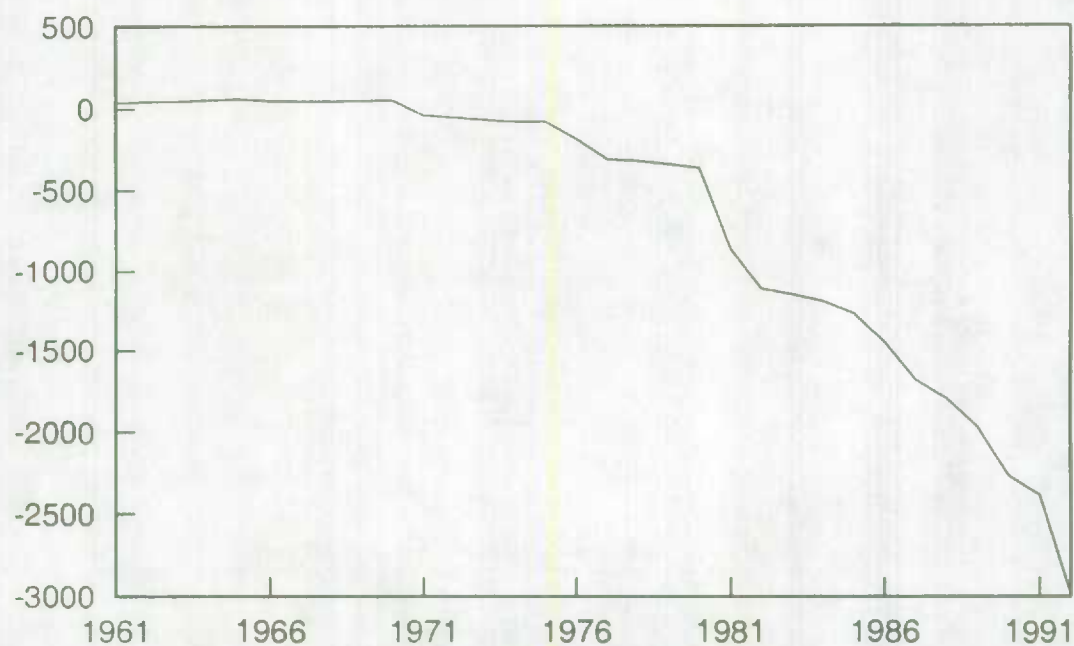


Table 6: Total Labour Income¹³, 1961-92
(Wages and Salaries + Supplementary Labour Income)

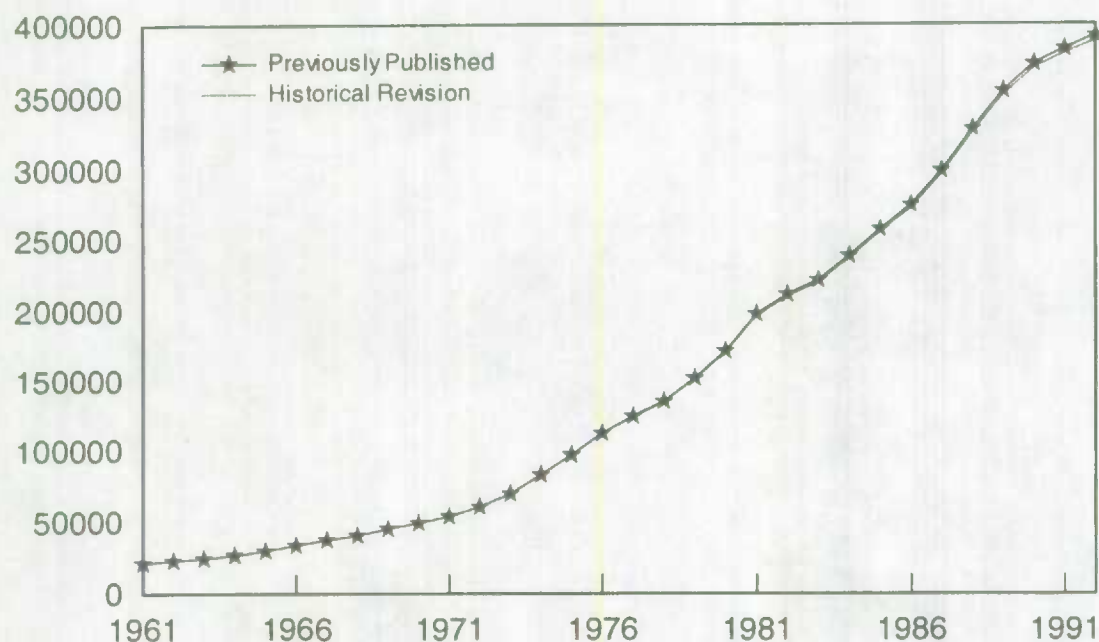
(\$Millions)

Year (1)	Previously Published (2)	Historical Revision (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1961	21192	21183	-9	0.0
1962	22792	22785	-7	0.0
1963	24326	24319	-7	0.0
1964	26585	26580	-5	0.0
1965	29633	29630	-3	0.0
1966	33579	33507	-72	-0.2
1967	37150	37067	-83	-0.2
1968	40385	40297	-88	-0.2
1969	45161	45065	-96	-0.2
1970	48952	48852	-100	-0.2
1971	53758	53556	-202	-0.4
1972	60341	60108	-233	-0.4
1973	69521	69244	-277	-0.4
1974	82867	82570	-297	-0.4
1975	96623	96304	-319	-0.3
1976	111884	111412	-472	-0.4
1977	124021	123389	-632	-0.5
1978	134933	134215	-718	-0.5
1979	151736	150945	-791	-0.5
1980	171424	170642	-782	-0.5
1981	197910	196716	-1194	-0.6
1982	211604	210084	-1520	-0.7
1983	221800	220282	-1518	-0.7
1984	238849	237249	-1600	-0.7
1985	257518	255825	-1693	-0.7
1986	274801	272755	-2046	-0.7
1987	298834	296442	-2392	-0.8
1988	327823	325249	-2574	-0.8
1989	353632	350742	-2890	-0.8
1990	372087	368891	-3196	-0.9
1991	382378	379092	-3286	-0.9
1992	391619	387789	-3830	-1.0

¹³ The details for the conceptual changes made in the historical revision are explained in Chapter IV with an illustration for the impact on the GDP using 1992 data.

Chart 9: Total Labour Income, 1961-92

millions of dollars

**Chart 10: Changes to Total Labour Income, 1961-92**

millions of dollars

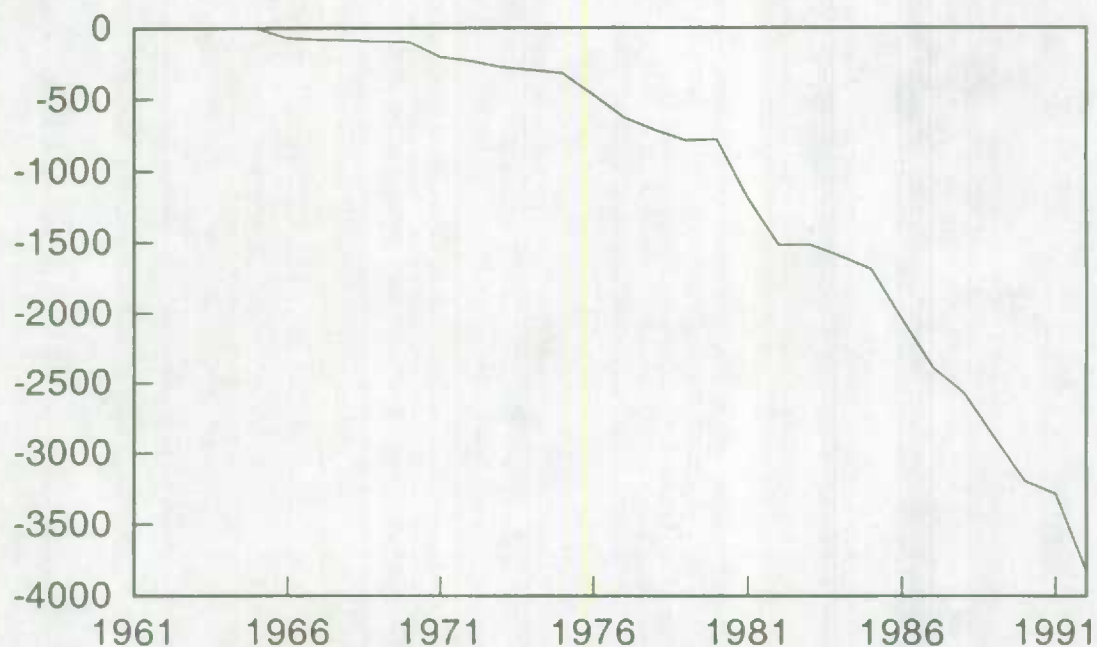


Table 7: Mixed Income (i.e. Accrued Net Income of Farm Operators and Net Income of Unincorporated Business)¹⁴, 1961-92

(\$Millions)

Year (1)	Previously Published (2)	Historical Revision (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1961	4405	4381	-24	-0.5
1962	5012	4985	-27	-0.5
1963	5442	5416	-26	-0.5
1964	5388	5366	-22	-0.4
1965	5689	5635	-54	-0.9
1966	6446	6391	-55	-0.9
1967	5948	5943	-5	-0.1
1968	6504	6479	-25	-0.4
1969	7004	7008	4	0.1
1970	7021	7063	42	0.6
1971	7577	7558	-19	-0.3
1972	7956	7878	-78	-1.0
1973	10037	9904	-133	-1.3
1974	11129	10924	-205	-1.8
1975	12080	11880	-200	-1.7
1976	12483	12188	-295	-2.4
1977	12588	12559	-29	-0.2
1978	14420	14588	168	1.2
1979	15561	15847	286	1.8
1980	16598	16752	154	0.9
1981	17853	17503	-350	-2.0
1982	20315	19175	-1140	-5.6
1983	23629	22728	-901	-3.8
1984	27307	25572	-1735	-6.4
1985	29255	28743	-512	-1.8
1986	32802	32423	-379	-1.2
1987	33867	32834	-1033	-3.1
1988	37143	36376	-767	-2.1
1989	37503	36818	-685	-1.8
1990	36924	37609	685	1.9
1991	37716	38665	949	2.5
1992	38965	41128	2163	5.6

¹⁴ The details for the conceptual changes made in the historical revision are explained in Chapter IV with an illustration for the impact on the GDP using 1992 data.

Chart 11: Mixed Income (i.e. Net Income of Unincorporated Business and farm operators), 1961-92

millions of dollars

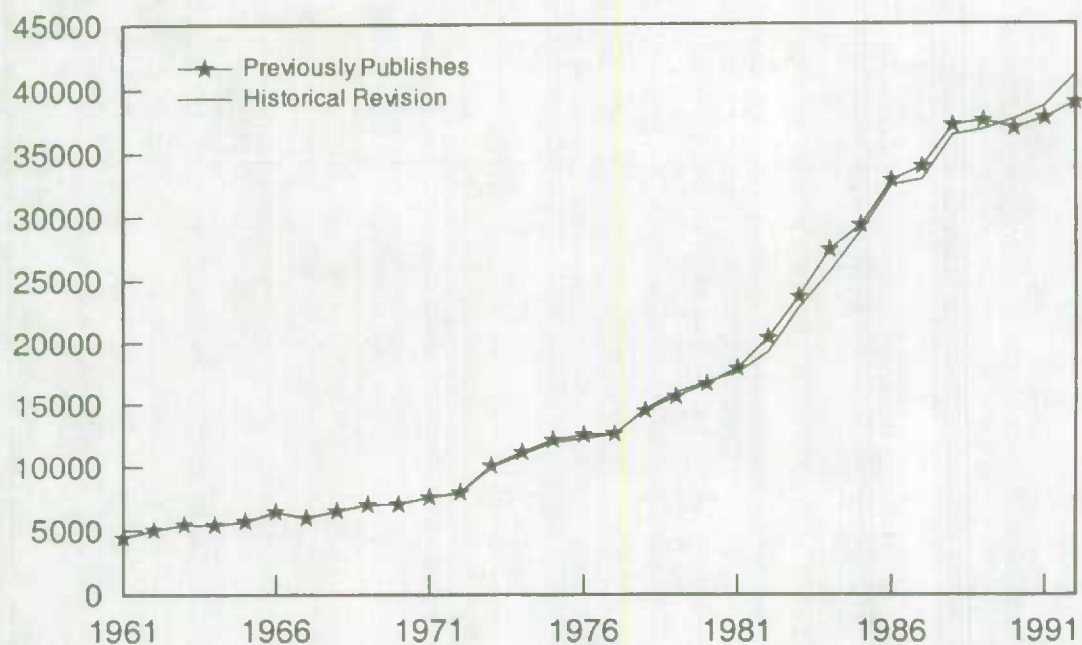


Chart 12: Changes to Mixed Income (i.e. Net Income of Unincorporated Business and farm operators), 1961-92

millions of dollars

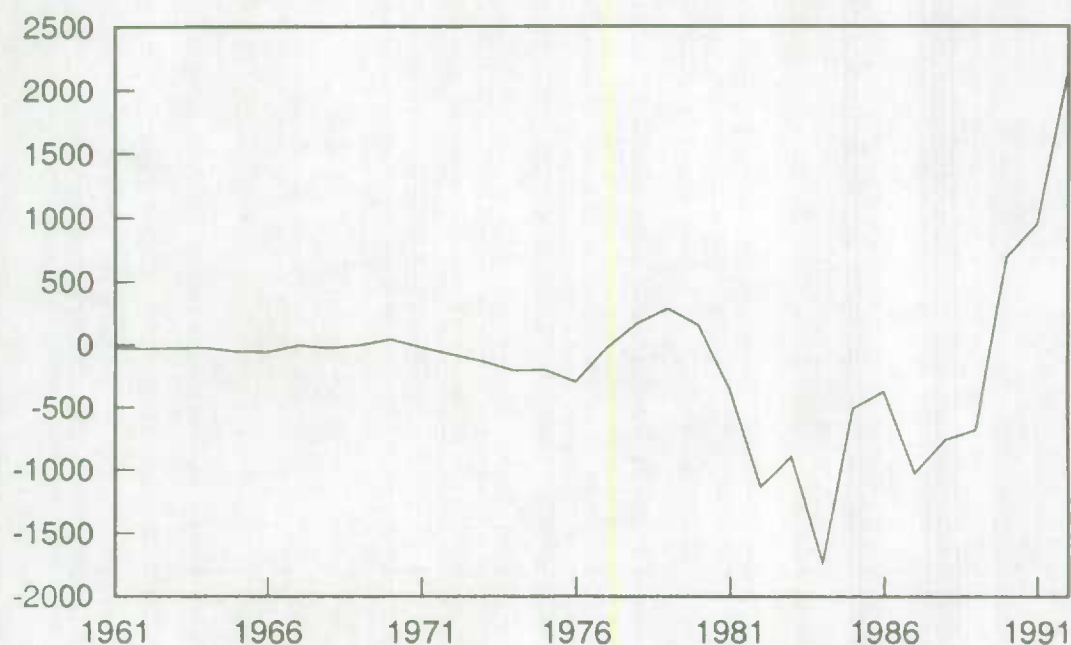


Table 7-A: Accrued Net Income of Farm Operators¹⁵, 1992
 (\$Million)

Year (1)	Previous (2)	Historical (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1961	840	839	-1	-0.1
1962	1379	1379	0	0.0
1963	1556	1558	2	0.1
1964	1328	1329	1	0.1
1965	1449	1450	1	0.1
1966	1999	2000	1	0.1
1967	1272	1272	0	0.0
1968	1367	1367	0	0.0
1969	1503	1503	0	0.0
1970	1341	1342	1	0.1
1971	1493	1442	-51	-3.4
1972	1482	1349	-133	-9.0
1973	2975	2828	-147	-4.9
1974	3732	3593	-139	-3.7
1975	3887	3731	-156	-4.0
1976	3378	3111	-267	-7.9
1977	2646	2420	-226	-8.5
1978	3281	3015	-266	-8.1
1979	3676	3103	-573	-15.6
1980	3690	3167	-523	-14.2
1981	3753	2823	-930	-24.8
1982	3455	2191	-1264	-36.6
1983	2568	1827	-741	-28.9
1984	3380	2099	-1281	-37.9
1985	2808	2839	31	1.1
1986	3946	3849	-97	-2.5
1987	2890	2073	-817	-28.3
1988	4275	3263	-1012	-23.7
1989	3042	1962	-1080	-35.5
1990	2065	2065	0	0.0
1991	1644	1643	-1	-0.1
1992	1730	1730	0	0.0

¹⁵ The details for the conceptual changes made in the historical revision are explained in Chapter IV with an illustration for the impact on the GDP using 1992 data.

Table 7-B: Net Income of Non-Farm Unincorporated Business¹⁶, 1992

(\$Million)

Year (1)	Previous (2)	Historical (3)	Change (4)=(3)-(2)	% (2) / (2)x100	(5)=(3)- (2)
1961	3565	3542	-23		-0.6
1962	3633	3606	-27		-0.7
1963	3886	3858	-28		-0.7
1964	4060	4037	-23		-0.6
1965	4240	4185	-55		-1.3
1966	4447	4391	-56		-1.3
1967	4676	4671	-5		-0.1
1968	5137	5112	-25		-0.5
1969	5501	5505	4		0.1
1970	5680	5721	41		0.7
1971	6084	6116	32		0.5
1972	6474	6529	55		0.8
1973	7062	7076	14		0.2
1974	7397	7331	-66		-0.9
1975	8193	8149	-44		-0.5
1976	9105	9077	-28		-0.3
1977	9942	10139	197		2.0
1978	11139	11573	434		3.9
1979	11885	12744	859		7.2
1980	12908	13585	677		5.2
1981	14100	14680	580		4.1
1982	16860	16984	124		0.7
1983	21061	20901	-160		-0.8
1984	23927	23473	-454		-1.9
1985	26447	25904	-543		-2.1
1986	28856	28574	-282		-1.0
1987	30977	30761	-216		-0.7
1988	32868	33113	245		0.7
1989	34461	34856	395		1.1
1990	34859	35544	685		2.0
1991	36072	37022	950		2.6
1992	37235	39398	2163		5.8

¹⁶ The details for the conceptual changes made in the historical revision are explained in Chapter IV with an illustration for the impact on the GDP using 1992 data.

Table 8: Total Indirect Taxes¹⁷, 1961-92

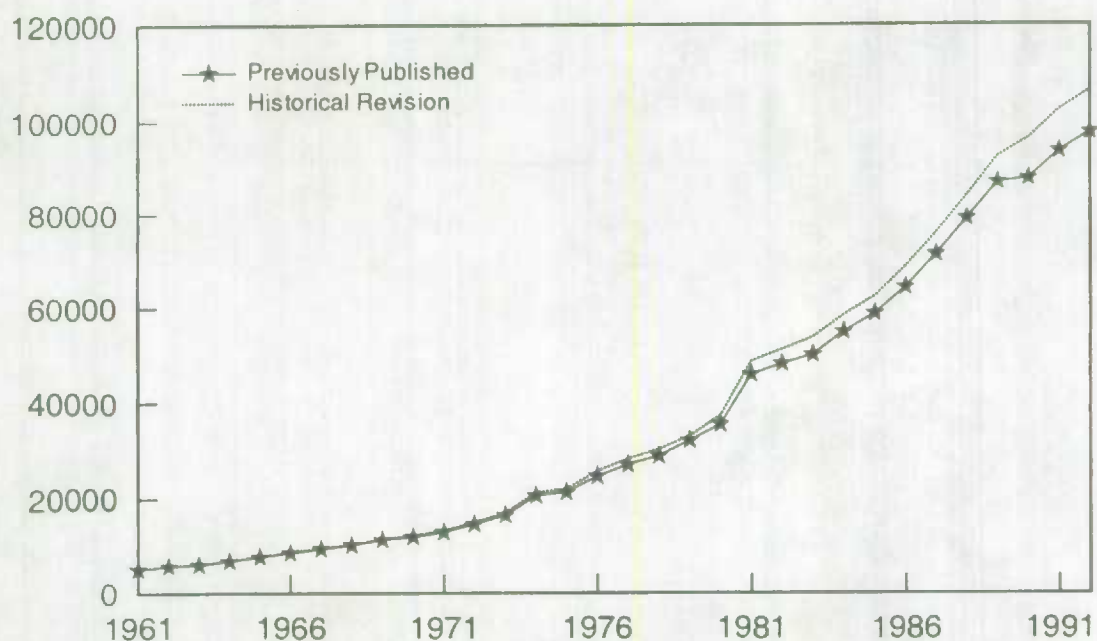
(\$Millions)

Year (1)	Previously Published (2)	Historical Revision (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1961	5112	5199	87	1.7
1962	5757	5837	80	1.4
1963	6062	6166	104	1.7
1964	6826	6966	140	2.1
1965	7674	7835	161	2.1
1966	8592	8763	171	2.0
1967	9402	9584	182	1.9
1968	10200	10414	214	2.1
1969	11304	11518	214	1.9
1970	11925	12228	303	2.5
1971	12918	13332	414	3.2
1972	14616	15007	391	2.7
1973	16525	17055	530	3.2
1974	20663	21300	637	3.1
1975	21287	22000	713	3.3
1976	24666	25678	1012	4.1
1977	27027	28248	1221	4.5
1978	28836	30225	1389	4.8
1979	32112	33053	941	2.9
1980	35505	37375	1870	5.3
1981	45956	48753	2797	6.1
1982	48248	51253	3005	6.2
1983	50150	53780	3630	7.2
1984	54957	58503	3546	6.5
1985	58789	62470	3681	6.3
1986	64338	68734	4396	6.8
1987	71365	75966	4601	6.4
1988	79030	84020	4990	6.3
1989	86868	92507	5639	6.5
1990	87694	96415	8721	9.9
1991	93636	102508	8872	9.5
1992	97742	106588	8846	9.1

¹⁷ The details for the conceptual changes made in the historical revision are explained in Chapter IV with an illustration for the impact on the GDP using 1992 data.

Chart 13: Total Indirect Taxes, 1961-92

millions of dollars

**Chart 14: Changes to Total Indirect Taxes, 1961-92**

millions of dollars

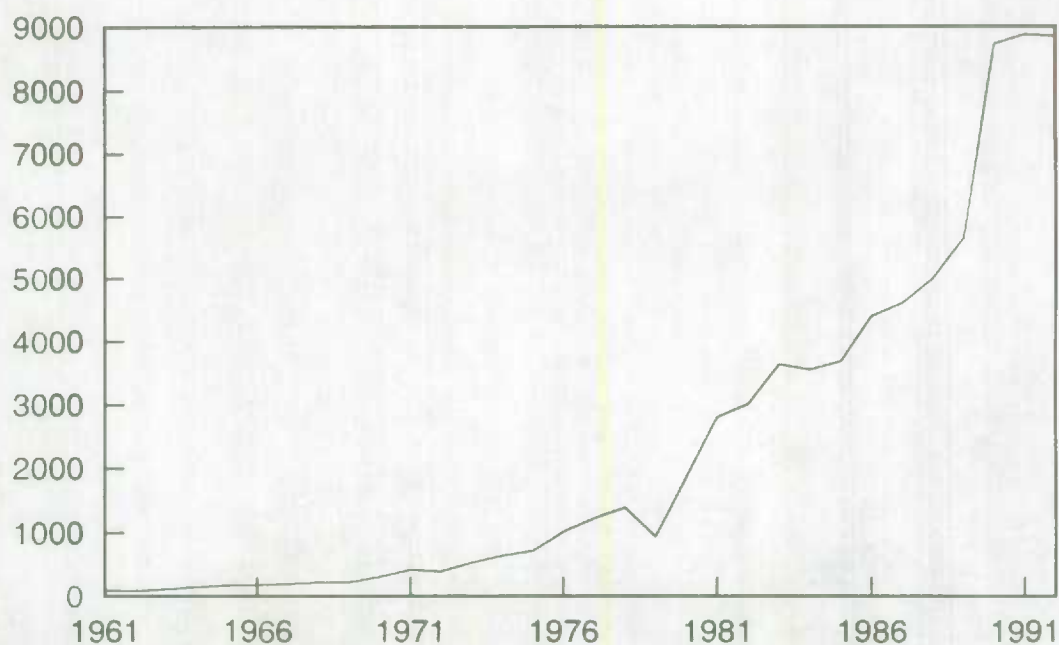


Table 9: Total Subsidies¹⁸, 1961-92

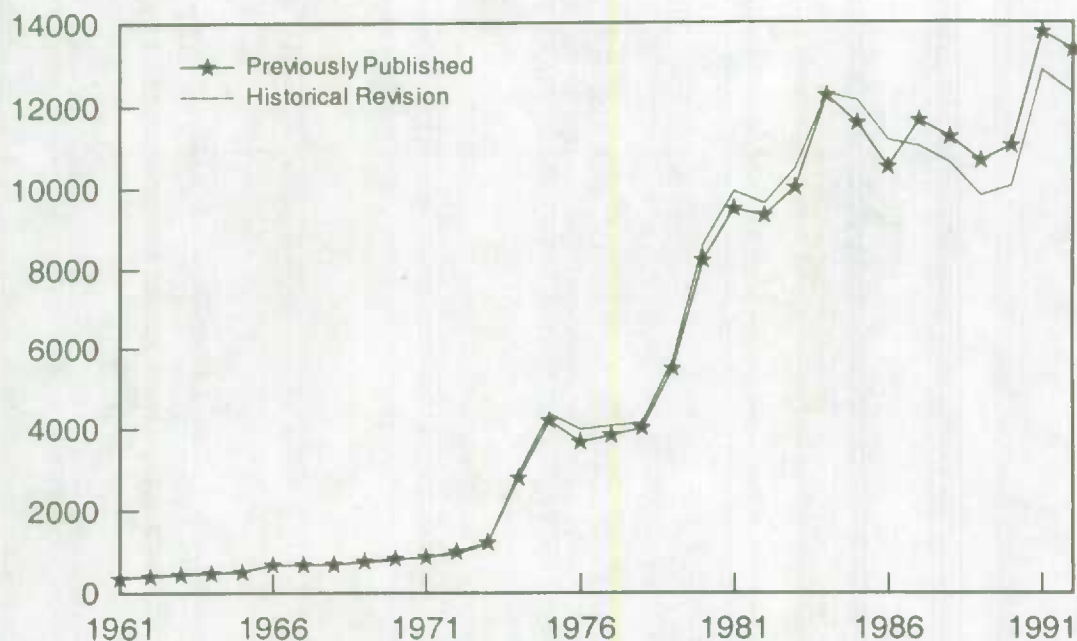
(\$Millions)

Year (1)	Previously Published (2)	Historical Revision (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1961	345	370	25	7.2
1962	388	418	30	7.7
1963	434	462	28	6.5
1964	469	499	30	6.4
1965	493	518	25	5.1
1966	674	684	10	1.5
1967	673	670	-3	-0.4
1968	680	681	1	0.1
1969	760	733	-27	-3.6
1970	830	785	-45	-5.4
1971	865	860	-5	-0.6
1972	989	930	-59	-6.0
1973	1214	1179	-35	-2.9
1974	2796	2921	125	4.5
1975	4200	4371	171	4.1
1976	3674	3985	311	8.5
1977	3839	4078	239	6.2
1978	4017	4146	129	3.2
1979	5477	5685	208	3.8
1980	8233	8627	394	4.8
1981	9499	9933	434	4.6
1982	9340	9635	295	3.2
1983	10015	10487	472	4.7
1984	12243	12295	52	0.4
1985	11577	12128	551	4.8
1986	10511	11173	662	6.3
1987	11646	11028	-618	-5.3
1988	11240	10611	-629	-5.6
1989	10654	9818	-836	-7.8
1990	11032	10051	-981	-8.9
1991	13758	12854	-904	-6.6
1992	13353	12324	-1029	-7.7

¹⁸ The details for the conceptual changes made in the historical revision are explained in Chapter IV with an illustration for the impact on the GDP using 1992 data.

Chart 15: Total Subsidies, 1961-92

millions of dollars

**Chart 16: Changes to Total Subsidies, 1961-92**

millions of dollars

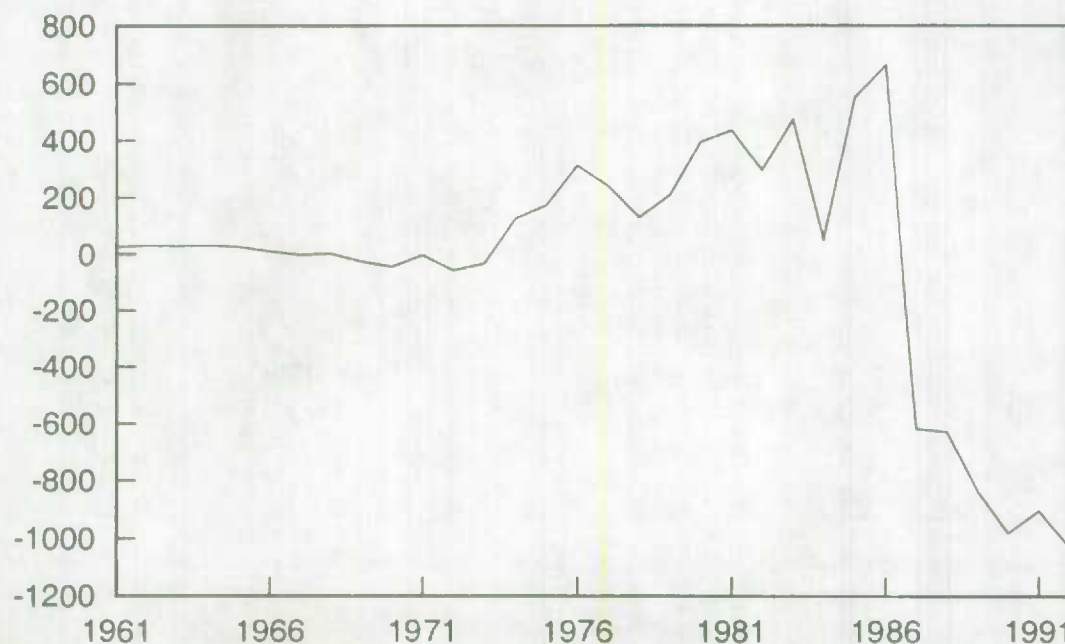


Table 10: Other Operating Surplus¹⁹ 1961-92 (i.e. Other than Mixed Income which includes Net Income of Unincorporated Business and Farm Operators) (\$Millions)

Year (1)	Previously Published (2)	Historical Revision (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1961	10523	10860	337	3.2
1962	11345	11566	221	1.9
1963	12344	12620	276	2.2
1964	13962	14240	278	2.0
1965	15327	15468	141	0.9
1966	16619	16966	347	2.1
1967	17486	17910	424	2.4
1968	19106	19776	670	3.5
1969	20650	21148	498	2.4
1970	21716	23009	1293	6.0
1971	23902	25044	1142	4.8
1972	26975	28061	1086	4.0
1973	32960	34172	1212	3.7
1974	40757	42417	1660	4.1
1975	46148	48080	1932	4.2
1976	52962	55003	2041	3.9
1977	58907	61240	2333	4.0
1978	67812	70644	2832	4.2
1979	82889	86149	3260	3.9
1980	94600	99103	4503	4.8
1981	103775	107453	3678	3.5
1982	103614	108856	5242	5.1
1983	120153	124858	4705	3.9
1984	135865	140219	4354	3.2
1985	144003	150228	6225	4.3
1986	144236	149055	4819	3.3
1987	159177	163891	4714	3.0
1988	173150	176753	3603	2.1
1989	183399	185942	2543	1.4
1990	183794	185271	1477	0.8
1991	176506	175828	-678	-0.4
1992	175149	175363	214	0.1

¹⁹ The details for the conceptual changes made in the historical revision are explained in Chapter IV with an illustration for the impact on the GDP using 1992 data. The component "Other Operating Surplus" is a residual item and as such it is the net result of the changes made in income and expenditure items.

Chart 17: Other Operating Surplus (i.e. Other than Mixed Income), 1961-92

millions of dollars

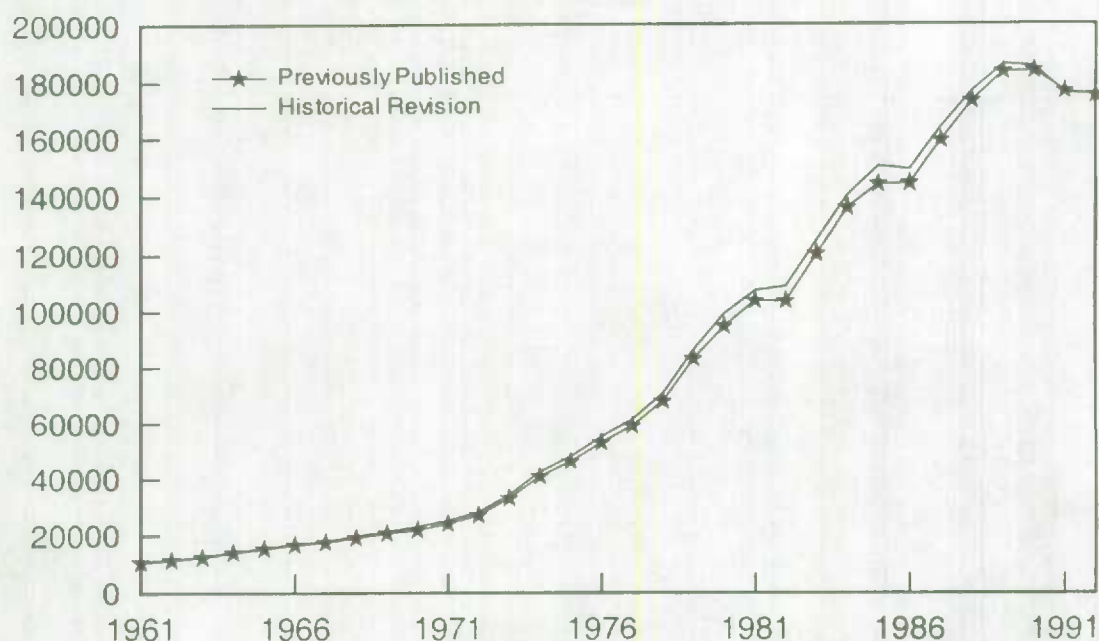


Chart 18: Changes to Other Operating Surplus (i.e. Other than Mixed Income), 1961-92

millions of dollars

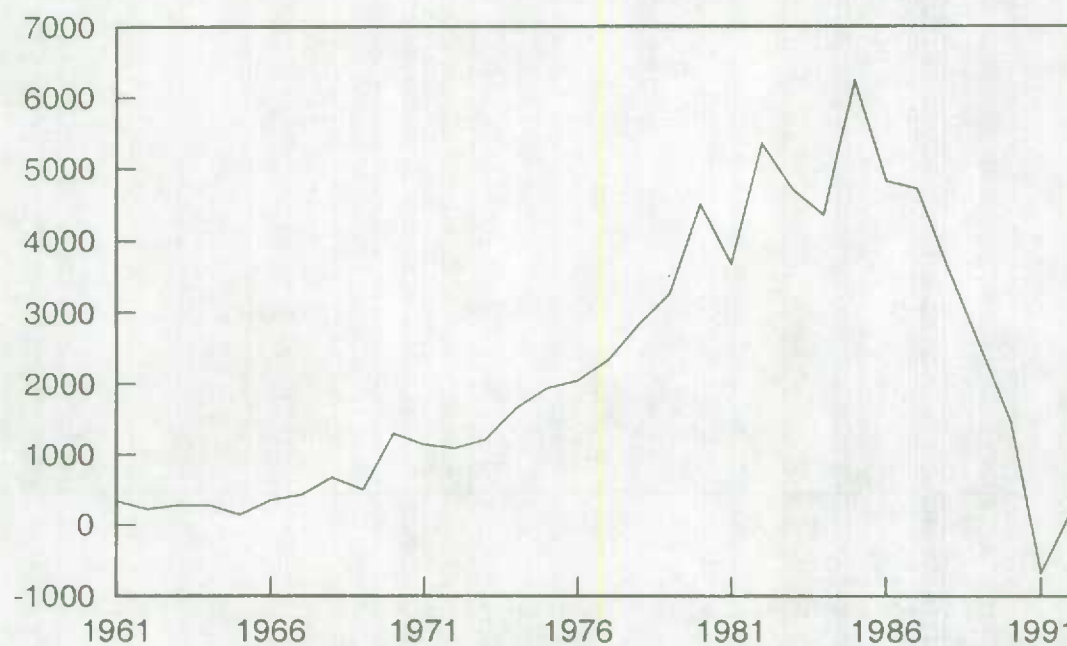


Table 11: Total Personal Expenditure on Consumer Goods and Services²⁰, 1961-92
(\$Millions)

Year (1)	Previously Published (2)	Historical Revision (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1961	26240	25954	-286	-1.1
1962	27985	27681	-304	-1.1
1963	29846	29480	-366	-1.2
1964	32042	31606	-436	-1.4
1965	34714	34229	-485	-1.4
1966	37952	37349	-603	-1.6
1967	41068	40351	-717	-1.7
1968	44842	44024	-818	-1.8
1969	49093	47989	-1104	-2.2
1970	51853	50608	-1245	-2.4
1971	56271	55072	-1199	-2.1
1972	63021	61621	-1400	-2.2
1973	72069	70496	-1573	-2.2
1974	84231	82189	-2042	-2.4
1975	97566	95022	-2544	-2.6
1976	111500	108120	-3380	-3.0
1977	123555	120570	-2985	-2.4
1978	137427	134771	-2656	-1.9
1979	153390	150598	-2792	-1.8
1980	172416	169127	-3289	-1.9
1981	196191	191114	-5077	-2.6
1982	210509	204843	-5666	-2.7
1983	231452	224907	-6545	-2.8
1984	251645	245114	-6531	-2.6
1985	274503	267582	-6921	-2.5
1986	297478	289559	-7919	-2.7
1987	322769	313419	-9350	-2.9
1988	349937	339728	-10209	-2.9
1989	378933	366851	-12082	-3.2
1990	399319	386913	-12406	-3.1
1991	411960	399932	-12028	-2.9
1992	422515	412940	-9575	-2.3

²⁰ The details of conceptual changes in the historical revision are explained in Chapter V with an illustration for the impact on the GDP using 1992 data.

Chart 19: Total Personal Expenditure on Consumer Goods and Services, 1961-92

millions of dollars

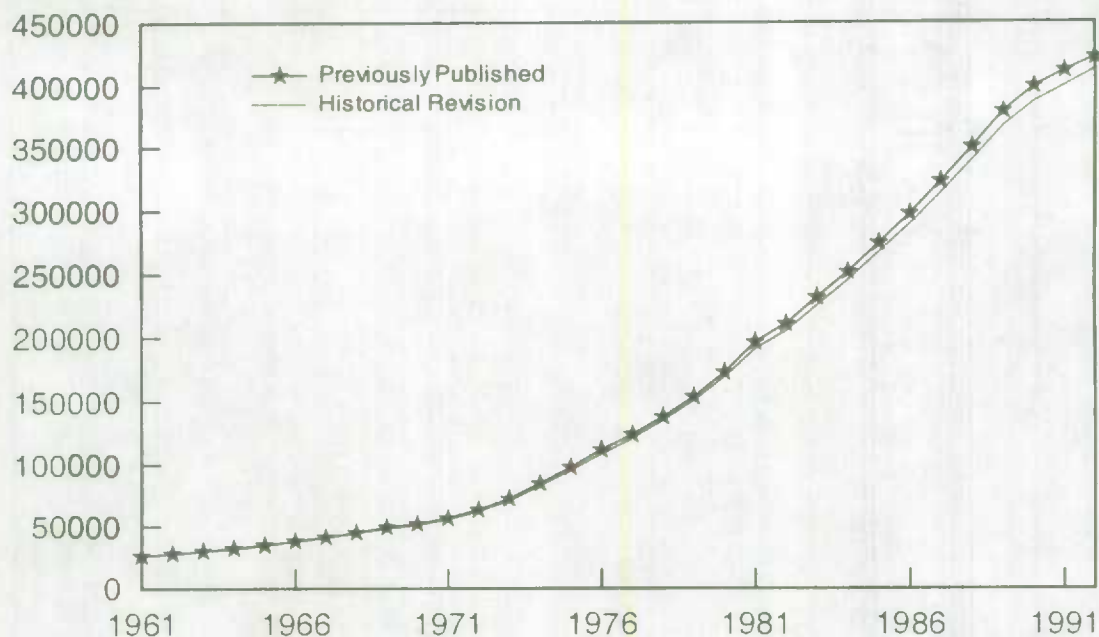
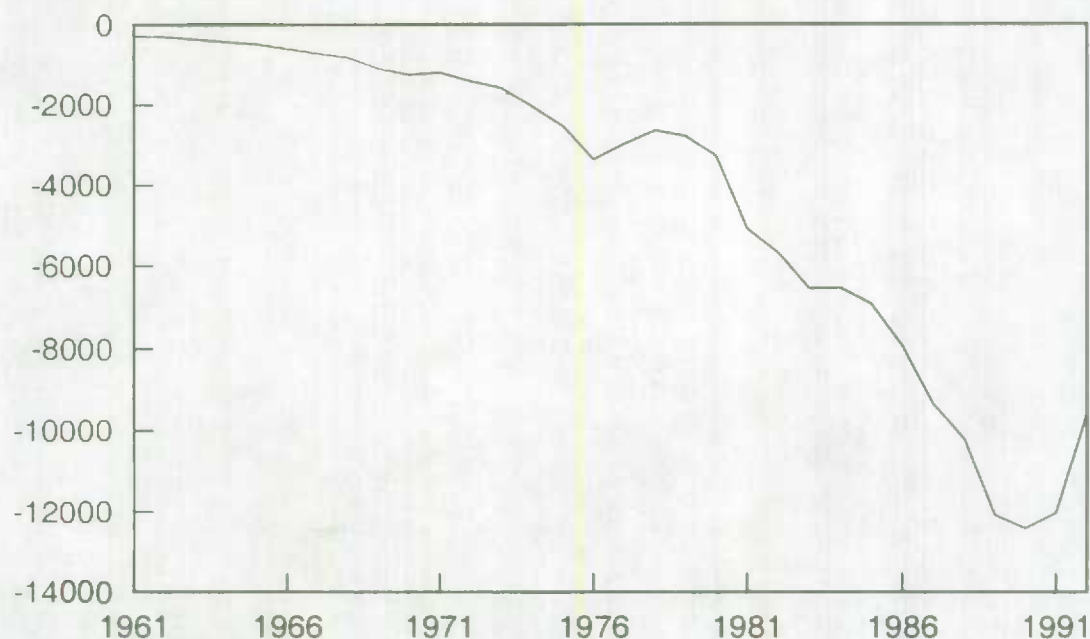


Chart 20: Changes to Total Personal Expenditure on Consumer Goods and Services, 1961-92

millions of dollars



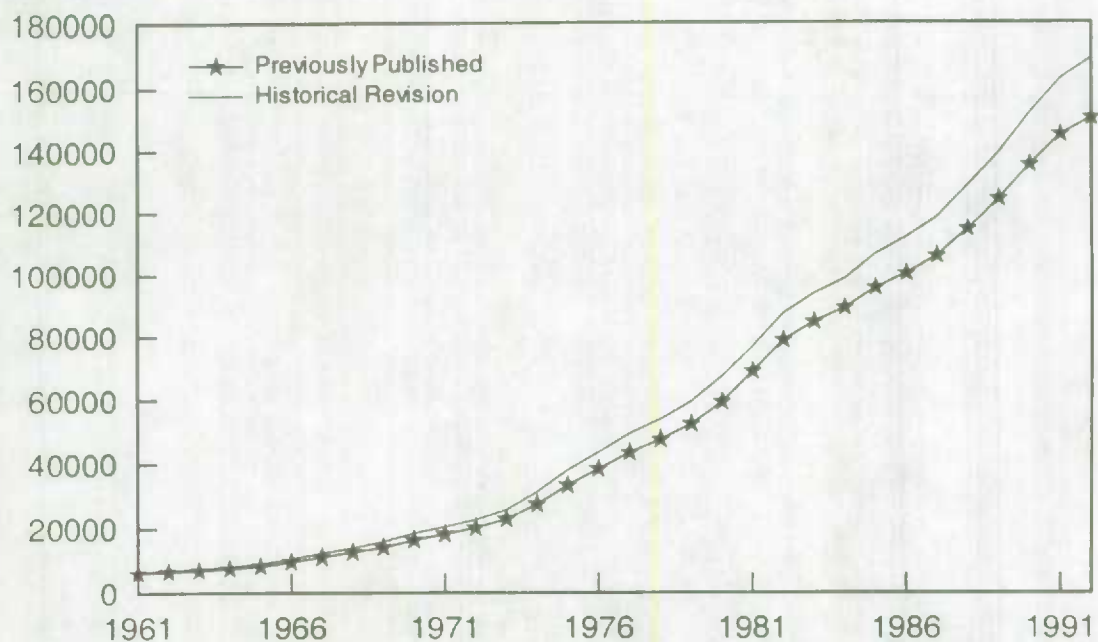
**Table 12: Net Government Current Expenditure on Goods and Services
(Gross Expenditure less Sales Revenue),²¹ 1961-92
(\$Millions)**

Year (1)	Previously Published (2)	Historical Revision (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1961	6166	6624	458	7.4
1962	6567	7130	563	8.6
1963	6923	7593	670	9.7
1964	7526	8278	752	10.0
1965	8269	9078	809	9.8
1966	9643	10669	1026	10.6
1967	11092	12399	1307	11.8
1968	12685	14078	1393	11.0
1969	14186	15963	1777	12.5
1970	16448	18542	2094	12.7
1971	18228	20462	2234	12.3
1972	20136	22703	2567	12.7
1973	22851	25735	2884	12.6
1974	27480	31246	3766	13.7
1975	33266	37903	4637	13.9
1976	38274	43499	5225	13.7
1977	43411	49349	5938	13.7
1978	47386	53738	6352	13.4
1979	52286	59270	6984	13.4
1980	59250	67290	8040	13.6
1981	68792	76742	7950	11.6
1982	78654	87260	8606	10.9
1983	84572	93730	9158	10.8
1984	89089	98467	9378	10.5
1985	95519	106424	10905	11.4
1986	100129	111861	11732	11.7
1987	105836	118333	12497	11.8
1988	114472	128408	13936	12.2
1989	124108	139000	14892	12.0
1990	135157	151977	16820	12.4
1991	144885	162765	17880	12.3
1992	150390	169262	18872	12.5

²¹ The details of conceptual changes in the historical revision are explained in Chapter V with an illustration for the impact on the GDP using 1992 data.

**Chart 21: Net Government Current Expenditure on Goods and Services
(Gross Expenditure less Sales Revenue), 1961-92**

millions of dollars



**Chart 22: Changes to Net Government Current Expenditure on
Goods and Services (Gross Expenditure less Sales Revenue), 1961-92**

millions of dollars

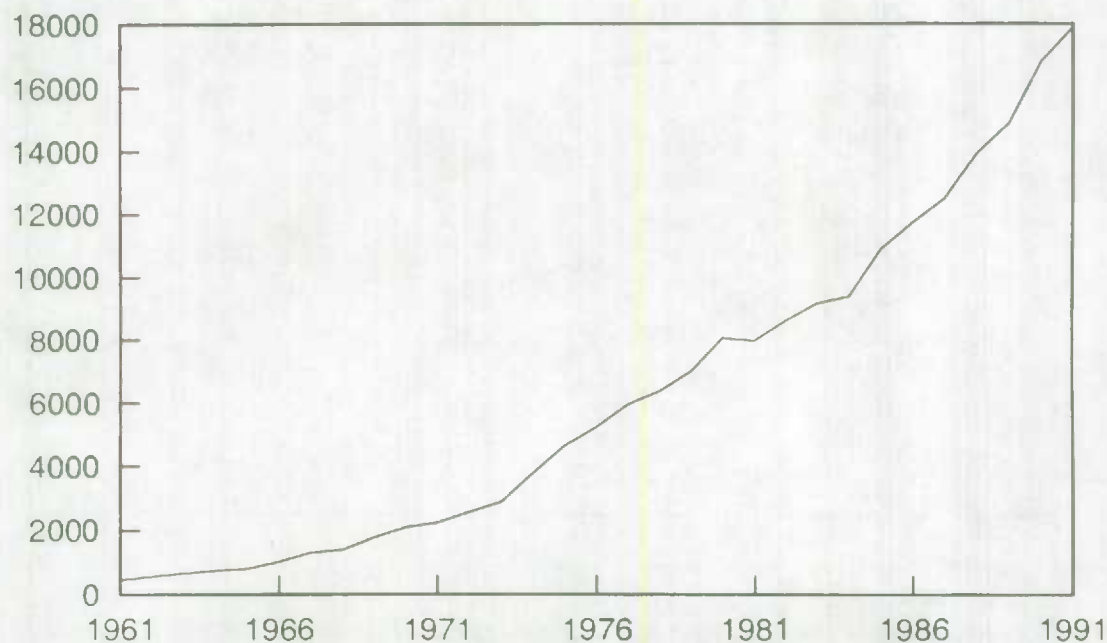


Table 13: Total Gross Fixed Capital Formation²², 1961-92
(\$Millions)

Year (1)	Previously Published (2)	Historical Revision (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1961	2165	2223	58	2.7
1962	2235	2294	59	2.6
1963	2360	2426	66	2.8
1964	2852	2923	71	2.5
1965	3128	3213	85	2.7
1966	3179	3274	95	3.0
1967	3442	3555	113	3.3
1968	4006	4135	129	3.2
1969	4771	4919	148	3.1
1970	4511	4659	148	3.3
1971	5607	5764	157	2.8
1972	6688	6883	195	2.9
1973	8430	8679	249	3.0
1974	10326	10614	288	2.8
1975	11062	11367	305	2.8
1976	14166	14510	344	2.4
1977	14911	15309	398	2.7
1978	15911	16351	440	2.8
1979	17010	17546	536	3.2
1980	17455	18099	644	3.7
1981	20631	21512	881	4.3
1982	17648	18218	570	3.2
1983	21423	22104	681	3.2
1984	22348	22952	604	2.7
1985	25238	25696	458	1.8
1986	30823	31068	245	0.8
1987	39539	39209	-330	-0.8
1988	43899	42851	-1048	-2.4
1989	49152	47247	-1905	-3.9
1990	44018	42246	-1772	-4.0
1991	39965	37353	-2612	-6.5
1992	43842	40387	-3455	-7.9

²² The details of conceptual changes in the historical revision are explained in Chapter V with an illustration for the impact on the GDP using 1992 data.

Chart 23: Total Gross Fixed Capital Formation, 1961-92

millions of dollars

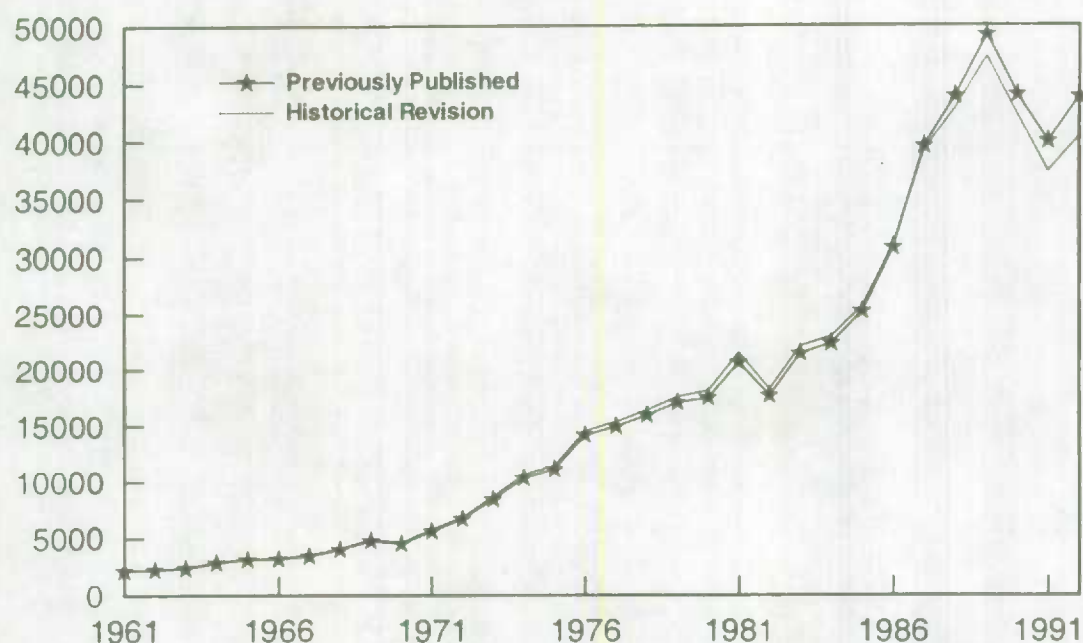


Chart 24: Changes to Total Gross Fixed Capital Formation, 1961-92

millions of dollars

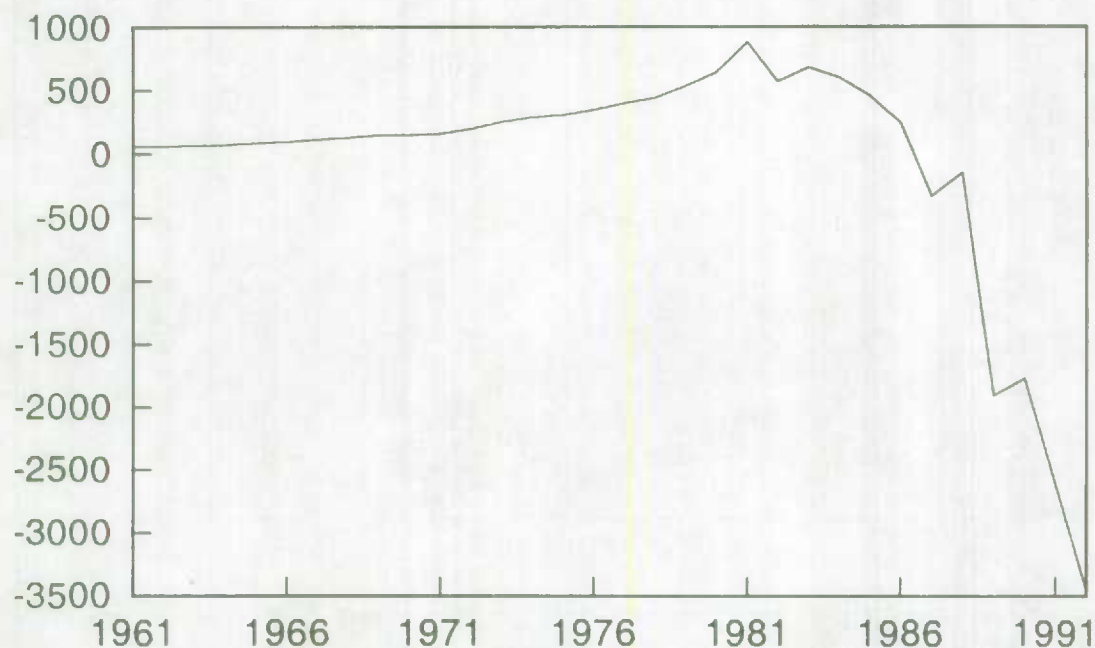


Table 14: Total Value of Physical Change in Inventories²³, 1961-92
(\$Millions)

Year (1)	Previously Published (2)	Historical Revision (3)	Change (4)=(3)-(2)	% (5)=(3)-(2)/(2)x100
1961	-125	23	148	-118.4
1962	747	718	-29	-3.9
1963	671	677	6	0.9
1964	554	493	-61	-11
1965	1294	1170	-124	-9.6
1966	1066	1026	-40	-3.8
1967	205	76	-129	-62.9
1968	517	645	128	24.8
1969	1798	1686	112	-6.2
1970	-776	-243	533	-68.7
1971	-419	-255	164	-39.1
1972	907	777	-130	-14.3
1973	2308	2171	-137	-5.9
1974	4689	4624	-65	-1.4
1975	1669	2016	347	20.8
1976	2870	3276	406	14.1
1977	1581	1429	-152	-9.6
1978	1492	1130	-362	-24.3
1979	5915	5045	-870	-14.7
1980	293	66	-227	-77.5
1981	1014	2514	1500	147.9
1982	-10103	-9225	878	-8.7
1983	-5142	-3483	1659	-32.3
1984	3900	3200	-700	-17.9
1985	2237	3577	1340	59.9
1986	1748	2082	334	19.1
1987	1363	1345	-18	-1.3
1988	5780	5265	-515	-8.9
1989	3806	4449	643	16.9
1990	-4079	-2639	1440	-35.3
1991	-4414	-5867	-1453	32.9
1992	-5583	-8094	-2511	45

²³ There is no specific basic data for this component. As such, it is the result of changes in other components of supply and demand.

Chart 25: Total Value of Physical Change in Inventories, 1961-92

millions of dollars

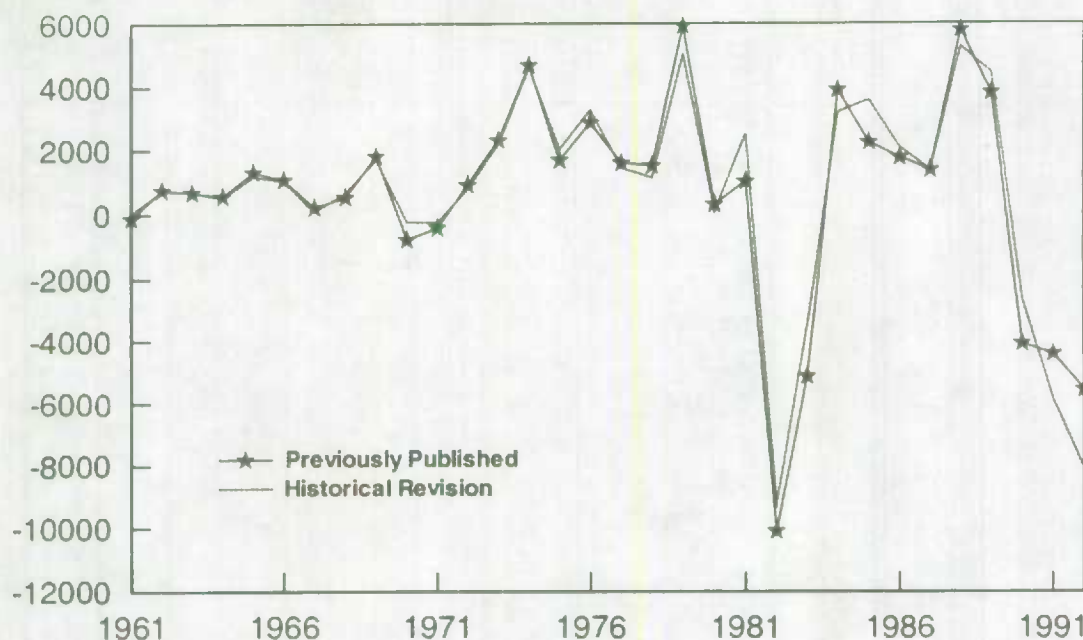


Chart 26: Change in the Total Value of Physical Change in Inventories, 1961-92

millions of dollars

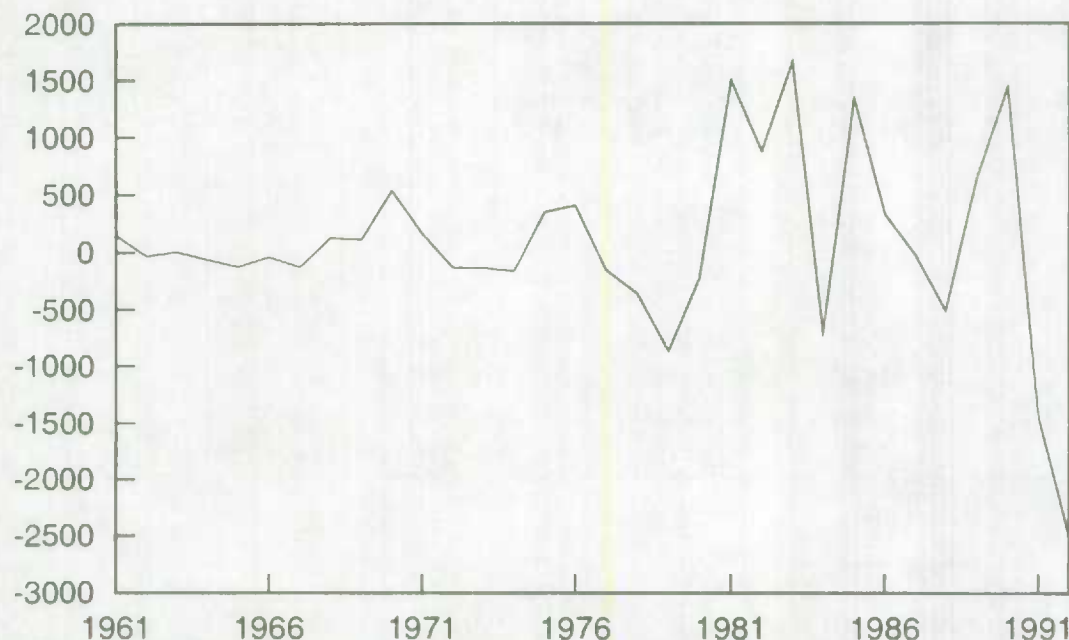


Table 15: Total Exports of Goods and Services²⁴, 1961-92
(\$Millions)

Year (1)	Previously Published (2)	Historical Revision (3)	Change (4)=(3)-(2)	% (2)	(5)=(3)- /(2)x100
1961	7296	7310	14		0.2
1962	7939	7952	13		0.2
1963	8748	8730	-18		-0.2
1964	10067	10137	70		0.7
1965	10719	10772	53		0.5
1966	12564	12574	10		0.1
1967	14161	14161	0		0.0
1968	16166	16161	-5		0.0
1969	17844	17819	-25		-0.1
1970	20078	20124	46		0.2
1971	21173	21109	-64		-0.3
1972	23737	23819	82		0.3
1973	29767	29891	124		0.4
1974	37805	37760	-45		-0.1
1975	38954	38951	-3		0.0
1976	44252	44290	38		0.1
1977	51183	51228	45		0.1
1978	61152	61335	183		0.3
1979	75073	75152	79		0.1
1980	87579	88287	708		0.8
1981	96880	97027	147		0.2
1982	96651	97585	934		1.0
1983	103444	104735	1291		1.2
1984	126035	128757	2722		2.2
1985	134919	137377	2458		1.8
1986	138119	142757	4638		3.4
1987	145416	149913	4497		3.1
1988	159309	163843	4534		2.8
1989	163903	168937	5034		3.1
1990	168917	175512	6595		3.9
1991	164849	172159	7310		4.4
1992	181189	189784	8595		4.7

²⁴ The details of conceptual changes in the historical revision are explained in Chapter V with an illustration for the impact on the GDP using 1992 data.

Chart 27: Total Exports of Goods and Services, 1961-92

millions of dollars

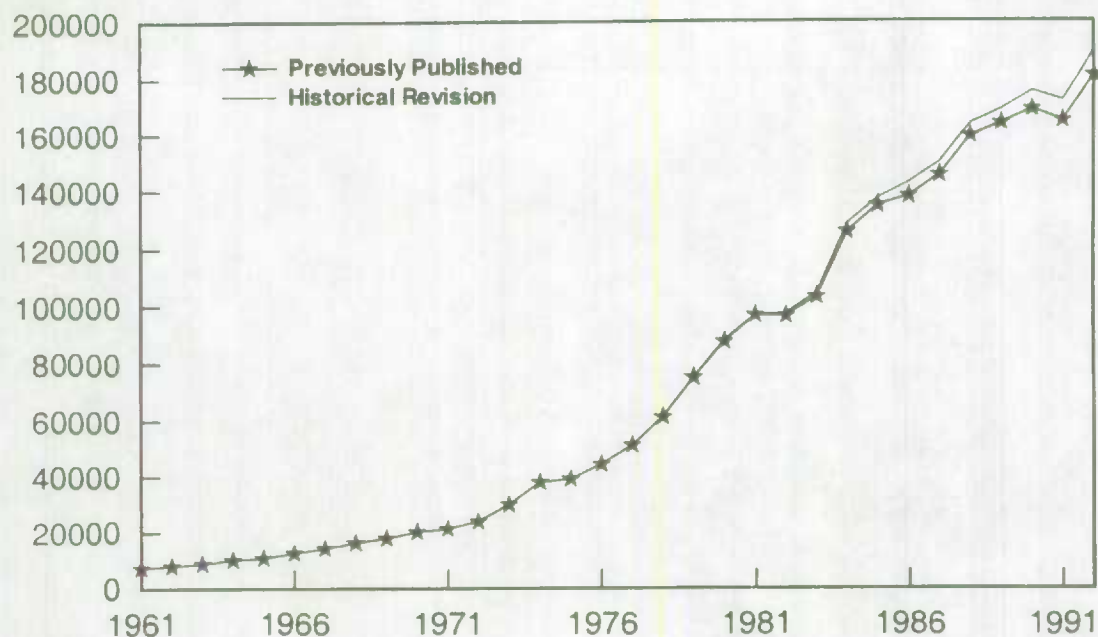


Chart 28: Changes to Total Exports of Goods and Services, 1961-92

millions of dollars

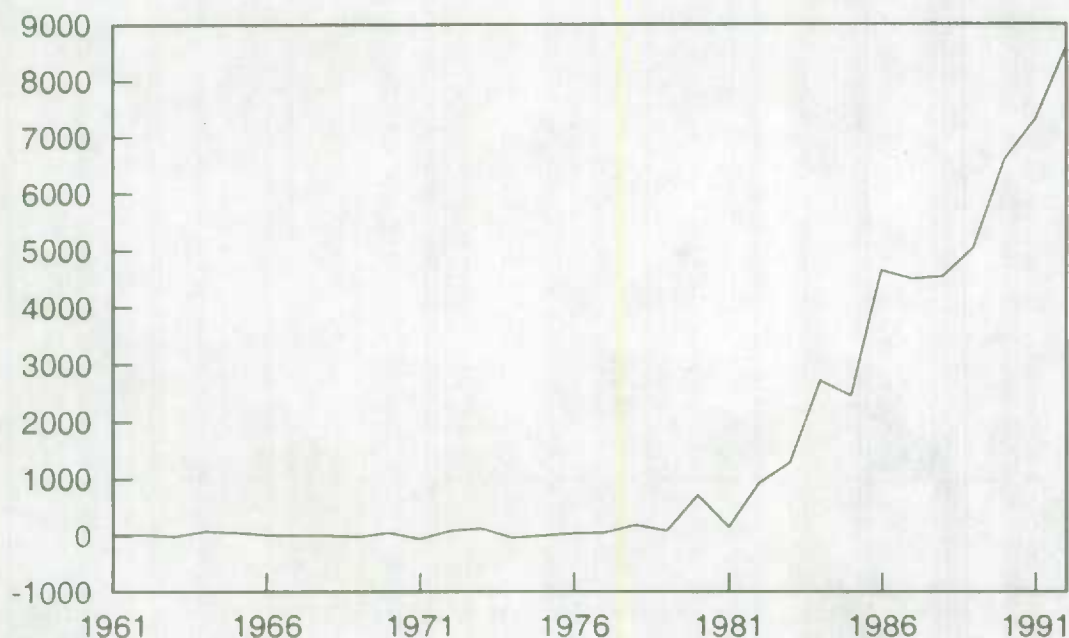


Table 16: Total Imports of Goods and Services²⁵, 1961-92
(\$Millions)

Year (1)	Previously Published (2)	Historical Revision (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1961	7450	7518	68	0.9
1962	7977	8048	71	0.9
1963	8398	8389	-9	-0.1
1964	9565	9521	-44	-0.5
1965	10832	10841	9	0.1
1966	12584	12555	-29	-0.2
1967	13461	13452	-9	-0.1
1968	15186	15235	49	0.3
1969	17705	17732	27	0.2
1970	17830	17830	0	0.0
1971	19531	19490	-41	-0.2
1972	22779	22821	42	0.2
1973	28024	28074	50	0.2
1974	37366	37544	178	0.5
1975	41362	41993	631	1.5
1976	45279	45724	445	1.0
1977	51252	51612	360	0.7
1978	60052	60423	371	0.6
1979	73279	73585	306	0.4
1980	81933	82463	530	0.6
1981	93001	94415	1414	1.5
1982	82598	82790	192	0.2
1983	89832	91337	1505	1.7
1984	110632	112913	2281	2.1
1985	123388	126078	2690	2.2
1986	133369	137782	4413	3.3
1987	140502	143315	2813	2.0
1988	156384	159118	2734	1.7
1989	166079	168723	2644	1.6
1990	171223	174623	3400	2.0
1991	172805	176093	3288	1.9
1992	187254	192395	5141	2.7

²⁵ The details of conceptual changes in the historical revision are explained in Chapter V with an illustration for the impact on the GDP using 1992 data.

Chart 29: Total Imports of Goods and Services, 1961-92

millions of dollars

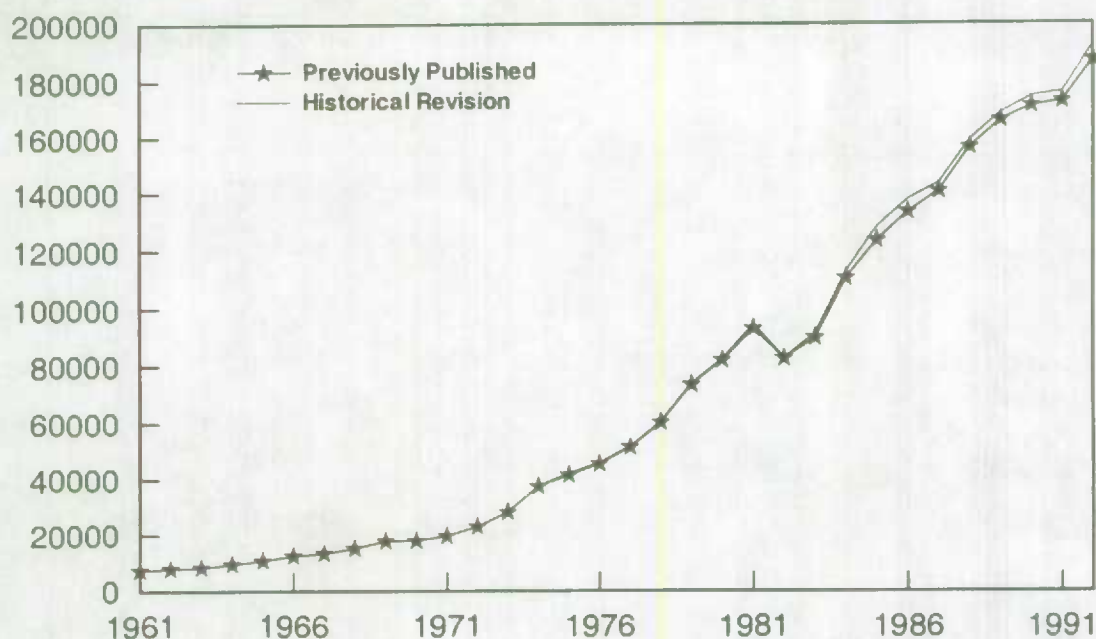
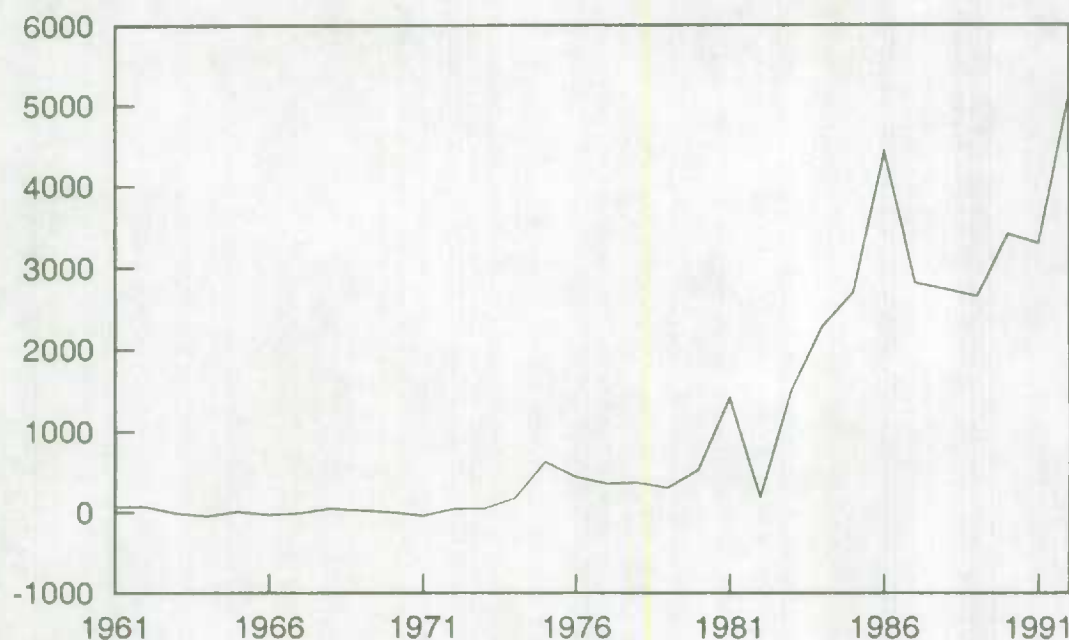


Chart 30: Changes to Total Imports of Goods and Services, 1961-92

millions of dollars

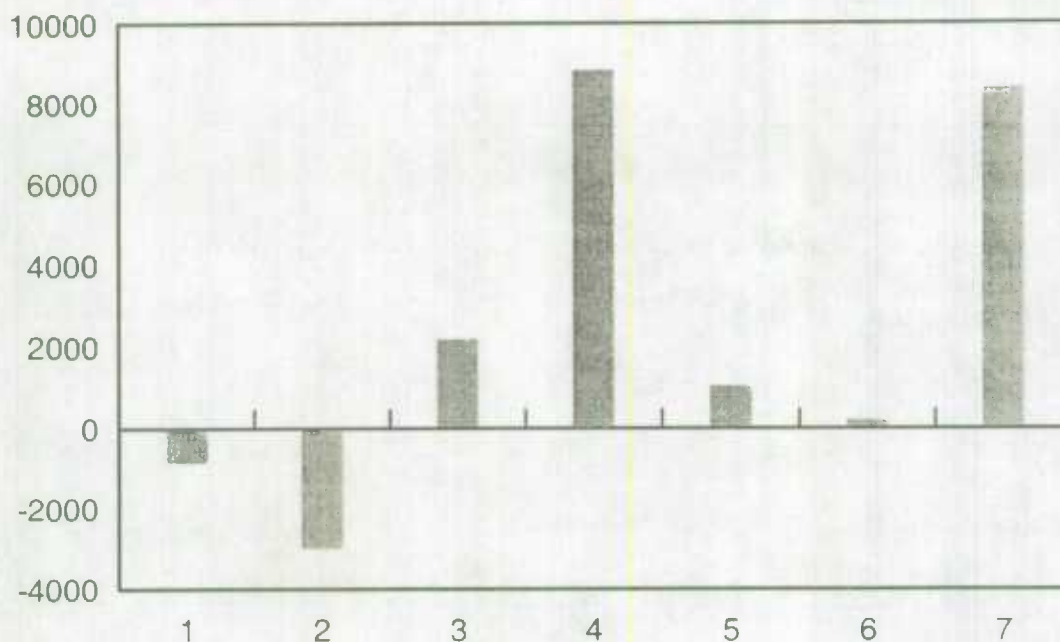


**Table 17: Changes in the Components of Income-Based GDP, 1992
(\$Millions)**

	Category (1)	Old Data (2)	New Data (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1	Wages and salaries	343916	343069	-847	-0.2
2	Supplementary labour income	47703	44720	-2983	-6.3
3	Mixed income (i.e. Net income of unincorporated business and farm operators)	38965	41128	2163	5.6
4	Indirect taxes	97742	106587	8845	9.0
5	Subsidies ⁵	-13353	-12324	1029	-7.7
6	Other Operating surplus	175149	175363	214	0.1
7	Gross Domestic Product at Market Prices	690122	698543	8421	1.2

Chart 31: Changes in the Components of Income-Based GDP, 1992

millions of dollars



1. Wages and Salaries
2. Supplementary Labour Income
3. Mixed Income (i.e. Net income of unincorporated business and farm operators)
4. Indirect Taxes
5. Subsidies
6. Other Operating Surplus
7. Gross Domestic Product at Market Prices

Table 18: Changes in the Components of Expenditure–Based GDP, 1992

(\$Millions)

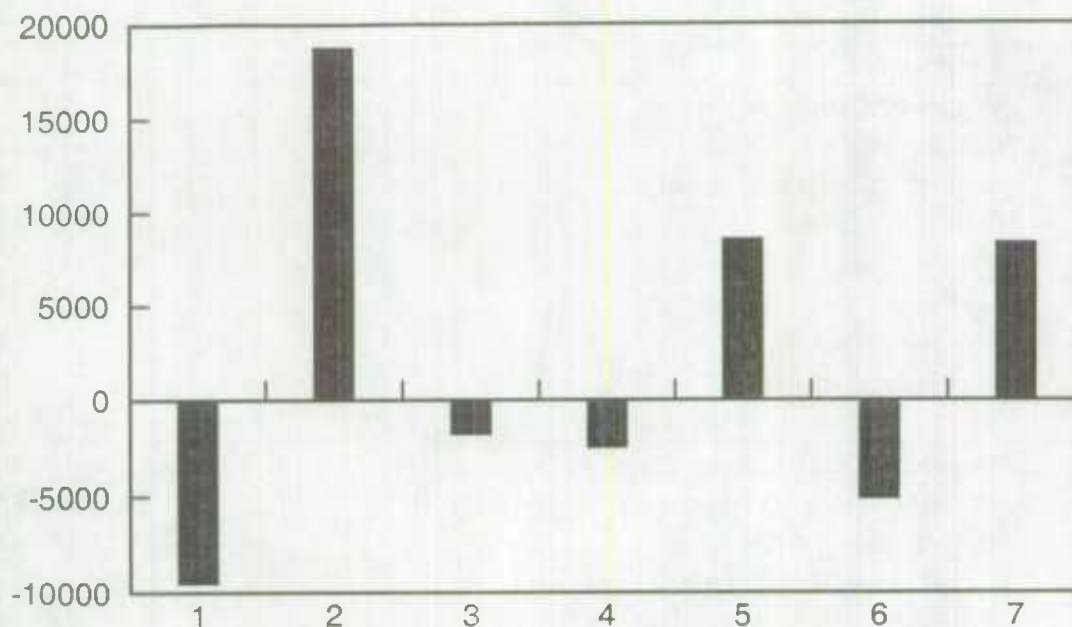
	Category (1)	Old Data (2)	New Data (3)	Change (4)=(3)-(2)	% (5)=(3)-(2) /(2)x100
1	Personal Expenditure On goods and services	422515	412940	-9575	-2.3
2	Government Expenditure on goods and services	150390	169263	18873	0.0
3	Gross fixed capital formation	128865	127045	-1820	-1.4
4	Value of Physical Change in Inventories	-5583	-8094	-2511	45.0
5	Exports of goods and services	181189	189783	8594	0.0
6	Imports of goods and Services ⁶ (negative entry)	-187254	-192394	-5140	2.7
7	Gross Domestic Product at Market Prices	690122	698543	8421	1.2

Value of Physical change in inventories:

Note: This shows net increase in withdrawals from inventories of the previous years' production to meet the demand of 1992 by other final demand categories.

Chart 32: Changes in the Components of Expenditure-Based GDP, 1992

millions of dollars



1. Personal Expenditure on Goods and Services
2. Government Current Expenditure on Goods and Services
3. Gross Fixed Capital Formation
4. Value of Physical Change in Inventories
5. Exports of Goods and Services
6. Imports of Goods and Services (negative entry)
7. Gross Domestic Product at Market Prices

Table 19: Details for Changes in the Components of Income-Based Gross Domestic Product, 1992 (Cont'd)
(\$Millions)

	Component	Change
1	Wages and salaries	
	(i) First Nations	303
	(ii) Fishing undercoverage	-87
	(iii) Commissions	-601
	(iv) Private Households	-215
	(v) Tips	-249
	(vi) Other changes	2
	(vii) Total	-847
2	Supplementary Labour Income	
	(i) Workers' Compensation Board, Medical Aid	752
	(ii) Retirement Allowances	1140
	(iii) Accident and sickness insurance	720
	(iv) Payroll taxes reclassified	-5327
	(v) Adjustment to military, Unemployment Insurance, Canada and Quebec Pension Plans	-177
	(vi) Other changes	-91
	(vii) Total	-2983
3	Net income of unincorporated business	
	(i) Accrued net income of farm operators	0
	(ii) Net income of Non- farm unincorporated business	2163
	(iii) Total	2163
4	Indirect Taxes	
	A. Federal	
	(i) Deposit insurance corporation premiums reclassified	302
	(ii) Share of Provincial Lottery profits reclassified	48
	(iii) Gasoline Taxes	-373
	(iv) Excise Taxes	11
	(v) GST Rebate on housing	-114
	(vi) GST Rebate to foreign visitors	-50
	(vii) Other changes	78
	(viii) Sub-total: Federal	-98

Table 19: Details for Changes in the Components of Income-Based Gross Domestic Product, 1992 (Cont'd)
(\$Millions)

B. Provincial	
(i) Lottery profits reclassified	1680
(ii) Payroll taxes reclassified	5327
(iii) Natural Resources Tax reclassified	-444
(iv) Personal portion of Motor vehicle licences reclassified	1682
(v) Hunting and fishing licences reclassified	122
(vi) Other changes	-56
(vii) Sub-total: Provincial	8311
C. Local	
(i) Land Development fees reclassified	146
(ii) Interest and penalties	-304
(iii) Property tax credits	-196
(iv) Grants-in-lieu of taxes for general government departments and agencies	834
(v) Other changes	153
(vi) Sub-total: Local	632
D. Total all levels	
(i) Federal	-98
(ii) Provincial	8311
(iii) Local	632
(iv) Total	8845

Table 19: Details for Changes in the Components of Income-Based Gross Domestic Product, 1992
(\$Millions)

5	Subsidies	
	A. Federal: Non-Agriculture	
	(i) Accrual adjustment, Non-Agriculture	47
	(ii) GBE losses – new treatment	485
	(iii) GBE, added/reclassified	174
	(iv) CBC reclassified	-932
	(v) CMHC	-345
	(vi) Other statistical revisions	-49
	(vii) Sub-total: Federal	-620
	B. Provincial: Non-Agriculture	
	(i) Housing corporations: reclassified	-726
	(ii) Other non-agricultural	390
	(iii) Statistical revisions	726
	(iv) Sub-total: Provincial	390
	C. Local: Non-Agriculture	
	(i) Statistical revisions	44
	D. Agricultural changes	
	(i) Agricultural revisions, cash basis all sectors	-843
	E. Total	
	(i) Non-agriculture	
	Federal	-620
	Provincial	390
	Level	44
	(ii) Agricultural	-843
	(iii) Total	-1029
6	Operating Surplus	214
7	Total Change	8421

**Table 20: Details for Changes in the Components of Expenditure-Based
Gross Domestic Product, 1992 (Cont'd)
(\$Millions)**

	Category	Change
1	Personal Expenditure on goods and services	
	(i) Personal portion of provincial motor vehicle licences	1682
	(ii) Hunting and fishing licences	122
	(iii) Less: universities reclassified to government sector	-7865
	(iv) Less: Newfoundland School Boards reclassified to 3 Government Sector	-532
	(v) Less: Residential Care Facilities	-3880
	(vi) FISIM and other Finance Adjustment	-2351
	(vii) Insurance adjustment	3257
	(viii) Less: Capitalized legal fees	-645
	(ix) Other revisions	637
	(x) Total	-9575
	Government Current Expenditure on goods and services	
	(i) Universities	7865
	(ii) Newfoundland School Boards	532
	(iii) Residential Care Facilities	3880
	(iv) Capitalized Defence equipment	-779
	(v) Aircraft progress payment: Defence	-57
	(vi) Payment to international organizations – defence	-177
	(vii) Payment to international organizations – Other federal	-315
	(viii) Canadian Broadcasting Corporation	1043
	(ix) Provincial Housing Corporations	612
	(x) Workers' Compensation Board Expenditures	1028
	(xi) Grants-in-lieu of taxes for provincial departments	430
	(xii) Grants-in-lieu of taxes for Other federal departments	375
	(xiii) Previous estimate of Capital Consumption Allowances	-10496
	(xiv) New estimate of Capital Consumption Allowances	13904
	(xv) FISIM Adjustment	16
	(xvi) Other revisions	1011
	(xvii) Total	18872

**Table 20: Details for Changes in the Components of Expenditure-Based
Gross Domestic Product, 1992 (Cont'd)
(\$Millions)**

3	Gross fixed Capital Formation	
	A. Residential constitution	
	(i) Previous estimate of real estate commissions	-9983
	(ii) New estimate of real estate commissions	5234
	(iii) GST an real estate commissions	380
	(iv) Previous estimate of land development fees	-354
	(v) New estimate of land development fees	436
	(vi) Previous estimate of land transfer tax	-645
	(vii) New estimate of land transfer tax	643
	(viii) Legal fees	645
	(ix) Building inspections and appraisals	241
	(x) GST on legal fees	45
	(xi) GST on building inspections etc.	17
	(xii) Revision to GST on housing	-114
	(xiii) Total	<u>-3455</u>
	B. Gross fixed Capital formation: Non-residential Construction	
	(i) Defence expenditures capitalized	288
	(ii) Previous estimate of real estate commissions	-554
	(iii) New estimate of real estate commissions	581
	(iv) GST on real estate commissions	2
	(v) New estimate of land transfer tax	214
	(vi) Previous estimate of land transfer tax	-203
	(vii) Quebec private residential infrastructure	64
	(viii) External Affairs department	19
	(ix) Mining exploration	326
	(x) Geological and geographical expenditures	452
	(xi) Previous statistical break undone	707
	(xii) 1980 SIC break, real estate operators	-800
	(xiii) Total	<u>1096</u>

Table 20: Details for the Changes in the Components of Expenditure-Based Gross Domestic Product, 1992
(\$Millions)

4	Gross Fixed Capital Formation: Machinery and Equipment	
	(i) External Affairs expenditures	69
	(ii) Defence expenditures	491
	(iii) Capital items charged to Operating expenses	-2062
	(iv) Leased vehicles reclassified to Personal expenditures on goods and services	-2166
	(v) Business use of Personal purchases	2194
	(vi) Personal use of Business purchases	-700
	(vii) Adjustment for progress payments	702
	(viii) Adjustment for leased Aircraft	672
	(ix) Previous statistical break undone	989
	(x) Previous SNA Main Adjustment undone	200
	(xi) 1980 SIC break, logging	100
	(xii) 1980 SIC break, Rebate	100
	(xiii) 1980 SIC break, Business services	200
	(xiv) 1980 SIC break, Other services	150
	(xv) Total	<u>539</u>
	Of which:	
	(a) Residential construction	-3455
	(b) Non-residential construction	1096
	(c) Machinery and Equipment	539
	(d) Total gross fixed Capital formation	<u>-1820</u>
5	Exports	
	(i) SNA FISIM Export (new item)	1198
	(ii) Other revisions based on new Balance of payments data	7396
	(iii) Total	<u>8594</u>
6	Imports	
	(i) SNA FISIM Imports	720
	(ii) Other revisions based on new Balance of Payments data	4420
	(iii) Total	<u>5140</u>
7	Inventory Valuation Adjustment	<u>-2511</u>
8	Total Change	<u>8421</u>

IX

HISTORICAL REVISION: CHANGE INCOME-BASED GROSS DOMESTIC PRODUCT

1. ORGANIZATION

This chapter deals with the items that were changed in the historical revision as far as the Income-based Gross Domestic Product (GDP) is concerned. These items are classified into the following three categories as shown in Table 21 and summarized in Table 22. They are separately discussed in this chapter.

1. Conceptual changes that impacted on the individual items, but not on the total level of Income-based Gross Domestic Product as they are offsetting (Table 23).

2. Conceptual changes that had an impact on the level of Income-based Gross Domestic Product (**Table 24**).
3. Statistical changes that had an impact on the level of Income-based Domestic Product (**Table 25**).

In order to find which categories contributed to the total change in the GDP, it is necessary to filter the total change by eliminating all those changes that did not affect the level of GDP. For the Income-based Gross Domestic Product, this filtering process is shown in Table 21 and the categories are summarized in Table 22.

Then, attention has been focussed only on those specific changes which impacted on the level of GDP instead of on the total change in the category which includes, classification changes from one category to another which had no impact on the total level of GDP. Then, other conceptual and statistical changes which affected the level of GDP have been separately shown. Thus, the analysis of changes is presented in Tables 21 to 25 by each component to illustrate the magnitude of the impact on the level of GDP cross- classified by conceptual and statistical changes.

2. CONCEPTUAL CHANGES THAT HAD NO IMPACT ON THE LEVEL OF INCOME-BASED GROSS DOMESTIC PRODUCT (Table 23).

WAGES AND SALARIES

Military Pay

Military pay which used to be a separate category before the historical revision is now included in the 'wages and salaries' category of the historical revision. The new definition of wages and salaries includes employee compensation of all employees whether they are civilians or military personnel.

Commission of Independent Insurance Agents

Formerly, commissions paid to independent insurance agents by the insurance companies were classified as wages and salaries, as they could not be separated from the data received from the insurance companies. As the independent insurance agents have been operating as unincorporated businesses, their commission income is a part of net income of unincorporated business, and therefore it was properly reclassified in the in the Mixed Income category of the historical revision. This change has been incorporated in the revised series. In the context of our new data requirements, separate estimates have been developed for this item and incorporated in the historical revision.

SUPPLEMENTARY LABOUR INCOME AND INDIRECT TAXES

Payroll Tax

Payroll taxes are now included in Indirect Taxes. Prior to the historical revision, payroll taxes were included in the Supplementary Labour Income (SLI) on the ground that they were also costs to the employers on account of labour. Although these taxes are incurred on account of labour, they are not specifically meant to be solely for a specified economic benefit to the employees, as in the case of contributions to pensions and social security programs such as employment insurance and workers' compensation. Therefore, these taxes are now treated as indirect taxes, and not as supplementary labour income. This is just a classification change from supplementary labour income to the indirect taxes category.

Before the historical revision, employer payable tax for both Ontario and Quebec was included in the SLI as one of the "welfare" components. In the historical revision, these taxes were excluded from the welfare component of the SLI and included in indirect taxes as they represent taxes on production.

INDIRECT TAXES AND OPERATING SURPLUS

Lottery profits, which were formerly classified under operating surplus are now included in indirect taxes on the following grounds.

In the case of government-owned lotteries, there is the element of monopoly over the production and distribution of a service for the sole purpose of raising revenue,

but not to further the interests of public economic or social policy. The exercise of monopoly powers is simply an alternative way of raising revenue instead of the more overt procedure of taxing the users of services involved.

In this case, the sale price of the services produced by this sort of government monopoly is deemed to include implicit taxes on the services sold. The profits of lotteries are therefore similar to the profits of other monopolies such as government-owned Liquor Control Boards which are currently treated as indirect taxes. Therefore, in the historical revision, the profits of government-owned lotteries are also treated as indirect taxes.

3. CONCEPTUAL CHANGES THAT HAD AN IMPACT ON THE LEVEL OF INCOME-BASED GROSS DOMESTIC PRODUCT (Table 24).

SUPPLEMENTARY LABOUR INCOME

Workers' Compensation Boards, Medical Aid

In Canada, the Workers' Compensation Boards pay 100% of the cost of all services provided to injured workers for hospital treatment and medical aid which includes visits to physicians, chiropractors, physiotherapists and rehabilitation clinics in addition to incidental expenses such as home care nursing, travel to and from treatment centres, clothing allowances, medication, and medical devices (e.g. eye glasses, crutches, wooden legs, braces etc.). Employers are not billed for these

expenses. Instead, the Workers' Compensation Boards incur these costs out of the general assessment revenue collected from employers. Prior to the historical revision, these payments were treated as transfer payments to persons, but not as supplementary labour income which is essentially the cost associated with labour services. This has been changed in the historical revision on the grounds that these are costs incurred by employers on account of labour services and treated as current expenditure on goods and services. As it is definitely a cost incurred on behalf of labour services, it is now treated as SLI.

The Workers' Compensation Boards also levy special surcharges on the employers who have poor safety performance records. Employers with a good record of safety are rewarded by a rebate. These special surcharges and rebates are the results of actuarial results of industries for long term disabilities, short-term disabilities, and medical aid as well as trends in work-related injuries. If an industry has increasing costs of benefits concerning medical aid benefits, the rate of assessment on the employers in that industry will increase. Thus, the total amount paid by employers to the Workers' Compensation Boards includes these surcharges net of rebates and it is now included in the supplementary labour income category of the GDP.

Provincial Workers' Compensation Boards are wholly funded by employers. In recent years, these Boards levied surcharges on employers for unfunded liabilities.

These levies are also included in the Supplementary Labour Income (SLI) similar to the funded liabilities²⁶.

Retirement Allowances

Supplementary Labour Income consists of expenditures incurred by employers on account of labour that can be regarded as payment for employees' services. Based on this concept, employers' contributions to pensions, welfare, employment insurance and workers' compensation programs are included into this category. In addition to these contributions, employers give "severance pay" or "termination pay", 'early retirement bonuses', 'golden handshake bonuses' and the like all of which can be called 'retirement allowances' paid to the employees for past services at the time of leaving. These expenditures are also tantamount to payment for employees' services paid at the time of severance from the employment. As these payments were not systematically captured prior to the historical revision, this omission has now been rectified in the 1997 historical revision by including them in the Supplementary Labour Income category.

In addition to these expenditures, employers make actuarial assessments of pension funds and contribute the estimated deficits periodically to the Pension funds.

²⁶ If there are contributions for a specific purpose from the parties concerned, the funds accumulated by those contributions are called 'funded liabilities' simply because there will be a liability of payment out of those funds.

If, however, no such contributions are initially collected from the parties concerned for the specific purpose, any payment which has to be made becomes 'unfunded liability'.

These expenditures are also included in the Supplementary Labour Income category based on the definition mentioned earlier.

Retiring allowances are now included in the SLI beginning with 1990. Prior to that year, this change has not been made due to non-availability of data.

INDIRECT TAXES

A. FEDERAL

Deposit Insurance Corporation Premiums

Deposit Insurance Corporations and Agencies exist at the federal and provincial levels of government. Formerly, some of these institutions were classified to the business sector while some others were classified to the government sector as special funds. Now, all the Deposit Insurance Corporations and Agencies, are classified to the government sector because of their regulatory functions; those that are owned by the federal government are included in the federal component of the government sector while those that are owned by the provincial government are included in the provincial and territorial government component.

Before the historical revision, premiums paid by financial institutions to government-owned deposit insurance corporations were treated as insurance revenues just like those paid by other insurance companies. These premiums are now treated as indirect taxes similar to crop insurance premiums. However, it should be noted that while claims paid by crop insurance entities are treated as

subsidies to farmers, the claims of Deposit Insurance Corporations are treated as capital transfers to deposit holders from government.

Share of Provincial Lottery Profits

The lottery corporations are owned and operated by provincial governments.

However, according to an agreement between the federal and provincial governments, a portion of profits have to be remitted to the federal government.

Formerly, the entire profits of lottery corporations were assigned to the provincial governments on the ground that all the profits accrue to the provincial governments, which own and operate these corporations. This practice has now been changed in view of the agreement between the federal and provincial governments that stipulates that a portion of the lottery profits should be shared with the Federal government and remitted to that level of government by the provincial lottery corporations. The amount thus remitted to the federal government under the profit sharing agreement has now been reclassified as indirect taxes of the federal government sub-sector.

B. PROVINCIAL

Natural Resources Tax

Royalties have three components. Each one of them is treated as follows:

- i) Royalties received on books, recordings, films etc.

This type is similar to production of goods and services. Hence, it is treated as sale of goods and services.

ii) Leases of land and sub-soil assets

The income received on leases of land and sub-soil assets is “rent” and it is treated as part of investment income. It should be noted that the term “rent” is reserved for rent on land and sub-soil assets while payments made under “operating leases” are described as “rentals” in the new 1993 SNA. The same procedure is followed in the historical revision.

iii) Royalties paid on extraction of natural resources

This type of royalties is considered as a payment for “operating leases” and it is called “rentals” in the System of National Accounts. This is also treated as investment income.

Before the historical revision, this type of royalties paid on extraction of minerals was treated separately as output of the “Royalties” industry in the Canadian Input-Output Accounts. In the historical revision, this treatment has been discontinued, because these royalties are now treated as rental income, which is reflected in the operating systems.

Personal Portion of Motor Vehicle Licences

Before the historical revision, the payments made for motor-vehicle licences by households were treated as current transfers while those paid by businesses were treated as indirect taxes. This inconsistency has been eliminated in the historical revision by treating the motor vehicle licences paid by households also as indirect

taxes. In other words, all the motor vehicle licences, whether paid by businesses or households, are now treated as indirect taxes.

Hunting and Fishing Licences

Before the historical revision, payments made for hunting and fishing licences by households were treated as current transfers, while payments by businesses were treated as indirect taxes. This inconsistency has also been eliminated in the historical revision by treating the payments by households as indirect taxes.

C. LOCAL

Land Development Fees

Municipal governments levy land development fees on the business establishments dealing with housing construction. This levy is meant to cover the cost of services such as providing roads, sewers, transportation and other needs of a new community. Formerly, this levy was considered as sales revenues of the local government sub-sector.

Research has revealed that this levy has no *quid pro quo*²⁷ in the sense that is not related to any specific services proportionate to the payment of fees, but is a general levy on the developers. It is similar to property taxes and hence the former treatment has now been changed from “sales of services” to “indirect taxes”.

²⁷ If there is an exchange of goods or services of equal value, it is generally called an exchange with *quid pro quo*. If there is no such exchange, it is simply called a transfer from a donor to a donee.

Interest and Penalties

Formerly, interest and penalties imposed on institutional units by tax authorities for late payment or evasion were combined with the taxes concerned because they could not be separated from the original tax collections. As the interest and penalties are considered as current transfers from the paying sector to the receiving sector, efforts have been made to obtain new information in order to estimate the transfer component consisting of interest and penalties separately. The estimated interest and penalties have now been treated as current transfers and removed from the indirect taxes based on the new definition of indirect taxes. (Table 21)

Before the historical revision, interest on late payments of employers' contribution to pension funds was already excluded from SLI from 1985 onwards on the ground that interest is a transfer payment but does not constitute contribution to pensions. In the historical revision, this treatment has been incorporated in the data prior to 1985 also for conceptual consistency in the historical time-series.

Grants-in-Lieu of Taxes for General Government Departments and Agencies

The grants-in-lieu of taxes are paid to the local government by the federal and provincial governments and they contain two components:

- a) Grants-in-lieu of taxes given by government on behalf of government business enterprises, agencies and other institutions of both federal and provincial governments.

- b) Grants-in-lieu of taxes for government departments' special funds of both federal and provincial governments, and other institutions such as universities, colleges, public hospitals and correctional institutions, which are part of the general government sector. Before the historical revision, these two components were treated differently. The first component was treated as indirect taxes and it is still treated as such in the historical revision. There is therefore no change in regard to the first component.

However, the second component was previously treated as an inter-governmental transfer on the constitutional argument that a lower level of government (i.e. local government in this case) could not tax the higher levels of government (i.e. federal and provincial governments). In order to ensure that the lower level of government does not suffer financial loss on account of this constitutional argument, an arrangement was established between the governments concerned to compensate the lower level of government by giving them grants-in-lieu of taxes. This arrangement simply means that the grants are in the place of taxes.

The former treatment of showing this second component of grants-in-lieu of taxes as inter-governmental transfers has now been changed in the historical revision. In view of this change, the grants-in-lieu of taxes paid by federal and provincial governments on behalf of departments agencies and other institutions are also treated as indirect taxes in the historical revision, that is, the same way as (a). In

other words, the treatment accorded to both components is consistent in the revision.

SUBSIDIES (Negative entry)

As subsidies are articulated as a negative entry in calculating the income-based GDP, the decline in the level between the former series and the revised series increases the level of GDP by the same amount. Similarly, increases between the former series and the revised series of subsidies reduce the level of GDP.

A. FEDERAL: NON-AGRICULTURE

Government Business Enterprises:

New Treatment for Losses

Before the historical revision, losses written-off by government business enterprises (GBE) were treated as negative remitted trading profits that reduced the level of revenues to government from the government business enterprises. In the historical revision, these losses are treated as subsidies from government to the government business enterprises on the ground that losses incurred by these corporations were, in principal, the result of charging prices lower than their costs of production as a matter of government policy.

Public Sector Universe

The Public Sector Universe encompasses three categories:

- general government;

- government business enterprises; and
- all other institutions which are mostly funded by government, such as public educational institutions, hospitals, and other non-profit institutions.

The definition and composition of general government for the purpose of the System of National Accounts consist of two elements:

- i) departments; and
- ii) special funds, consisting of agencies that operate similarly to departments.

These special funds are agencies that can also be incorporated like government corporations, but do not operate like businesses. They function like departments. For example, the Canadian Broadcasting Corporation is a legal entity with major functions to promote government policy towards multiculturalism and it has been competing marginally with the private broadcasting corporations.

Its revenues are mostly derived from government subsidies. In view of these characteristics, the corporation has been reclassified to the government sector from the business sector. This is just an example of government corporations which are either added to or removed from the government sector. The federal entities which are reclassified in this exercise are the following: (Table K-1)

Table K-1: Federal Entities reclassified in the historical revision

ENTITIES	From Previous Sector	To: New Sector	Effective Date for Change
Atomic Energy of Canada	Government	Business	1952
Canada Eldor inc.	Business	Government	1988
Canada Deposit Insurance Corporation	Business	Government	1967
Canada Place Corporation	Government	Business	1987
Canadian Broadcasting Corporation	Business	Government	1961
Canadian Commercial Corporation	Business	Government	1946
Cape Breton Development Corporation	Government	Business	1967
Jacques Cartier and Champlain Bridges Inc.	Business	Govenment	1978
<u>New Entity</u>			
Enterprise Cape Breton Corporation		Government	1988

The government business enterprises engage in operations of a commercial nature and are similar in motivation to private business enterprises. Examples of these enterprises are: Public transit systems; Hydro electric power corporations.

Following is a discussion of the significant changes of the federal entities. A complete list of Public Sector Universe is maintained in the Public Institutions Division of Statistic Canada and it can be obtained, if needed.

a) Atomic Energy of Canada Ltd. (AECL)

Formerly, Atomic Energy of Canada Ltd. (AECL) was in the general government sector. As the operations of this institution are formed to be similar to a business enterprise, it has been reclassified to the business sector from the government sector. AECL came into existence during 1952. However, as the historical revision of the Input-Output Accounts was from 1961 onwards, the reclassification has been implemented from 1961 onwards in both the Input-Output Accounts and other parts of the System of National Accounts (namely, Income and Expenditure Accounts and Real Domestic Product by Industry) which are affected by this change. Therefore, the series from its incorporation in 1952 to 1960 will not be comparable to the series of the historical revision from 1961 onwards.

b) Canada Deposit Insurance Corporation (CDIC)

Formerly, the Canada Deposit Insurance Corporation was included in the business sector from its inception in 1967. A review of its mandate and operations has revealed that its mandate is to provide limited insurance for deposits held in member institutions such as chartered banks and trust and loan companies. Member institutions pay annual premiums of one-sixth of one percent of the insured deposits and these premiums are then credited to the Deposit Insurance

Fund operated by the corporation. The aim of the corporation is to provide insurance against the loss of part of all deposits and provides stability in the financial system of Canada.

The deposit insurance is compulsory. Moreover, claims paid to insured member institutions by the CDIC are substantially higher than the premiums. This corporation was reclassified to the government sector from 1967 onwards in the historical revision. While the premiums are treated as indirect taxes, the claims are treated as subsidies. This treatment is similar to crop insurance claims and premiums.

c) Canadian Broadcasting Corporation (CBC)

Formerly, the Canadian Broadcasting Corporation was included in the business sector. It has now been included in the government sector on the grounds that it is marginally competing with the private broadcasting corporations and that its revenues are mostly derived from government subsidies.

In the previous treatment as a government business enterprise, an entry was made in the income of the corporation for the government subsidies to offset the losses with a corresponding addition to the subsidies which are articulated as a negative entry. The net effect of this previous treatment was to reduce the level of GDP to the extent of the subsidies, as they are not part of production.

Under the new treatment of treating the CBC as a special fund of the general government, the net effect was an increase in the level of GDP as the amount of subsidies is no longer there and the government expenditure on goods and services increased to the extent of the CBC's total expenditure on goods and services less operating sales revenues. The amount included for 1992 is \$932 million (Table 24).

d) Cape Breton Development Corporations (CBDC)

Cape Breton Development Corporation is composed of two Divisions: (a) Industrial Development Division; and (b) Coal Division.

Formerly, the Cape Breton Development Corporation consisting of both Industrial Development Division and the Coal Division was in the government sector as a special fund on the ground that its operations are mainly connected to rehabilitate coal miners with no expectation of profit. However, the Coal Division of this corporation has been producing coal and competing with other similar institutions in the business sector by selling coal at economically significant prices. Its mandate is to operate, reorganize and rationalize coal production from the Sydney Coal Fields with a corporate goal of being a dependable supplier of quality coal and related energy products. In view of these factors, the Coal Division was reclassified to the business sector in the historical revision and moved out of the government sector. As this corporation was established in 1967, this change was implemented in the time series from 1967 onwards.

However, the Industrial Development Division which became Enterprise Cape Breton Corporation (ECBC) on December 1, 1988 was retained in the government sector from that date onwards, because it was established mainly to promote and assist in the development of coal industry on the Island of Cape Breton and to provide employment opportunities outside the coal producing industry. In other words, this corporation provides one of the functions of the government and hence it is treated as a government special fund.

B. PROVINCIAL: NON-AGRICULTURE

Housing corporations reclassified to government sector from business sector: Formerly, provincial and local government housing authorities were classified to the business sector on the ground that their activities are similar to those of business enterprises. However, after a thorough research, it is noticed that these provincial and local housing authorities are performing functions similar to non-profit organizations and not as business enterprises.

The rents received by these housing corporations accounted for less than 50% of their total revenue in the case of provincial entities. In fact, in most cases, the rental income covered only 30% of their expenditures. The governments gave the majority of the funding to these institutions as subsidies and stipulated specific regulations and guidelines governing their day-to-day operations. In view of these findings of the recent research in this area, the housing authorities of the provincial and local governments have been shifted from the business sector to the

government sector in the historical revision. As a result of this change, the funds which used to be provided to them as subsidies to meet their expenditures are now included in the government expenditure on goods and services and removed from the subsidies. This change in the reclassification from the business sector to the government sector resulted in a decline of subsidies.

OPERATING SURPLUS

Insurance Adjustment

Before the historical revision, the output of insurance companies was calculated as follows:

- i) Previous Concept: Life Insurance
Operating expenses plus dividends paid by stock companies.
- ii) Previous Concept: Property and Casualty Insurance
Insurance Premiums less claims.

Following the recommendations of the new 1993 SNA, this method of calculating the output of insurance has been changed as follows:

- iii) Revised Concept: Life Insurance:
Operating expenses plus Dividends paid by stock companies plus Investment income from technical reserves

iv) Revised Concept: Property and Casualty Insurance

Premiums less Claims plus Investment income from technical reserves. In effect, then, for both life and non-life insurance, the investment income from the technical reserves is added to the output.

Government Sector's Capital Consumption Allowances

The previous estimates of capital consumption allowances for the government sector were based on the assumed service life pattern of the assets in the United States during 1930's and the service lives of assets were assumed to be constant for all years. However, in the recent years, it has been observed that due to the rapid technological progress, there have been major developments in the evolution of Canadian capital stock data. Therefore, starting with the 1985 Actual Survey of Capital and Repair Expenditures, questions were asked about the expected service lives of assets. The new information obtained in the survey has revealed that the service lives of the assets have been gradually declining. This changing trend has been implemented in the revision of the new capital stock estimates of the government sector. In effect, then, the revised estimates of service lives gathered from the surveys were incorporated starting from 1987 onwards. For the period prior to 1987, however, the capital stock estimates were made based on geometric interpolation over the years using the new survey information. In other words, instead of assuming a constant service life over time, the mean vintage life has been adopted in the calculation of revised data for each category of capital asset

such as building construction, engineering construction, and machinery and equipment. As the service lives of assets in the revised estimates declined over the years, there was a significant increase in the revised capital consumption allowances of the government sector (\$3408 million for 1992).

For example, the service lives of government asset categories for 1992 had a significant decline based on the new estimates as shown below:

“Old” and “New” Service Lives of Government Assets by Category

Level of Government	Type of Capital Asset		
	Building Construction	Engineering Construction	Machinery & Equipment
	Years		
Federal: Old Estimates	50	55	20
Federal: New Estimates	35	34	9
Provincial: Old Estimates	50	55	15
Provincial: New Estimates	34	33	8
Local: Old Estimates	50	55	20
Local: New Estimates	35	33	10
Schools and Colleges: Old Estimates	50	-	20
Schools and Colleges: New Estimates	42	-	10
Universities: Old Estimates	50	-	20
Universities: New Estimates	53	-	10
Hospitals: Old Estimates	50	-	15
Hospitals: New Estimates	43	-	11

Capital consumption allowances of the government assets such as buildings, machinery and equipment are treated as a part of the “Government current Expenditure on Goods and Services” which is one of the categories of Expenditure-based GDP.

In the Income-based GDP, these capital consumption allowances are a part of “Other Operating Surplus” in the Use (Input) matrix (see item 57 in Government Sector column) of Appendix VIII.

If the level of Capital Consumption allowances of the government sector is revised due to the change in the service-lives of assets, the GDP also changes similarly. In the present case, the lives of the assets have been reduced as shown in the table and the cost per year increases due to the lesser number of years taken for their service. This has increased the estimated capital consumption allowances of the government sector and raised the level of GDP (both Income-based and Expenditure-based) in a similar manner.

Mining Exploration, Geological and Geophysical Expenditures

Formerly, mining exploration and geological expenditures along with geophysical expenditures for petroleum and natural gas exploration were treated as operating expenditures. This former treatment reduced the operating surplus for the Income-based GDP.

Now, the new 1993 UN SNA recommended that such expenditures should also be capitalized along with costs of actual drillings and borings, aerial or other surveys, transportation, etc, because the value of resources allocated to exploration increases the value of the assets. Based on this new international concept, the expenditures of mining exploration, geological and geophysical drillings and borings have now been capitalized and added to capital formation. This new treatment resulted in an addition of the corresponding amount to the former level of operating surplus as these expenditures are no longer treated as current expenditures to derive the operating surplus. In effect, the expenditures on mining exploration along with the geological and geophysical drillings and borings are now treated as capital formation and also capital consumption in the same time-period for the Input-Output Accounts.

4. STATISTICAL CHANGES THAT HAD AN IMPACT ON THE LEVEL OF INCOME-BASED GROSS DOMESTIC PRODUCT (Table 25).

WAGES AND SALARIES

First Nations

The wages and salaries paid to employees of the First Nations Organizations (i.e. Indian Band Councils) consist of two items as shown in Chart 33. The first item is the employment income which represents wages and salaries paid to status Indians who have elected to contribute to Canada Pension Plan as well as the wages and

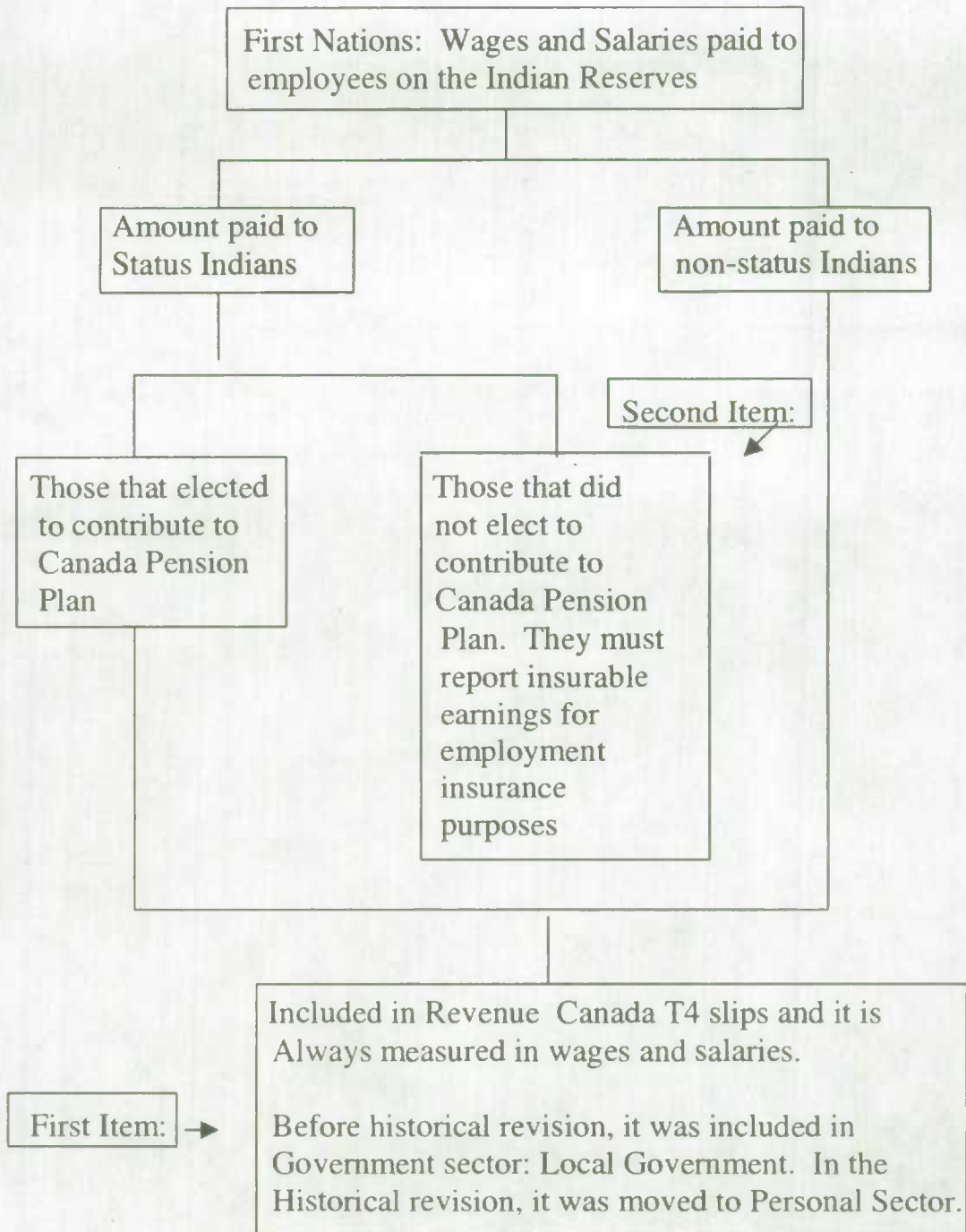
salaries paid to non-status Indian employees. This item is included in the Revenue Canada T4 slips filed for income tax purposes and it is always measured as wages and salaries prior to the historical revision as well as in the historical revision. There is no change for this item in the historical revision.

The second item is the estimated insurable earnings which represent the income of Status Indians on the Indian Reserves who are not required to report employment income for income tax purposes, but must report insurable earnings for Employment Insurance purposes. Our research revealed that this second item was missing in the estimates of wages and salaries prior to the historical revision. We therefore made estimates for this missing component and added on to the control totals of wages and salaries of the total economy from 1981 onwards. As this is the new item which was added in the historical revision, it increased the level of GDP to the same extent.

As far as the sectoring is concerned both the first and second items mentioned above are included in the personal sector's non-profit institutions (Civic and Fraternal Membership Organizations) in the historical revision. It should be recalled that the first item which was already in wages and salaries prior to the historical revision was a part of wages and salaries of the local government administration within the government sector. This is now moved in to the personal sector along with the second item.

In effect, then, in the historical revision, all wages and salaries paid to First Nations, whether they are treated as employment income or not for income tax purposes, are included wages and salaries.

Chart 33



Prior to the historical revision, this second item was included in the Local Government administration of the Government Sector. In the historical revision, this item has been moved to the Personal sector and statistical estimates made back to 1981 on a consistent basis. This is only a classification change of sectoring which does not impact on the level of Gross Domestic Product.

Fishing Under-coverage

Formerly, an adjustment for the wages and salaries of the fishing industry was made to reflect the employees on owner-operated boats who are not issued a T4 slip for income tax purposes.

However, it has been observed in the research that these employees are self-employed workers and their income should be properly classified to the unincorporated business income, but not as wages and salaries. As the estimates for the Mixed Income component of the historical revision contain the unincorporated component of the fishing industry with all the self-employed workers, the former treatment has now been discontinued and a negative adjustment has been made to the previous data of wages and salaries and added to mixed income category of fishing industry (\$87 million for 1992).

Commissions of Independent Insurance Agents

In the case of Life Insurance Commissioned Agents, there are two types of reporting patterns for income tax purposes. The first type relates to those agents

who are actually employees of Insurance companies whose commissioned income is similar to employment income. The second type relates to agents who are not employees of the insurance companies as they are self-employed independent agents. Their commission is similar to business income of an unincorporated nature.

Prior to the historical revision, this second type was included in the wages and salaries along with the first type as it could not be separated. In the historical revision, this item has been estimated separately and included in the income of unincorporated business by removing them from wages and salaries.

In other words, while the first type is included in wages and salaries, the second type has been removed from the wages and salaries category as it should form part of the income of unincorporated business.

Private Households

Formerly, the estimates of supplementary labour income for employees of private households (e.g. baby sitters, gardeners, etc.) were made based on data obtained in the censuses. In the historical revision, this basis of making estimates using censuses has been changed. The Family Expenditure Survey (FAMEX) containing the expenditures of private households for their employees has been used and revisions incorporated in the historical revision. This change has resulted in a decline of \$215 million from the old to the new estimates for 1992.

Tips and Other Charges

Wages and salaries include all earnings from employment or work performed by Canadian residents whether they are paid in cash or kind such as free boarding and lodging. Based on this definition, they include earnings through commissions, directors' fees, tips, bonuses and allowances such as cost of living allowance. Payment for holidays and leave with pay (e.g. sick leave, maternity leave) are also included in this category. All these earnings should be included for "gross" wages and salaries before income tax or any other deductions such as contributions to pension, employment insurance and other social insurance programs. As such, all such earnings taken together are "gross" earnings before any deductions.

Although some of these items such as bonuses, commissions, and retroactive increases are paid by employers in the periods unrelated to the actual employment, they are measured in the periods in which they are actually paid because of the fact the expenditures by the economic transactors such as corporations are reflected in their databases during the periods of actual payment. Also, there are statistical difficulties to allocate them to the past periods in which they are earned by the employees concerned.

Excluded from this category are earnings from self-employment or partnership, income from independent professional or occupational practice, income from farming and fishing as these types of earnings are included in another category called "net income of unincorporated business" which is otherwise called "mixed

income". Because these earnings contain returns to two factors of production, namely, labour and capital, which cannot be separated, it is called the "mixed income" consisting of earnings from employment as well as entrepreneurship.

SUPPLEMENTARY LABOUR INCOME

Accident and Sickness Insurance

The statistics and the methodology used in making the former estimates have been reviewed and changes incorporated as needed by eliminating inconsistencies noticed in the review. This resulted in an increase of \$720 million to the old series for 1992.

Interest on Overdue Employers' contributions to Pensions:

Before the historical revision, interest on late payments of employers' contribution to pension funds was already excluded from SLI from 1985 onwards on the ground that interest is a transfer payment but does not constitute contribution to pensions. In the historical revision, this treatment has been incorporated in the data prior to 1985 for conceptual and statistical consistency in the historical time-series.

Adjustment to Military for Employment Insurance, and Canada and Quebec Pension Plans

A thorough review of the methodology used for the former estimates revealed that the federal government contribution to defence employees towards employment insurance, and Canada and Quebec Pension Plans was double counted – once in

the supplementary labour and income of the business sector as estimated by Labour Division and again in the “military pay and allowances” category of the defence sub-sector as estimated by Public Institutions Division. This double counting has now been removed and the result was a decline of \$177 million for 1992.

MIXED INCOME

Mixed income contains two elements. The first one is the “accrued net income of farm operators” while the second one represents the “net income of unincorporated business”. For 1992, there was no change in the data of the first component, namely, the “accrued net income of farm operators”. However, there was a substantial upward revision of \$2163 million in 1992 for the second component, namely, the “net income of non-farm unincorporated business”. The bulk of the revision (about \$2027 million) resulted from the use of new survey information from FAMEX for expenditures on childcare (\$604 million), rents (\$584 million), transportation (\$667 million), forestry (\$138 million) and other services such as accounting services (\$172 million). The child-care component includes baby-sitting and day care services which were not adequately covered in the previous estimates. The transportation category includes owners of small trucks to transport goods for-hire which was also understated in the past due to lack of adequate coverage of the surveys. There were similar under-coverages in other services categories and they have also been rectified in the historical revision.

INDIRECT TAXES

FEDERAL

Gasoline Taxes

Gasoline taxes form a part of excise taxes collected by Revenue Canada on various items such as alcohol, tobacco, gasoline and other luxury items. Although Revenue Canada publications contain separate data for gasoline excise taxes, in some years the levels of those collections were not consistent with the level of consumption in the economy.

Therefore, adjustments were made in the past to Revenue Canada data in order to be consistent with the consumption patterns observed in other related data such as production and consumption estimates compiled for the Input-Output Accounts. Based on this practice, an upward adjustment of \$373 million was made in the past to the gasoline taxes for 1992. A review in the historical revision has revealed that this adjustment was not needed as the Revenue Canada data are found to be consistent with the revised information. This adjustment was therefore removed from the previously published data for 1992 and a negative adjustment entry for \$373 million was made.

Goods and Services Tax (GST) Rebates for Housing and Foreign Visitors

The Federal Goods and Services Tax was introduced in Canada starting from 1991 and basic information to make estimates for items such as housing rebates and refunds to foreign visitors was lacking. Based on research studies of the historical

revision, separate estimates have been made to adjust the previous data for 1991 and 1992. (\$114 million for housing rebates, \$15 million for refunds to foreign visitors).

SUBSIDIES (Negative entry)

NON-AGRICULTURE: FEDERAL

Canada Mortgage and Housing Corporation (CMHC)

As the provincial and local housing corporations, which used to be in the business sector in the past, are now in the government sector, the transfers to these corporations from the Canadian Mortgage and Housing Corporation (CMHC) are not treated as subsidies, but as inter-governmental transfer namely, from the federal government business enterprise (CMHC) to the provincial government and local governments. This new treatment resulted in a downward revision of \$345 million in the subsidies attributable to CMHC as the amount is now classified as intergovernmental transfers.

NON-AGRICULTURE: PROVINCIAL

Housing Corporations Reclassified to Government Sector from Business Sector

As stated earlier provincial and local housing corporations which were formerly classified to the business sector are now included in the government sector as most of the funding is received from the governments as transfers. This new treatment eliminated the subsidies as the entities are no longer in the business sector. It

should be recalled that the government transfers to the governmental agencies within the government sector are simply called transfers only, while similar transactions with the business sector are called subsidies. This change has resulted in an increase of the GDP by \$726 million for 1992 as subsidies are not deducted from the GDP.

Other Non-Agricultural Industries

A review of the databases received from the provincial governments in the context of the changes to the Public Sector Universe¹ (see Table 31), a number of statistical changes occurred in the level of provincial subsidies. For 1992, the change amounted to \$1116 million with a corresponding decline in the level of GDP.

AGRICULTURE REVISIONS

The Agriculture Division of Statistics Canada compiles basic information for the agriculture industry in the economy. In the historical revision, the revised numbers of Agriculture Division have been used for subsidies in order to be consistent with other basic data such as "accrued net income of farm operators" which is also compiled using Agriculture Division's information. This changed methodology resulted in a decline of agriculture subsidies by \$843 million for 1992 with a corresponding increase in the level of GDP.

OPERATING SURPLUS

Operating surplus in the Input-Output Accounts is derived residually after deducting the operating expenses from the total revenues. It consists of the following items and adjustments for the purpose of Input-Output Accounts:

Corporation profits before taxes including government business enterprises;

Minus: interest received;

Plus: interest paid;

Plus: Inventory valuation adjustment;

Plus: Capital consumption allowances.

A number of classification and conceptual changes have been implemented in the historical revision. For example, under the new structure of the Public Sector Universe, some entities which used to be in the Government Sector have been reclassified to the Business Sector and some others have been removed from the Business Sector and reclassified to the Government Sector. Also, the methodology to calculate the profits of insurance companies has been revised by including the investment income accruing to policy reserves. In addition, capital consumption allowances of the government sector have been substantially revised upward due to the conceptual change in the definition of asset service lives mentioned earlier. These and other changes had offsetting movements and the level of operating surplus had a net increase of \$214 million for 1992. (See Table 21).

5. SUMMARY OF CHANGES THAT IMPACTED ON THE INCOME-BASED GDP

In summary, then, as a result of the historical revision, the GDP for 1992 rose by \$8421 million (see Table 21). The conceptual changes are mainly responsible for this increase. They amounted to \$12320 million as summarized by categories in Table 22. However, the total statistical changes which are negative²⁸ amounted to \$3899 million and they were offset by the increase caused by the conceptual changes of \$12320 million.

Chief among the conceptual changes that increased the level of GDP for 1992 are the following:

	\$ Million
i) Supplementary Labour Income:	
Workers' compensation Boards	752
Retirement allowances	1140
Sub-total	<u>1892</u>
ii) Indirect Taxes:	
Grants-in-lieu of taxes of government departments and agencies	834
iii) Decrease in Subsidies:	
Canadian Broadcasting Corporation	932
Housing Corporations	726

²⁸ Changes in the historical revision are the differences in the data from the old to the new estimates. A negative change denotes that the new level was decreased while the positive change denotes that the new level was increased.

	Sub-total	<u>1658</u>
iv)	Other Operating Surplus:	
	Change in the profits of	3257
	Insurance Companies	
	Revision for Capital Consumption	3408
	Allowances of Government Sector	
	Sub-total	<u>6665</u>
v)	Sub-total (items i to iv)	<u>11049</u>
vi)	Others	1271
vii)	Total	<u>12320</u>

The magnitude of conceptual and statistical changes that impacted on the level of GDP and the kind of impact -- whether positive or negative -- are shown by each category in Charts 31 to 35. These categories are:

- Wages and Salaries (Chart 31);
- Supplementary Labour Income (Chart 32);
- Mixed Income (Chart 33);
- Indirect Taxes (Chart 34);
- Other Operating Surplus (Chart 35).

It can be seen from these charts that the entire change in the categories is not relevant for analysis as a portion of the change in some cases merely reflected the classification changes which are offsetting. In other words, the total of one category increased with a corresponding decline in another. The overall result of

these classification changes is zero as far as the level of GDP is concerned as illustrated in Table 23.

For example, the total change in indirect taxes was \$8845 million of which \$7007 million were conceptual changes within GDP. The total effect on the GDP was only \$1838 million which consisted of \$2386 million for conceptual changes and \$-548 million for statistical changes. This kind of analysis is made possible only by filtering the total change, and it will be impossible to detect the real issues from the surface of the total change involved.

This is the advantage of analysis after filtering the changes which is adopted in this chapter for the income-based GDP.

Another way of looking at the total change in the historical revision is to highlight only the specific items which contributed to the net overall change of \$8421 million in the level of GDP at market prices for 1992. In this case, the significant items that contributed to this change are only four -- two in indirect taxes and another two in the operating surplus category which are summarized below:

<u>Income-Based GDP</u>	\$Millions
Indirect taxes:	
- Grants in-lieu-of-taxes for government departments, agencies and other institutions such as universities, colleges, public hospitals and correctional institutions (treated as transfers previously)	834
- Personal portion of motor vehicle licences (treated as transfers previously)	1682
Operating Surplus:	
- Government Capital Consumption allowances (New basis)	3408
- Insurance adjustment consisting of investment income of Property and Casualty Insurance companies-(missed before)	<u>3257</u>
Total	<u>9181</u>

In other words, the entire total change of \$8421 million in the GDP was more than accounted for by the four items only. This shows that all other items of changes more or less offset each other with no significant addition or decline in the total level of GDP. This means, had it not been for the four items listed above, there would have been no change at all in the GDP series of 1992. This may not be the same experience for other years. In fact, it is different in other years as mentioned

in the previous chapter and each year's changes in each component have to be evaluated to assess the reasons for the net impact on the GDP.

Instead of dwelling into the details of each year and making this a lengthy document, it was thought that an example for 1992 data along with adequate background information for other years will satisfy the specific needs of analysts. If, however, some further clarification is needed, our Consulting and Marketing Section²⁹ will be glad to be of assistance in the matter.

²⁹ Our Consulting and Marketing Section can be reached by contacting Ronald Rioux, Consulting and Marketing, Input-Output Division, 23rd Floor, R.H. Coats Building, Ottawa, Ontario, K1A 0T6, Telephone (613) 951-3697, Fax (613) 951-0489, Internet: riouxr@statcan.ca.

Table 21: Analysis of changes in Income-Based Gross Domestic Product at Market Prices, 1992 (Cont'd)

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Changes	New Series
		Within GDP	To GDP				
Wages and Salaries (including Military Pay and Allowances)	343916	-601		-246	-246	-847	343069
i) First Nations				303	303	303	
ii) Fishing undercoverage				-87	-87	-87	
iii) Commissions of independent insurance agents moved to Mixed Income		-601				-601	
iv) Private Households				-215	-215	-215	
v) Tips				-249	-249	-249	
vi) Other changes				2	2	2	
Supplementary Labour Income	47703	-5327	1892	452	2344	-2983	44720
i) Workers' Compensation Board Medical Aid			752		752	752	
ii) Retirement Allowances			1140		1140	1140	
iii) Accident and sickness insurance				720	720	720	
iv) Payroll taxes reclassified to indirect taxes		-5327			0	-5327	
v) Adjustment to military, Unemployment insurance, Canada and Quebec Pension Plan				-177	-177	-177	
vi) Other changes				-91	-91	-91	

Table 21: Analysis of changes in Income-Based Gross Domestic Product at Market Prices, 1992 (Cont'd)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Changes	New Series
		Within GDP	To GDP				
Mixed income containing Net income of unincorporated business which includes:	38965	601		1562	1562	2163	41128
i) Accrued net income of farm operators				0	0	0	
ii) Net income of Non-farm unincorporated business							
Commissions of independent insurance agents moved from Wages and Salaries		601				601	
Other statistical changes				1562	1562	1562	
Indirect Taxes	97742	7007	2386	-548	1838	8845	106587
A. Federal			350	-448	-98	-98	
i) Deposit insurance corporation premiums reclassified			302		302	302	
ii) Share of Provincial Lottery profits reclassified			48		48	48	
iii) Gasoline Taxes				-373	-373	-373	
iv) Excise Taxes				11	11	11	
v) GST Rebate on housing				-114	-114	-114	
vi) GST Rebate to foreign visitors				-50	-50	-50	
vii) Other changes				78	78	78	

Table 21: Analysis of changes in Income-Based Gross Domestic Product at Market Prices, 1992 (Cont'd)

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Changes	New Series
		Within GDP	To GDP				
B. Provincial		7007	1360	-56	1304	8311	
i) Lottery profits reclassified from Operating Surplus		1680			0	1680	
ii) Payroll taxes reclassified from Supplementary Labour Income		5327			0	5327	
iii) Natural Resources Tax reclassified			-444		-444	-444	
iv) Personal portion of Motor vehicle licences reclassified			1682		1682	1682	
v) Hunting and fishing licences reclassified			122		122	122	
vi) Other changes				-56	-56	-56	
C. Local			676	-43	633	633	
i) Land Development Fees Reclassified			146		146	146	
ii) Interest and penalties			-304		-304	-304	
iii) Grants-in-lieu of taxes for general government departments, agencies and other institutions such as universities, colleges, public hospitals and correctional institutions (Federal government, 375 million; Provincial government 430 million; and Other institutions 29 million).			834		834	834	
v) Other changes				43	43	43	

Table 21: Analysis of changes in Income-Based Gross Domestic Product at Market Prices, 1992 (Cont'd)
(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Changes	New Series
		Within GDP	To GDP				
D. Total all levels		7007	2386	-548	1838	8845	
i) Federal			350	-448	-98	-98	
ii) Provincial		7007	1360	-56	1304	8311	
iii) Local			676	-44	632	632	
Subsidies (Negative entry)	-13353		999	30	1029	1029	-12324
The reduction of \$1029 million from 13353 to 12324 increased the level of GDP by the same amount. Similarly, increases in subsidies reduced the level of GDP as shown below in A,B, C, and D.							
A. Federal: Non-Agriculture			273	347	620	620	
i) Accrual adjustment, Non-Agriculture				47	47	47	
ii) GBE losses – new treatment			-485		-485	-485	
iii) GBE, added/reclassified			-174		-174	-174	
iv) CBC reclassified to government sector			932		932	932	
v) Canada Mortgage and Housing Corporation				345	345	345	
vi) Other statistical revisions				49	49	49	

Table 21: Analysis of changes in Income-Based Gross Domestic Product at Market Prices, 1992 (Cont'd)

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Changes	New Series
		Within GDP	To GDP				
B. Provincial: Non-Agriculture			726	-1116	-390	-390	
i) Housing corporations reclassified to government sector from business sector			726		726	726	
ii) Other non-agricultural				-1116	-1116	-1116	
C. Local: Non-Agriculture				-44	-44	-44	
i) Statistical revisions				-44	-44	-44	
D. Agricultural changes					0		
i) Agriculture revisions, cash basis all sectors				843	843	843	
E. Total Subsidies			999	30	1029	1029	

Table 21: Analysis of changes in Income-Based Gross Domestic Product at Market Prices, 1992

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Changes	New Series
		Within GDP	To GDP				
Operating Surplus	175149	-1680	7043	-5149	1894	214	175363
Of Which:							
a) Lottery Profits Classified to Indirect Taxes		-1680			0		
b) Insurance Adjustment			3257		3257		
c) Government Sector Capital Consumption Allowances			3408		3408		
d) Mining Exploration Removed from Current Operating Expenditure and added to Capital Formation			326		326		
e) Geological and Geophysical Expenditures removed from Current Operating Expenditure and added to Capital Formation			452		452		
f) Capital Items charged to Operating Expenditures treated as Current Expenditures Instead of Capital Formation			-2062		-2062		
g) Other Items			1662		1662		
g) Other Statistical Changes				-5149	-5149		
h) Sub-Total		-1680	7043	-5149	1894	214	
Total Gross Domestic Product at Market Prices	690122	0	12320	-3899	8421	8421	698543

Table 22: Analysis of changes in Income-Based Gross Domestic Product at Market Prices by Summary of Categories, 1992 (Cont'd)

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Changes	New Series
		Within GDP	To GDP				
Wages and Salaries (including Military Pay and Allowances)	343916	-601		-246	-246	-847	343069
Supplementary Labour Income	47703	-5327	1892	452	2344	-2983	44720
Mixed income containing Net Income of Unincorporated Business and Farm operators	38965	601		1562	1562	2163	41128
Indirect Taxes	97742	7007	2386	-548	1838	8845	106587
Of Which: Federal			350	-448	-98	-98	
Provincial		7007	1360	-56	1304	8311	
Local			676	-44	632	632	
Total Indirect Taxes		7007	2386	-548	1838	8845	

Table 22: Analysis of changes in Income-Based Gross Domestic Product at Market Prices by Summary of Categories, 1992

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Changes	New Series
		Within GDP	To GDP				
Subsidies (Negative entry)	-13353		999	30	1029	1029	-12324
(Reverse Impact as it is a Negative Item)							
Of Which: Non-Agriculture							
Federal			273	347	620	620	
Provincial			726	-1116	-390	-390	
Local				-44	-44	-44	
Agriculture				843	843	843	
Total Subsidies			999	30	1029	1029	
Operating Surplus	175149	-1680	7043	-5149	1894	214	175363
Total Gross Domestic Product at Market Prices	690122	0	12320	-3899	8421	8421	698543

Table 23: Conceptual Changes that had no Impact on the Level of Income-Based Gross Domestic Product, 1992

(\$Millions)

Category	Within GDP
Wages and Salaries:	
Commission of independent insurance agents moved to Mixed Income	-601
Supplementary Labour Income:	
Payroll taxes reclassified to indirect taxes	-5327
Mixed Income containing Net income of unincorporated business:	
Commission of independent insurance agents moved from Wages and Salaries	601
Indirect Taxes - Provincial:	
i) Lottery profits reclassified from Operating Surplus	1680
ii) Payroll taxes reclassified from Supplementary Labour Income	5327
Operating Surplus:	
Lottery Profits Classified to Indirect Taxes	-1680
Total impact on the level of Gross Domestic Product	0

Table 24: Conceptual Changes that had an Impact on the Level of Income-Based Gross Domestic Product, 1992 (Cont'd)

(\$Millions)

Category	To GDP
Supplementary Labour Income	1892
i) Workers' Compensation Board, Medical Aid	752
ii) Retirement Allowances	1140
Indirect Taxes	2386
A. Federal	350
i) Deposit insurance corporation premiums	302
ii) Share of Provincial Lottery profits	48
B. Provincial	1360
i) Natural Resources Tax	-444
ii) Personal portion of Motor vehicle licences	1682
iii) Hunting and fishing licences	122
C. Local	676
i) Land Development Fees	146
ii) Interest and penalties	-304
iii) Grants-in-lieu of taxes for general government departments and agencies	834

Table 24: Conceptual Changes that had an Impact on the Level of Income-Based Gross Domestic Product, 1992 (Cont'd)

(\$Millions)

Category	To GDP
D. Total all levels	2386
i) Federal	350
ii) Provincial	1360
iii) Local	676
Subsidies (Negative entry)	999
The reduction of \$1029 million from 13353 to 12324 increased the level of GDP by the same amount. Similarly, increases in subsidies reduced the level of GDP as shown below in A,B, C, and D.	
A. Federal: Non-Agriculture	273
i) GBE losses – new treatment	-485
ii) GBE, added/reclassified	-174
iii) CBC reclassified to government sector	932
B. Provincial: Non-Agriculture	726
Housing corporations reclassified to government sector from business sector	726
C. Total Subsidies	999

Table 24: Conceptual Changes that had an Impact on the Level of Income-Based Gross Domestic Product, 1992

(\$Millions)

Category	To GDP
Operating Surplus	7043
Of Which:	
b) Insurance Adjustment	3257
c) Government Sector Capital Consumption Allowances	3408
d) Mining Exploration Removed from Current Operating Expenditure and added to Capital Formation	326
e) Geological and Geophysical Expenditures removed from Current Operating Expenditure and added to Capital Formation	452
f) Capital Items charged to Operating Expenditures treated as Current Expenditures instead of Capital Formation	-2062
g) Other Items	1662
h) Sub-Total	7043
Total Gross Domestic Product at Market Prices	12320

Table 25: Statistical Changes that had an Impact on the Level of Income-Based Gross Domestic Product, 1992 (Cont'd)

(\$Millions)

Category	
Wages and salaries	-246
i) First Nations	303
ii) Fishing undercoverage	-87
iii) Private Households	-215
iv) Tips	-249
v) Other changes	2
Supplementary Labour Income	452
i) Accident and sickness insurance	720
ii) Adjustment to military, Unemployment insurance, Canada and Quebec Pension Plan	-177
iii) Other changes	-91
Mixed income containing Net income of unincorporated business which includes:	1562
i) Accrued net income of farm operators	0
ii) Net income of Non-farm unincorporated business	1562

Table 25: Statistical Changes that had an Impact on the Level of Income-Based Gross Domestic Product, 1992 (Cont'd)

(\$Millions)

Category	
Indirect Taxes	-548
A. Federal	-448
i) Gasoline Taxes	-373
ii) Excise Taxes	11
iii) GST Rebate on housing	-114
iv) GST Rebate to foreign visitors	-50
v) Other changes	78
B. Provincial	-56
C. Local	-43
D. Total all levels	-548

Table 25: Statistical Changes that had an Impact on the Level of Income-Based Gross Domestic Product, 1992

(\$Millions)

Category	
Subsidies (Negative entry)	30
Non-Agriculture: Federal	347
i) Accrual adjustment, Non-Agriculture	47
ii) Canada Mortgage and Housing Corporation	345
iii) Other statistical revisions	49
Non-Agriculture: Provincial	-1116
Non-Agriculture: Local	-44
Agriculture revisions, cash basis	843
Total	30
Operating Surplus	-5149
Total Gross Domestic Product at Market Prices	-3899

Chart 34: Total Historical Revision Change in Wages and Salaries, 1992

\$Millions

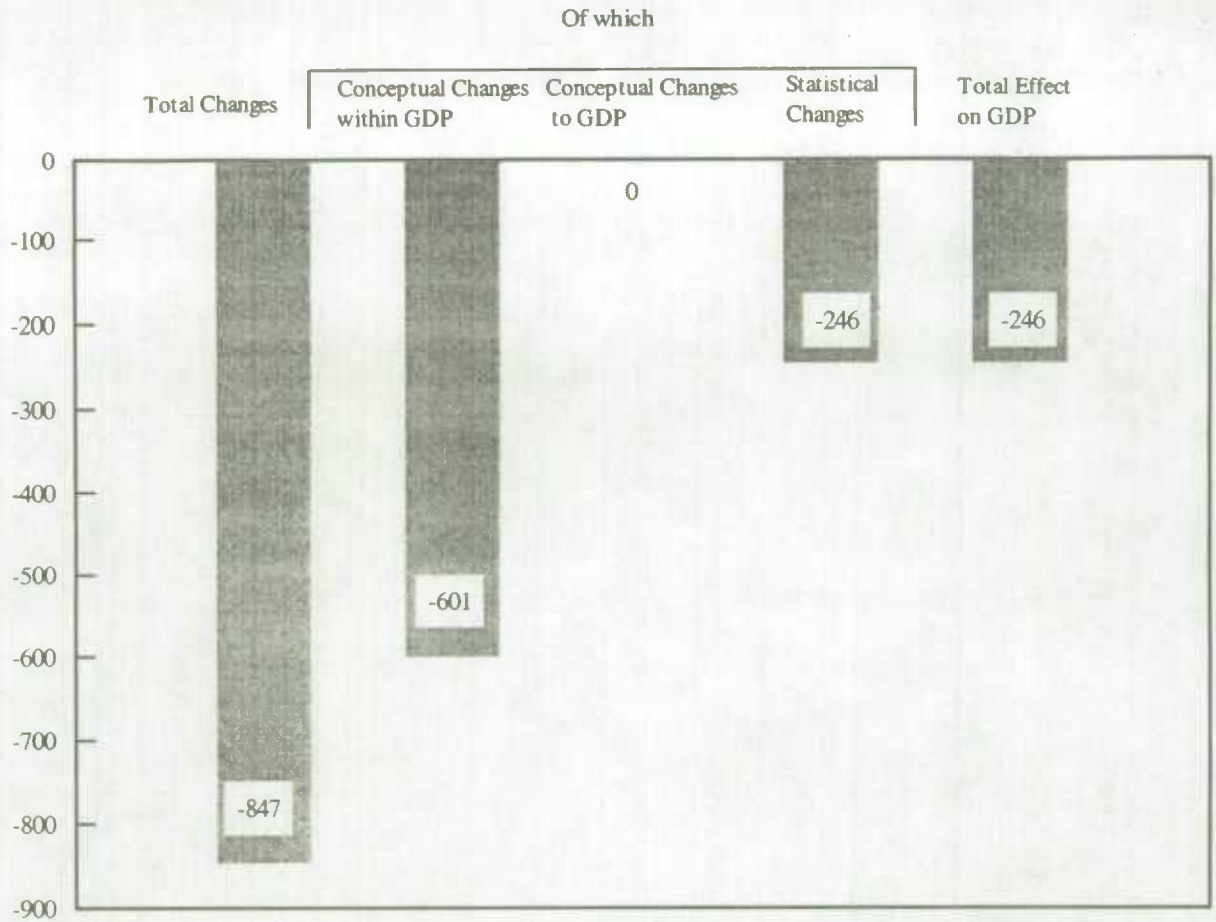


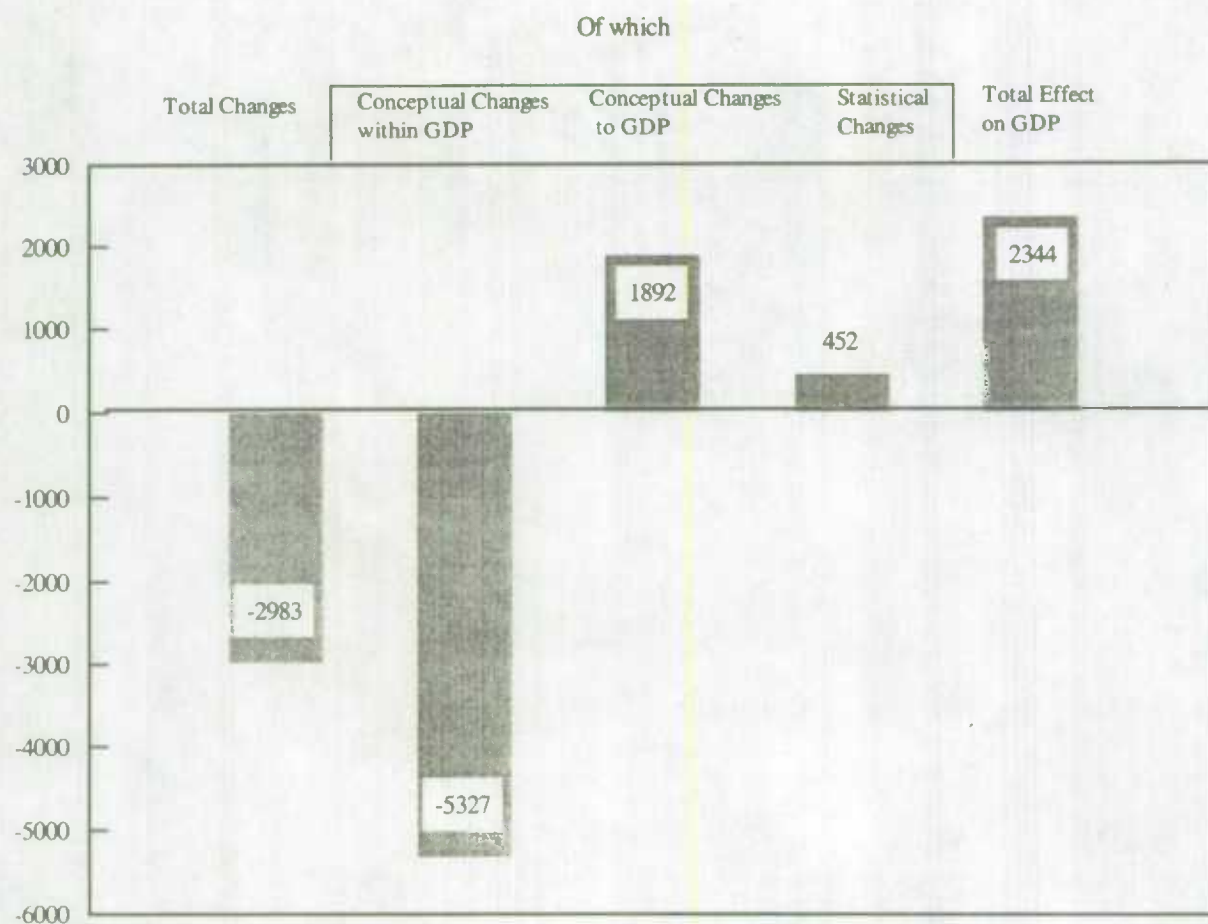
Chart 35: Total Historical Revision Change in Supplementary Labour Income, 1992**\$Millions**

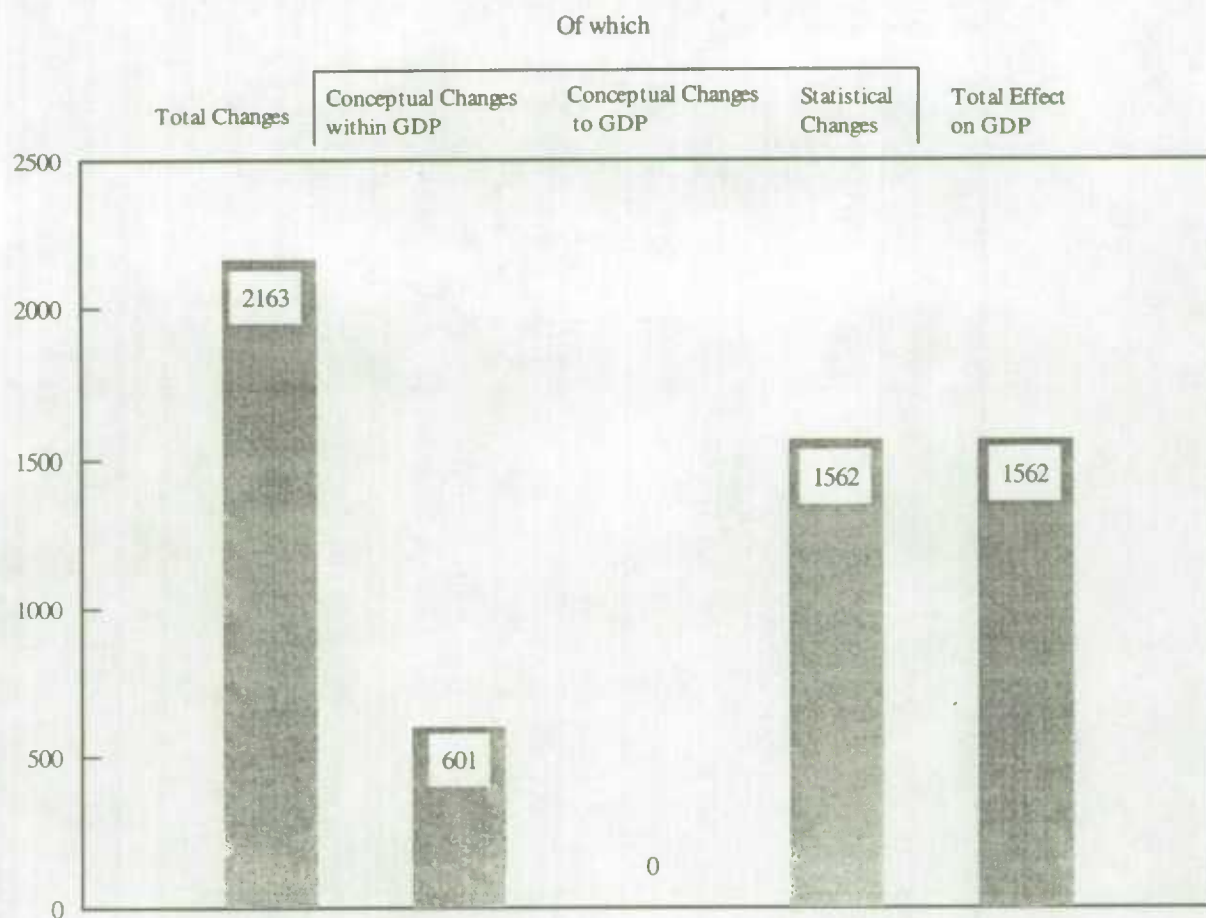
Chart 36: Total Historical Revision Change in Mixed Income, 1992**\$Millions**

Chart 37: Total Historical Revision Change in Indirect Taxes, 1992**\$Millions**

Of which

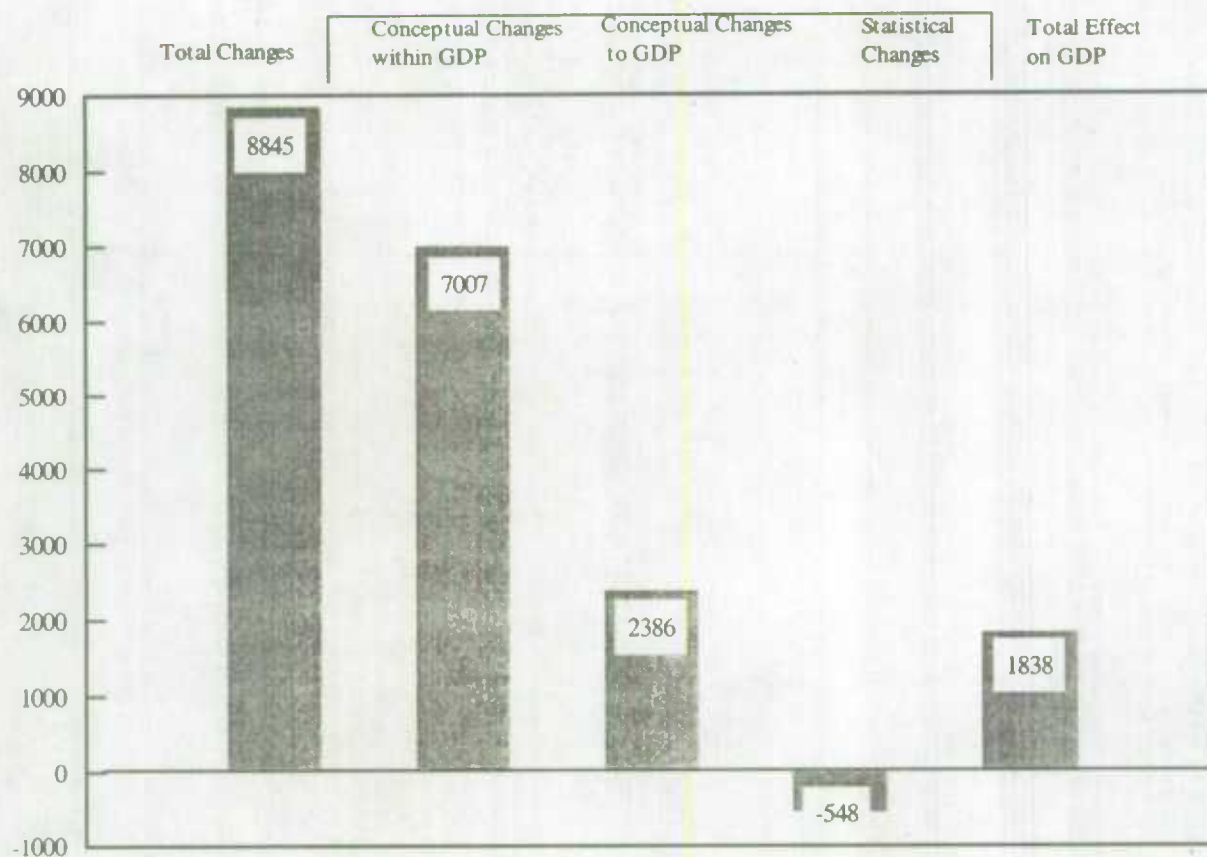
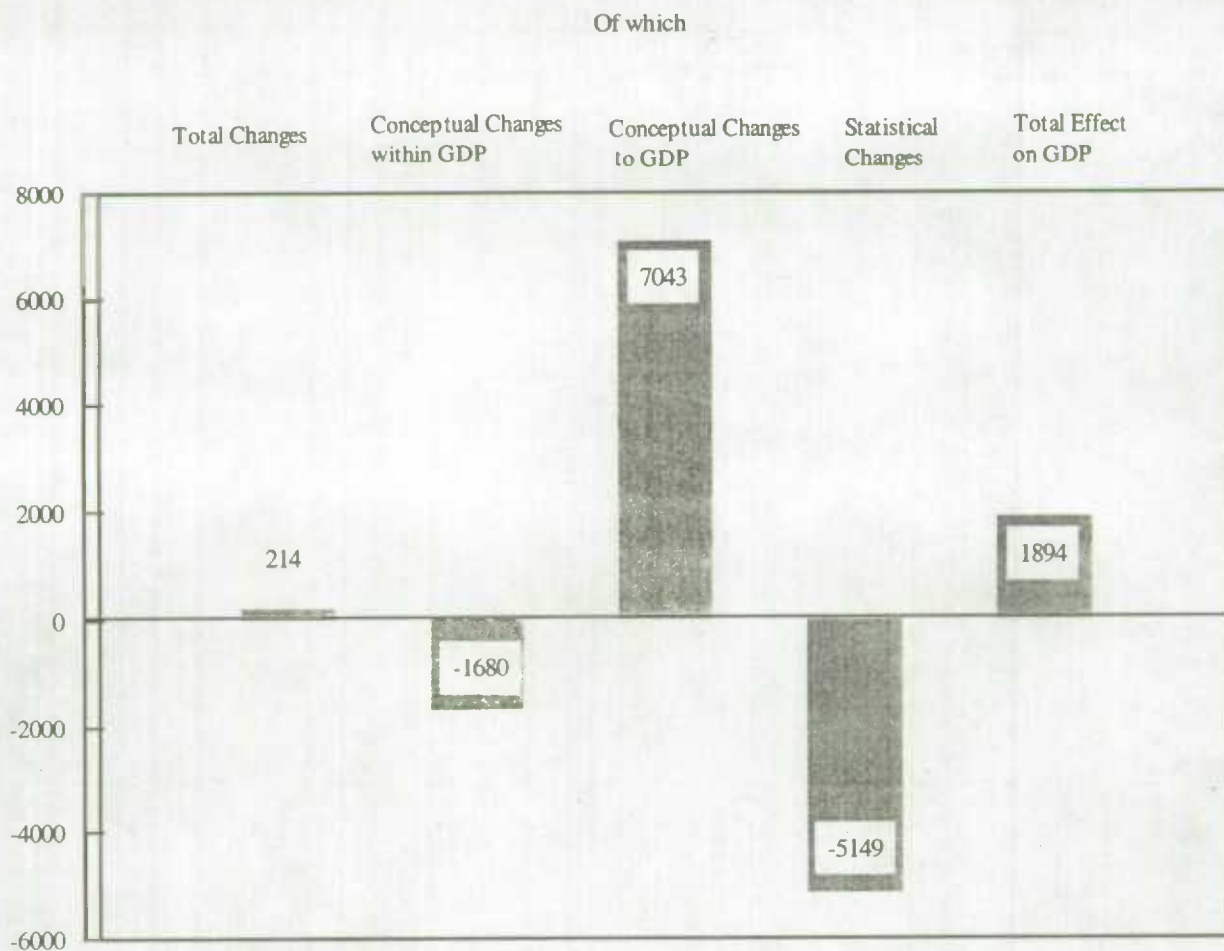


Chart 38: Total Historical Revision Change in Operating Surplus, 1992

\$Millions



X

HISTORICAL REVISION: CHANGES FOR EXPENDITURE-BASED GROSS DOMESTIC PRODUCT

1. ORGANIZATION

This chapter deals with the items that were changed in the historical revision as far as the Expenditure-based Gross Domestic Product is concerned. These items are classified into the following three categories as shown in Table 26 and summarized in Table 27. In this chapter also, the total changes in each category have been filtered by eliminating those conceptual changes that did not impact on the total

level of GDP and by separating other changes arising out of conceptual and statistical revisions which impacted on the GDP.

1. Conceptual changes that had no impact on the level of Expenditure-based Gross Domestic Product (**Table 28**).
2. Conceptual changes that had an impact on the level of Expenditure-based Gross Domestic Product (**Table 29**).
3. Statistical changes that had an impact on the level of Expenditure-based Gross Domestic Product (**Table 30**).

The items falling under each of these three categories are listed and discussed next.

2. **CONCEPTUAL CHANGES THAT HAD NO IMPACT ON THE LEVEL OF EXPENDITURE-BASED GROSS DOMESTIC PRODUCT (Table 28).**

PERSONAL EXPENDITURE ON GOODS AND SERVICES

Universities, Newfoundland School Boards, and Residential Care Facilities

Formerly, universities, Newfoundland school boards, and some residential care facilities were classified to the personal sector on the ground that they are similar to non-profit institutions serving households. In the historical revision, a review of this treatment in the context of the criteria outlined in the new United Nations (UN) System of National Accounts (SNA) has revealed that these institutions are mostly funded by the government sector. In view of this, universities, Newfoundland school board and residential care facilities which were formerly in

the personal sector have now been reclassified to the government sector. There was therefore, a negative entry in the personal sector with a corresponding positive entry in the government sector.

Leased Vehicles to the Personal Sector

Formerly, the data of leased vehicles were all included in the Gross Fixed Capital Formation estimates whether the vehicles were leased to Personal Sector or Business Sector. As the vehicles leased to the Personal Sector are similar to purchases by that Sector with a financing arrangement between the dealers and households, they are now included in the Personal consumption expenditures, but not Gross Fixed Capital Formation. This change resulted in a reduction of the Gross Fixed Capital Formation with a corresponding increase in the Personal Expenditure on goods and services.

Capitalized Legal Fees

Formerly, legal and other fees related to the transfer of fixed assets were included in the personal consumption expenditures on goods and services. Based on the definition of capital formation outlined in the new United Nations (UN) System of National Accounts (SNA), all the costs incurred in the transfer of ownership such as fees paid to surveyors, engineers, architects, lawyers, real estate agents etc. along with any taxes paid thereof should form a part of Gross Fixed Capital Formation. In view of this new international definition, the legal costs which used to be in the personal expenditure on goods and services have been shifted to

“Gross Fixed Capital Formation” from the “Personal Expenditure on goods and services”.

GOVERNMENT CURRENT EXPENDITURE ON GOODS AND SERVICES

In the case of government sector, a new structure has now been implemented to include the following;

Universities Reclassified from Personal Sector

Formerly, Universities were classified to the Personal sector; they are now included in the Provincial and Territorial government component of the government sector from which most of the funding was obtained for their operating expenditures.

Non-profit colleges

Formerly, non-profit colleges were included in the education category of the Provincial and Territorial government. They are now combined with Universities and colleges and called “colleges and universities” as a separate component of the Provincial and Territorial government.

Newfoundland School Boards Reclassified from Personal Sector

Formerly, the Newfoundland School Boards were a part of the Personal sector. Now, they are included in the local government component of the government sector from which most of the funding was obtained for their operations.

Private non-profit hospitals

Privately owned non-profit hospitals mainly funded by government are now included in the Hospitals component of the government sector. Formerly, they were in the business sector as an industry.

Residential Care Facilities Reclassified from Personal Sector

Formerly, all non-profit Residential Care Facilities were allocated to three sectors, (namely, Personal, Business, and Government sectors), based on their ownership. Now, all non-profit Residential Care Facilities, irrespective of their ownership, are included in the "Other Health and Social Services" component of the Government Sector: Provincial and Territorial government as most of the funding was from the government.

Defence Equipment Reclassified to Gross Fixed Capital Formation from Current Expenditure on Goods and Services

Before the historical revision, capital goods acquired for defence purposes for both military and non-military purposes was not recognized as capital investment.

Hence, they were treated as current expenditure on goods and services in the Defence sub-sector.

In the historical revision, following the new 1993 SNA, the non-military capital goods acquired for defence purposes have been reclassified to capital formation from the current expenditure on goods and services. In other words, capital goods acquired for defence purposes are treated in the following two different categories.

- | | |
|---|---|
| <p>(i) Military destructive weapons and their supporting systems.
Eg: Bombs; Missiles; Vehicles and Equipment such as Warships, Military Aircraft. Tanks.</p> | <p>Treated as current expenditures they are not in fact used repeatedly continuously in production. Although some of them are durable goods useful for more than one time, they are all treated</p> |
| <p>Missile Carriers and Launchers.
Etc. used to deliver weapons.</p> | <p>as single-use goods for the purpose of the National Accounts.</p> |
| <p>(ii) Non-military items such as buildings, structures and computers used by defence
Eg. Airfields; Docks; Roads.
Hospitals and other capital equipment which is used in much the same way as similar civilian items.</p> | <p>Treated as capital expenditures and included in the Gross Fixed Capital Formation.</p> |

3. CONCEPTUAL CHANGES THAT HAD AN IMPACT ON THE LEVEL OF EXPENDITURE-BASED GROSS DOMESTIC PRODUCT (Table 29).

PERSONAL EXPENDITURE ON GOODS AND SERVICES

Personal Portion of Provincial Motor Vehicle Licences; and Hunting and Fishing Licences

Formerly, the personal portion of motor vehicle licences and hunting and fishing licences of persons were treated as transfers to the Government Sector from the Personal Sector. Based on the new definition of the United Nations (UN) System of National Accounts (SNA), these payments should be considered as indirect taxes. In view of this, a change has been made by adding them to the indirect taxes of the Income-based GDP and also to the Personal Expenditure on Goods and Services in the Expenditure-based GDP.

Financial Intermediation Services Indirectly Measured (FISIM)

In view of the recommendation of the United Nations (UN) System of National Accounts (SNA), the estimates relating to trust companies, mortgage companies, credit unions, and consumer loan companies have been treated as intermediate consumption of the Business Sector. As this amount was formerly included in the Personal Sector, it has been removed from the Personal Sector and the consumer expenditure is reduced by that amount (\$4517 million for 1992).

Insurance Adjustment

Formerly, the output of insurance companies was calculated without including dividends and investment income from technical reserves. Based on the new definition of the United Nations (UN) System of National Accounts (SNA), the investment income has been added to the output of insurance companies.

The new output has been allocated to the policyholders that bought the services of insurance companies. Hence, there was an increase of \$3257 million to the Personal Sector's expenditure for 1992.

GOVERNMENT CURRENT EXPENDITURE ON GOODS AND SERVICES

Public Sector Universe

A new Public Sector Universe has been developed for use by all the data-producing Divisions of Statistics Canada in order to generate consistent coverage by all concerned. The Public Sector Universe covers three components:

- a) General government: this component covers all departments and 'Special Funds' which are agencies that function mostly as departments to carry out the government policies.
- b) Non-profit organizations which are mostly funded by government.
- c) Government business enterprises.

The component in (c) is a part of the business sector. The government current expenditures on goods and services covers the components in (a) and (b).

A complete list of the public sector universe covering several hundreds of items is maintained in our Public Institutions Division. However, the changes made to the entities falling in the government sector are shown in Table 31.³⁰ This table shows the changes in classification between government sector and business sector or vice-versa. Although it is not the purpose of this document to list every change that occurred in the revision, some significant items of this new Public Sector Universe are discussed here for illustration purposes.

Aircraft Progress Payment: Defence

Formerly, progress payments made to the manufacturers for the Defence Aircraft purchases program were treated as Defence current expenditures on goods and services. The new definition of the United Nations (UN) System of National Accounts (SNA) recommended that the measurement of expenditures on goods and services should be made at the time of transfer of legal title, but not during the time of production i.e. work-in-progress. In view of this new definition, a reduction of \$57 million was made from this item for 1992.

Payments to International Organizations – Defence and Other Federal

Formerly, payments to international organizations such as NATO, UN and its agencies were treated on government expenditure on goods and services on the

³⁰ A complete list of Public Sector Universe is available in our Public Institutions Division and can be obtained by contacting: Graham Lyttle, Public Institutions Division, Statistics Canada, 20th Floor, Section D, R.H. Coats Building, Tunney's Pasture, Ottawa, Ontario, K1A 0T6, telephone: (613) 951-1849, Fax (613) 951-0661, E-mail: graham.lyttle@statcan.ca.

grounds that the paying sector receives some services from those international agencies.

The new United Nations (UN) System of National Accounts (SNA) maintained that these payments to international agencies constituted only transfers, but not purchase of goods and services. In the context of this new definition, the amounts formerly allocated to the government expenditure have been removed from the current expenditure and included in government transfers.

Canadian Broadcasting Corporation (CBC)

The Canadian Broadcasting Corporation was formerly in the Business Sector as it was classified to Government Business Enterprise. Now, it has been reclassified to the Government Sector from the Business Sector.

The CBC was established in 1936 both as a regulatory agency and a broadcasting agency of the government. However, in November 1958, the regulatory functions were assumed by the Board of Broadcast Governors and subsequently by the Canadian Radio – Television Commission (CRTC). Due to these developments, the CBC's role became more of a government business enterprise since the regulatory functions were transferred to the Board of Broadcast Governors and the CRTC. In view of this change in its functions, the CBC was treated as a Government Business Enterprise from 1959 onwards and moved into the Business sector from the government sector. In other words, it was a part of the government

sector from 1936 to 1958 and Business sector from 1959 onwards before the historical revision.

At the time of the historical revision, a review of CBC's mandate and its operations revealed that this corporation is mainly engaged in promoting government policy towards multiculturalism. It has been competing marginally with the private broadcasting corporations. For example, the financial statements for the fiscal year ending March 31, 1994 showed a total revenue of \$1.3 billion with only \$300 million from the advertising revenue. The balance of \$1.0 billion was a transfer payment from the government in the form of subsidies. In view of these facts, the CBC was reclassified to government sector from 1961 onwards. In effect, then, the CBC was treated as follows from its inception in 1936.

1936 to 1958:	Included in Government Sector
1959 to 1960:	Included in Business Sector
1961 onwards:	Included in Government Sector in the present 1997 historical revision.

Provincial and Local Housing Corporations

Formerly, some Provincial and Local Housing Corporations were included in the Business Sector on the ground that they are operating for profit similar to business enterprises while some others were included in the government sector as special funds as they were operating similar to government departments. However, a review of their revenue sources revealed that most of their revenues were obtained

through government transfers, but not from sale of goods and services. Based on the definition of sectoring recommended in the new United Nations (UN) System of National Accounts (SNA), the Provincial and Local Housing Corporations have been reclassified from the Business Sector to the Government Sector. Therefore, there was an addition to the government expenditure on goods and services to the extent of the operating expenditures of these entities. For 1992, the amount involved was \$612 million.

It should be recalled in this connection that there is only one Federally owned housing institution, namely, Canada Mortgage and Housing Corporation (CMHC) and it is still in the Business sector. No change was made in this case as the charges levied by the CMHC for mortgage and mortgage insurance services are comparable to those of other market oriented private institutions.

Workers' Compensation Board Expenditures

Formerly, medical aid payments made by the Workers' Compensation Boards on behalf of injured workers was not shown as expenditures. Instead, they were deducted from the assessment revenues and only the net revenues were accounted for the purpose of government expenditures. Thus, the medical aid payments were totally lost without articulating them as a separate transaction for the purpose of measuring government expenditures on goods and services. This weakness in the data has now been rectified by grossing up the revenues and articulating the

medical aid payments as separate item of expenditures in the government sector (\$1028 million for 1992).

Grants-in-Lieu of Taxes for Federal and Provincial Government Departments

Formerly, grants-in-lieu of taxes paid by federal and provincial governments on behalf of departments to the local government sub-sector were treated as transfers on the ground that the senior levels of government (i.e. federal and provincial governments) should not pay taxes to the lower level of government (i.e. local government) under the Constitution. However, based on the new definition of the United Nations (UN) System of National Accounts (SNA) for indirect taxes, these grants-in-lieu of taxes constitute taxes irrespective of political arrangements under the Constitution. Therefore, they have now been treated as indirect taxes in the Income-based GDP and in the government expenditure of the Expenditure-based GDP. The amount involved for 1992 was \$834 million – \$375 million for federal, \$430 million for provincial, and \$29 million for other institutions such as universities, colleges, public hospitals and correctional institutions.

Capital Consumption Allowances

Formerly, the estimates of capital consumption allowances for the government sector were based on a fixed term of service life for the asset categories such as Building Construction, Engineering Construction, and Machinery and Equipment. The average asset lives used previously were kept at a constant level and for 1992, they were 50 years for Building Construction, 55 years for Engineering

Construction, and 20 years for Machinery and Equipment. A review of the previous practice of maintaining a fixed term of average life for these types of assets has revealed that there was a changing pattern of service lives which was not reflected in the previous estimates. The 1987 survey revealed that the service lives of these assets have been declining. This declining trend should be reflected in the assumptions to build up the capital consumption estimates for the government sector.

Therefore, new estimates have been made in this regard and the net increase for 1992 was \$3408 million (new \$13904 less old \$10496).

GROSS FIXED CAPITAL FORMATION

A. RESIDENTIAL CONSTRUCTION

Building Inspections and Appraisals; Goods and Services Tax on Legal Fees and Building Inspections Etc.

According to the new definition of capital formation adopted for the historical revision, all costs incurred in the acquisition of the assets should form a part of capital formation. Therefore, the costs for 'building inspections and appraisals' and 'goods and services tax' for legal fees and building inspections, etc. have been estimated separately and included in the capital formation of residential construction. These additions to the capital expenditures increased the level of the GDP by \$303 million (see table 29 for details).

B. NON-RESIDENTIAL CONSTRUCTION AND MACHINERY AND EQUIPMENT

External Affairs Department

Formerly, capital assets for the non-residential buildings and machinery and equipment acquired by the External Affairs Department of the federal government were not included in the capital formation data as these were situated in foreign countries outside Canadian borders. Although these assets are situated outside the geographical boundary of Canada, they form a part of the economic territory of Canada under the new international definition. Therefore, they are now included in the revised capital formation data (\$19 million for non-residential buildings; and \$69 million for Machinery and Equipment for 1992).

Mining Exploration; Geological and Geophysical Expenditure

Formerly, expenditures for mining exploration and geological and geophysical expenditures were not capitalized as they were treated as current expenditures of the Business Sector. Based on the new international definition, these expenditures are now included in the capital formation estimates for the Expenditure-based GDP with a corresponding increase in the 'Operating surplus' component of the Income-based GDP. (\$778 million for 1992. See table 29 for details). The rationale for this new treatment is that the value of resources allocated to exploration also increases the value of the resulting capital asset for future production purposes.

Capital Items Charged to Operating Expenses

Formerly, small items such as hand tools, saws, spades, knives, axes, hammers, screw drivers etc. were considered as capital assets because of their continued use for several years. As these items are small and inexpensive, and as they are used to perform simple operations, they are now treated as intermediate consumption of the Business Sector. The previous estimates have now been revised by removing this item from capital formation estimates of Machinery and Equipment. This charge affected the level of the Expenditure-based GDP. Since this item is now treated as current operating expenditure, the operating surplus is lowered by the new treatment with a corresponding reduction in the 'Operating Surplus' category of the Income-based GDP (\$-2062 million for 1992).

Business Use of Personal Purchases and Personal Use of Business Purchases

Formerly, the data obtained from the Family Expenditure Survey (FAMEX) were allocated to the Personal Sector as consumer expenditures on goods and services as it was thought that all expenditures reported in that survey are for household consumption.

However, the new survey information has revealed that a portion of these expenditures was meant for business use. The amount relating to the business use of capital assets such as cars, computers etc. has been separately estimated and included in the capital formation (\$2194 million for 1992).

Formerly, the data of Business Income Tax returns were assumed to be applicable only to the business operations. However, the new information received from this source has revealed that a portion of the business purchases such as cars and computers etc. was meant for personal use. This portion relating to personal use has been estimated and removed from the Business Capital formation on machinery and equipment (\$700 million for 1992).

Progress Payments

The progress payments for work-in-progress are of two categories. The first category consists of payments between domestic enterprises within Canada while the second category relates to payments between domestic enterprises and foreign enterprises. The first category (i.e. progress payments between domestic enterprises) are always treated as capital formation as there is a contractual sale of goods when the production is completed by the producing enterprises. There is therefore no change in this regard for the purpose of the historical revision.

However, in the case of the second category (i.e. payments between domestic and foreign enterprises), the Balance of Payments data excluded the progress payments when the work is in progress and captured the full cost of the assets when the legal title is changed from the producer to the purchaser. In order to be consistent with this treatment, an upward adjustment has been made to the capital formation estimates. The addition relating to these two categories for 1992 amounted to \$702 million.

Leased Aircraft

Formerly, the capital formation estimates for machinery and equipment did not include amounts relating to leased aircraft. This component has now been estimated and added to the revised data of machinery and equipment of the using industry, namely, air transportation (\$672 million for 1992).

EXPORTS AND IMPORTS

Before the historical revision, the detailed imports were valued C.I.F. (cost, insurance, and freight included) at the Canadian border and import duties added thereafter. However, the C.I.F. value covered only the insurance and freight provided by the non-resident producers to the Canadian border. This valuation excluded the insurance and freight provided by Canadian importers.

The exports were valued f.o.b., (free on board) at the Canadian border, but they excluded trade and transport services provided by non-residents to the Canadian border.

The new 1993 SNA recommended that both imports and exports should be valued at free-on-board (f.o.b.) at the customs frontier of the exporting country. This recommendation has been implemented for both imports and exports.

Consequently, the Input-Output tables will continue to have detailed imports at the c.i.f. valuation including import duties with an offset to such import duties at an

aggregate level. This new practice will result in the same totals for imports in both the Balance of Payments and Input-Output Accounts. In addition to the new valuation of both exports and imports, there is an addition for implicit financial costs incurred for both exports and imports which the financial institutions charge the customers for their services. These costs are called the FISIM (Financial Intermediation Services Indirectly Measured) which is explained later in chapter VIII on concepts.

The adjustments for new concepts increased the levels of both exports and imports (\$859 million for exports and \$5140 million for imports in 1992).

4. STATISTICAL CHANGES THAT HAD AN IMPACT ON THE LEVEL OF EXPENDITURE-BASED GROSS DOMESTIC PRODUCT (Table 30).

A number of improvements were made in the statistics used for the revised estimates incorporated in the historical revision. For example, new data on charitable and non-profit institutions which became available for the first time from the Services Division have now been used in the expenditures and revenues. This contributed to some change in the Personal Expenditure on goods and services as well as in the non-business industries. In all these cases, the previous estimates were removed and new ones included in the appropriate series. In this process, many statistical breaks have now been eliminated. In addition, some methodological changes were also made to improve the analytical usefulness and

the over-all coverage and quality of the information. Thus, the revised series reflect several improvements not only in the basic information but also the techniques used to make the estimates. (see table 30 for details).

In the case of finance leasing, there was a significant change in the allocation of capital assets to the industries. Before the historical revision, all capital items including motor vehicles acquired under finance leases were allocated to the owning industries as capital formation. In the historical revision, motor vehicles acquired under finance leases were allocated to the using industries. However, all other capital items acquired by business and government sectors were allocated to the owning industries. This change did not impact on the GDP of industries; it only switched from the 'owing' industry to the 'using' industry as far as the motor vehicle leases are concerned.

5. SUMMARY OF CHANGES THAT IMPACTED ON THE EXPENDITURE-BASED GDP

In summary, the historical revision resulted in an increase of \$8421 million in the level of Expenditure-based GDP for 1992 (see Table 26). This increase was mainly attributable to significant conceptual changes partly offset by statistical revisions. The main items of conceptual changes in the Expenditure-based GDP are the following:

\$ Million

i)	Personal Expenditure on		
	Goods and Services:	}	
	Motor vehicle licences		1682
	Hunting and Fishing licences		<u>122</u>
	Sub-total		<u>1804</u>
ii)	Government Current Expenditure on Goods and Services:		
	Capital consumption allowances		3408
	Operating Expenditures of Canadian	→	1043
	Broadcasting Corporation	→	
	Operating Expenditure of	}	612
	Housing Corporations		
	Grants-in-lieu of taxes of		
	government departments and agencies	}	805
	(Federal \$375; Provincial \$430)		
	Sub-total		<u>5868</u>
iii)	Exports (\$8594 million)	}	<u>3454</u>
	less Imports (\$-5140 million)		
iv)	Sub-total (i) to (iii)		<u>11126</u>
v)	Others		<u>1194</u>
vi)	Total		<u>12320</u>

In the Expenditure-based GDP categories also, the increase in the conceptual change amounted to \$12320 million which was offset partly by statistical changes

to the extent of \$3899 million leaving a net increase of \$8421 million in the level of GDP for 1992.

The magnitude of conceptual and statistical changes that impacted on the total level of GDP and the kind of impact – whether positive or negative – are shown by each category in charts 36 to 38 for the categories containing a portion that had no impact on the total level of GDP. These categories are:

- Personal Expenditure on Goods and Services (chart 36);
- Government Expenditure on Goods and Services (chart 37);
- Gross Fixed Capital Formation (chart 38).

It can be seen from these charts that the entire change in the categories concerned is not relevant for analysis in some cases as a portion of the change reflected merely a classification change arising out of conceptual nature which pushed up the level of one category with a corresponding decline in another. The overall result of these classification changes is zero as far as the level of GDP is concerned as shown in Table 26.

For example, the total change in Personal Expenditure on Goods and Services resulted in a decline from the previously published estimates. This change was \$9575 million for 1992. However, the amount relating to conceptual changes within GDP was \$-10756 million. In fact, it looks on the surface of these numbers that the entire total change of \$-9575 was offset within GDP, as the amount

relating to conceptual changes within GDP was a larger figure than the total change. This is not a true picture as emerged in further analysis, because there were other conceptual and statistical changes which impacted on the GDP in a different direction (i.e. positive). The total change in this category was negative. In view of these offsetting movements of different types of changes analyzed in the filtering process, the real picture could be seen more clearly in the type of analysis used in this chapter for the Expenditure-based GDP.

Similar to what was described in the previous chapter dealing with the Income-based GDP, we can highlight the specific items of the Expenditure-based GDP also to illustrate the impact of \$8421 million in the total level of GDP for 1992. In that sort of analysis, four specific items are mentioned here also. They relate to the Personal and Government expenditures as shown below:

<u>Expenditure-Based GDP</u>	\$Millions
Personal Expenditure on Goods and Services:	
- Motor vehicle licences	1682
- Cost of insurance services	3257
Government Expenditure on Goods and Services:	
- Grants-in-lieu of taxes paid for departments, agencies and other institutions	834
- Capital consumption allowance	<u>3408</u>
Total	<u>9181</u>

Here again, the entire total change of \$8421 million mentioned earlier for 1992 was more than accounted for by the four items in the Personal and Government expenditures. The remaining items listed in Table 26, (some positive and some others negative), are offsetting with no net impact on the level of GDP.

Rather than listing the mere items that changed in the historical revision and stopping there, we have presented in both the chapters IV and V the in-depth analysis by looking at the items that significantly contributed to the change in the total level of GDP with data for 1992 as an example. This example can be repeated for other years also, if desired, by using the background information on each component provided in the analytical tables at the end of this chapter.³¹

³¹ If, however, some further assistance is required for any user in this kind of analysis, our Consulting and Marketing Section will be glad to provide it. Please contact Ronald Rioux, Input-Output Division, 23rd Floor, R.H. Coats Building, Ottawa, Ontario, Telephone (613) 951-3697, Fax (613) 951-0489, Internet: ron.rioux@statcan.ca.

Table 26: Analysis of changes in Expenditure-Based Gross Domestic Product at Market Prices, 1992 (Cont'd)

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Change	New Series
		Within GDP	To GDP				
Personal Expenditure on goods and services	422515	-10756	544	637	1181	-9575	412940
(i) Personal Portion of Provincial Motor Vehicle Licences			1682		1682	1682	
(ii) Hunting and Fishing Licences			122		122	122	
(iii) Less: Universities Reclassified to Government Sector		-7865			0	-7865	
(iv) Less: Newfoundland School Boards Reclassified to Government Sector		-532			0	-532	
(v) Less: Residential Care Facilities reclassified to government Sector		-3880			0	-3880	
(vi) FISIM and Other Finance Adjustment		2166	-4517		-4517	-2351	
(vii) Insurance Adjustment			3257		3257	3257	
(viii) Less: Capitalized Legal Fees		-645			0	-645	
(ix) Other Revisions				637	637	637	

Table 26: Analysis of changes in Expenditure-Based Gross Domestic Product at Market Prices, 1992 (Cont'd)

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Change	New Series
		Within GDP	To GDP				
Government Current Expenditure on Goods and Services	150390	11498	6376	999	7375	18873	169263
(i) Universities Reclassified from Personal Sector		7865			0	7865	
(ii) Newfoundland School Boards Reclassified from Personal Sector		532			0	532	
(iii) Residential Care Facilities Reclassified from Personal Sector		3880			0	3880	
(iv) Defence Equipment Reclassified to Gross Fixed Capital Formation					0		
Residential Construction		-288			0	-288	
Machinery and Equipment		-491			0	-491	
(v) Aircraft Progress Payment: Defence			-57		-57	-57	
(vi) Payments to International Organizations – Defence			-177		-177	-177	
(vii) Payments to International Organizations – Other Federal			-315		-315	-315	

Table 26: Analysis of changes in Expenditure-Based Gross Domestic Product at Market Prices, 1992 (Cont'd)

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Change	New Series
		Within GDP	To GDP				
(viii) Canadian Broadcasting Corporation			1043		1043	1043	
(ix) Provincial Housing Corporations			612		612	612	
(x) Workers' Compensation Board Expenditures			1028		1028	1028	
(xi) Grants-in-Lieu of Taxes for Government Federal Departments			375		375	375	
(xii) Grants-in-Lieu of Taxes for Provincial Government Department			430		430	430	
(xiii) Grants-in-Lieu of Taxes for Other Institutions such as universities, colleges, public hospitals and correctional institutions			29		29	29	
(xiv) Previous Estimate of Capital Consumption Allowances			-10496		-10496	-10496	
(xv) New Estimate of Capital Consumption Allowances			13904		13904	13904	
(xvi) Financial Intermediation Services Indirectly Measured (FISIM) Adjustment				16	16	16	
(xvii) Other Revisions				983	983	983	

Table 26: Analysis of changes in Expenditure-Based Gross Domestic Product at Market Prices, 1992 (Cont'd)

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Change	New Series
		Within GDP	To GDP				
Gross Fixed Capital Formation	128865	-742	1975	-3053	-1078	-1820	127045
A. Residential Construction	43842	645	303	-4403	-4100	-3455	40387
(i) Previous Estimate of Real Estate Commissions				-9983	-9983	-9983	
(ii) New Estimate of Real Estate Commissions				5234	5234	5234	
(iii) Goods and Services Tax on Real Estate Commissions				380	380	380	
(iv) Previous Estimate of Land Development Fees				-354	-354	-354	
(v) New Estimate of Land Development Fees				436	436	436	
(vi) Previous Estimate of Land Transfer Tax				-645	-645	-645	
(vii) New Estimate of Land Transfer Tax				643	643	643	
(viii) Legal Fees		645			0	645	
(ix) Building Inspections and Appraisals			241		241	241	

Table 26: Analysis of changes in Expenditure-Based Gross Domestic Product at Market Prices, 1992 (Cont'd)

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Change	New Series
		Within GDP	To GDP				
(x) Goods and Services Tax on Legal Fees			45		45	45	
(xi) Goods Services Tax on Building Inspections Etc.			17		17	17	
(xii) Revision to Goods Services Tax on Housing				-114	-114	-114	
B. Gross Fixed Capital Formation: Non-Residential Construction	42403	288	797	11	808	1096	43499
(i) Defence Expenditures Capitalized		288			0	288	
(ii) Previous Estimate of Real Estate Commissions				-554	-554	-554	
(iii) New Estimate of Real Estate Commissions				581	581	581	
(iv) Goods and Services Tax on Real Estate Commissions				2	2	2	
(v) New Estimate of Land Transfer Tax				214	214	214	
(vi) Previous Estimate of Land Transfer Tax				-203	-203	-203	
(vii) Quebec Private Residential Infrastructure				64	64	64	

Table 26: Analysis of changes in Expenditure-Based Gross Domestic Product at Market Prices, 1992 (Cont'd)

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Change	New Series
		Within GDP	To GDP				
(viii) External Affairs Department			19		19	19	
(ix) Mining Exploration			326		326	326	
(x) Geological and Geophysical Expenditures			452		452	452	
(xi) Previous Statistical Break Eliminated				707	707	707	
(xii) 1980 SIC Break for Real Estate Operators Eliminated				-800	-800	-800	
Gross Fixed Capital Formation: Machinery and Equipment	42620	-1675	875	1339	2214	539	43160
(i) External Affairs Expenditures			69		69	69	
(ii) Defence Expenditures Reclassified from Current Expenditure		491			0	491	
(iii) Capital Items Charged to Operating Expenses			-2062		-2062	-2062	
(iv) Leased Vehicles Reclassified to Personal Expenditures on Goods and Services		-2166			0	-2166	

Table 26: Analysis of changes in Expenditure-Based Gross Domestic Product at Market Prices, 1992 (Cont'd)

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Change	New Series
		Within GDP	To GDP				
(v) Business Use of Personal Purchases			2194		2194	2194	
(vi) Personal Use of Business Purchases			-700		-700	-700	
(vii) Adjustment for Progress Payments			702		702	702	
(viii) Adjustment for Leased Aircraft			672		672	672	
(ix) Previous Statistical Break Eliminated				989	989	990	
(x) Previous SNA Main Adjustment Eliminated				-200	-200	-200	
(xi) 1980 SIC Break for Logging Eliminated				100	100	100	
(xii) 1980 SIC Break for Rebate Eliminated				100	100	100	
(xiii) 1980 SIC Break for Business Services Eliminated				200	200	200	

Table 26: Analysis of changes in Expenditure-Based Gross Domestic Product at Market Prices, 1992 (Cont'd)

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Change	New Series
		Within GDP	To GDP				
(xiv) 1980 SIC Break for Other Services Eliminated				150	150	150	
Of Which:							
(a) Residential Construction	43842	645	303	-4403	-4100	-3455	40387
(b) Non-Residential Construction	42403	288	797	11	808	1096	43499
(c) Machinery and Equipment	42620	-1675	875	1339	2214	539	43159
(d) Total Gross Fixed Capital Formation	128865	-742	1975	-3053	-1078	-1820	127045
Exports	181189		8594		8594	8594	189783
(i) SNA FISIM included in Exports (New Item)			1198		1198	1198	
(ii) Other Revisions Based on New Balance of Payments Data			7396		7396	7396	
Imports (Negative with reverse impact on GDP)	-187254		-5140		-5140	-5140	-192394
(i) SNA FISIM included in Imports (New Item)			-720		-720	720	

**Table 26: Analysis of changes in Expenditure-Based Gross Domestic Product at
Market Prices, 1992
(\$Millions)**

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Change	New Series
		Within GDP	To GDP				
(ii) Other Revisions Based on New Balance of Payments Data			-4420		-4420	4420	
Change in inventories	-5583			(-) 2511		(-) 2511	-8094
Total Gross Domestic Product at Market Prices	690122		12320	-3899	8421	8421	698543

Table 27: Analysis of change in Expenditure-Based Gross Domestic Product at Market Prices by Summary of Categories, 1992

(\$Millions)

Category	Old Series	Conceptual Changes		Statistical Changes	Total Effect on GDP	Total Change	New Series
		Within GDP	To GDP				
Personal Expenditure on Goods and Services	422515	-10756	544	637	1181	-9575	412940
Government Current Expenditure on							
Goods and Services	150390	11498	6347	1028	7375	18873	169263
Gross Fixed Capital Formation:	128865	-742	1975	-3053	-1078	-1820	127045
A. Residential Construction	43842	645	303	-4403	-4100	-3455	40387
B. Non-Residential Construction	42403	288	797	11	808	1096	43499
C. Machinery and Equipment	42620	-1675	875	1339	2214	539	43159
Exports	181189		8594		8594	8594	189783
Imports	-187254		-5140		-5140	-5140	-192394
Valuation of Physical Change in Inventories	-5583			-2511	-2511	-2511	-8094
Gross Domestic Product at Market Prices	690122		12320	-3899	8421	8421	698543

Table 28: Conceptual Changes that had no Impact on the Level of Expenditure-Based Gross Domestic Product, 1992 (Cont'd)

(\$Millions)

Category	Within GDP
Personal Expenditure on goods and services	-10756
i) Less: Universities Reclassified to Government Sector	-7865
ii) Less: Newfoundland School Boards Reclassified to Government Sector	-532
iii) Less: Residential Care Facilities reclassified to government Sector	-3880
iv) Add: Leased vehicles reclassified from Gross Fixed Capital Formation - Machinery Equipment	2166
v) Less: Capitalized Legal Fees	-645
Government Current Expenditure on Goods and Services	11498
(i) Universities Reclassified from Personal Sector	7865
(ii) Newfoundland School Boards Reclassified from Personal Sector	532
(iii) Residential Care Facilities Reclassified from Personal Sector	3880
(iv) Defence Equipment Reclassified to Gross Fixed Capital Formation	
a) Residential Construction	-288
b) Machinery and Equipment	-491

Table 28: Conceptual Changes that had no Impact on the Level of Expenditure-Based Gross Domestic Product, 1992

(\$Millions)

Category	Within GDP
Gross Fixed Capital Formation	-742
A. Residential Construction	645
Legal Fees	645
B. Non-Residential Construction	288
Defence Expenditures Capitalized	288
C. Machinery and Equipment	-1675
i) Defence Expenditures Reclassified from Current Expenditure	491
ii) Leased Vehicles Reclassified to Personal Expenditures on Goods and Services	-2166
(a) Residential Construction	645
(b) Non-Residential Construction	288
(c) Machinery and Equipment	-1675
D. Total Gross Fixed Capital Formation	-742

Table 29: Conceptual Changes that had an Impact on the Level of Expenditure-Based Gross Domestic Product, 1992 (Cont'd)

(\$Millions)

Category	To GDP
Personal Expenditure on goods and services	544
i) Personal Portion of Provincial Motor Vehicle Licences	1682
ii) Hunting and Fishing Licences	122
iii) Financial Intermediation Services Indirectly Measured (FISIM)	-4517
iv) Insurance Adjustment	3257
Government Current Expenditure on Goods and Services	6347
i) Aircraft Progress Payment: Defence	-57
ii) Payments to International Organizations – Defence	-177
iii) Payments to International Organizations – Other Federal	-315
iv) Canadian Broadcasting Corporation	1043
v) Provincial Housing Corporations	612
vi) Workers' Compensation Board Expenditures	1028
vii) Grants-in-Lieu of Taxes for Provincial Government Department	430
viii) Grants-in-Lieu of Taxes for Government Federal Departments	375
ix) Previous Estimate of Capital Consumption Allowances	-10496
x) New Estimate of Capital Consumption Allowances	13904

Table 29: Conceptual Changes that had an Impact on the Level of Expenditure-Based Gross Domestic Product, 1992 (Cont'd)

(\$Millions)

Category	To GDP
Gross Fixed Capital Formation	1975
A. Residential Construction	303
i) Building Inspections and Appraisals	241
ii) Goods and Services Tax on Legal Fees	45
iii) Goods Services Tax on Building Inspections Etc.	17
B. Non-Residential Construction	797
i) External Affairs Department	19
ii) Mining Exploration	326
iii) Geological and Geophysical Expenditures	452
C. Machinery and Equipment	875
i) External Affairs Expenditures	69
ii) Capital Items Charged to Operating Expenses	-2062
iii) Business Use of Personal Purchases	2194
iv) Personal Use of Business Purchases	-700
v) Adjustment for Progress Payments	702
vi) Adjustment for Leased Aircraft	672

Table 29: Conceptual Changes that had an Impact on the Level of Expenditure-Based Gross Domestic Product, 1992

(\$Millions)

Category	To GDP
Exports	8594
(i) Financial Intermediation Services Indirectly Measured (FISIM) included in Exports (New Item)	1198
(ii) Other Revisions Based on New Balance of Payments Data	7396
Imports (Negative with reverse impact on GDP)	-5140
(i) Financial Intermediation Services Indirectly Measured (FISIM) included in Imports (New Item)	-720
(ii) Other Revisions Based on New Balance of Payments Data	-4420
Total Gross Domestic Product at Market Prices	12320

Table 30: Statistical Changes that had an Impact on the Level of Expenditure-Based Gross Domestic Product, 1992 (Cont'd)

(\$Millions)

Category	
Personal Expenditure on goods and services	637
Government Current Expenditure on Goods and Services	1028
i) Financial Intermediation Services Indirectly Measured (FISIM) Adjustment	16
ii) Other Revisions	1012
Gross Fixed Capital Formation:	-3053
A. Residential Construction	-4403
(i) Previous Estimate of Real Estate Commissions	-9983
(ii) New Estimate of Real Estate Commissions	5234
(iii) Goods and Services Tax on Real Estate Commissions	380
(iv) Previous Estimate of Land Development Fees	-354
(v) New Estimate of Land Development Fees	436
(vi) Previous Estimate of Land Transfer Tax	-645
(vii) New Estimate of Land Transfer Tax	643
viii) Revision to Goods Services Tax on Housing	-114

Table 30: Statistical Changes that had an Impact on the Level of Expenditure-Based Gross Domestic Product, 1992

Category	
B. Gross Fixed Capital Formation: Non-Residential Construction	11
i) Previous Estimate of Real Estate Commissions	-554
ii) New Estimate of Real Estate Commissions	581
iii) Goods and Services Tax on Real Estate Commissions	2
iv) New Estimate of Land Transfer Tax	214
v) Previous Estimate of Land Transfer Tax	-203
vi) Quebec Private Residential Infrastructure	64
vii) Previous Statistical Break Eliminated	707
viii) 1980 SIC Break for Real Estate Operators Eliminated	-800
C. Gross Fixed Capital Formation: Machinery and Equipment	1339
i) Previous Statistical Break Eliminated	989
ii) Previous SNA Main Adjustment Eliminated	-200
iii) 1980 SIC Break for Logging Eliminated	100
iv) 1980 SIC Break for Rebate Eliminated	100
v) 1980 SIC Break for Business Services Eliminated	200
vi) 1980 SIC Break for Other Services Eliminated	150
Change in inventories	(-) 2511
Total Gross Domestic Product at Market Prices	-3899

Table 31: Public Sector Universe: Changes to the Government Sector (Cont'd)

ENTITIES	From: Previous Sector	To: New Sector	Effective Date for Change
A. General:			
Newfoundland School Boards	Households	Government	1961
Non-Profit Residential Care Facilities	Households	Government	1961
Universities	Households	Government	1961
Proprietary Hospitals	Business	Government	1961
Specific Entities:			
B. FEDERAL Entities:			
Atomic Energy of Canada	Government	Business	1952
Canada Eldor Inc.	Business	Government	1988
Canada Deposit Insurance Corporation	Business	Government	1967
Canada Place Corporation	Government	Business	1987
Canadian Broadcasting Corporation	Business	Government	1961
Canadian Commercial Corporation	Business	Government	1946
Cape Breton Development Corporation	Government	Business	1967
Jacques Cartier and Champlain Bldges Inc	Business	Government	1978
<i>New Entity</i>			
Enterprise Cape Breton Corporation		Government	1988
C. PROVINCIAL Entities:			
NEWFOUNDLAND			
Newfoundland and Labrador Housing Corporation	Business	Government	1967
Newfoundland Cancer Treatment and Research Foundation	Business	Government	1971
PRINCE EDWARD ISLAND			
Prince Edward Island Housing Corporation	Business	Government	1969
- Local Housing Authorities (9)	Business	Government	1969
NOVA SCOTIA			
Nova Scotia Housing Development Corporation	Government	Government	1981
- Regional Housing Authorities (18)	Business	(No change)	1981
Trade Centre Limited	Government	Government	1984
NEW BRUNSWICK			
New Brunswick Housing Corporation	Business	Government	1967
New Brunswick Research and Productivity Council	Government	Business	1981
Provincial Holdings	Business	Government	1973

Table 31: Public Sector Universe: Changes in the Government Sector of Canada (Cont'd)

ENTITIES	Previous Sector	New Sector	Effective Date for Change
QUEBEC			
Société du Palais des congrès de Montréal	Government	Business	1983
Société québécoise des transports.....	Business	Government	1988
Société québécoise d'initiatives agro-alimentaires (SOQUIA)	Government	Business	1975
- Société québécoise des pêches (consolidated by SOQUIA)			
Société parc-autos du Québec métropolitain.....	Government	Business	1980
<u>New Entity</u>			
Société du Centre des congrès de Québec		Business	1993
ONTARIO			
Metropolitan Toronto Convention Centre Corporation	Government	Business	1984
Ontario Housing Corporation	Business	Government	1964
- Local Housing Authorities (54)	Business	Government	1964
Ontario Place Corporation	Government	Business	1971
ORTECH Corporation (Ontario).....	Government	Business	1989
Ottawa Congress Centre	Government	Business	1984
Ontario Cancer Treatment and Research Foundation.....	Households	Government	1961
Province of Ontario Savings Office	Business	Government	1961
<u>New Entities</u>			
Ontario Casino Corporation		Business	1994
Ontario Clean Water Agency		Government	1993
Ontario Financing Authority		Government	1993
Ontario Realty Corporation		Government	1993
Ontario Training and Adjustment Board		Government	1993
Ontario Transportation Capital Corporation		Government	1993
MANITOBA			
Manitoba Centennial Centre Corporation	Government	Business	1968
Manitoba Housing and Renewal Corporation	Business	Government	1967
- Manitoba Municipal Housing Authority	Business	Government	1967
Manitoba Lotteries Corporation	Government	Business	1984
North Portage Development Corporation.....	Business	Business	1983
Manitoba Cancer Treatment and Research Foundation	Business	Government	1980
SASKATCHEWAN			
Sask Sport Inc.	Government	Business	1970
- Sask Sport Distribution Inc.	Government	Business	1970
- Administration Centres for Sports, Culture and Recreation (1989) Inc.	Government	Business	1989
- Western Canada Lottery - Saskatchewan Division Inc.	Government	Business	1970
Saskatchewan Housing Corporation	Business	Government	1974
- Local Housing Authorities (271)	Business	Government	1974
Saskatchewan Research Council	Government	Business	1988

Table 31: Public Sector Universe: Changes to the Government Sector (Concluded)

ENTITIES	Previous Sector	New Sector	Effective Date for Change
<u>New Entity</u>			
Saskatchewan Lotteries Trust Fund For Sport, Culture and Recreation .....	.....	Government	1991
<u>ALBERTA</u>			
Alberta Social Housing	Business	Government	1967
<u>New Entities</u>			
ARCA Investments Inc. ....	.....	Business	1984
Pension Plan Administration Fund.....	.....	Government	1992
<u>BRITISH COLUMBIA</u>			
B.C. Housing Management Commission	Business	Government	1967
B.C. Pavilion Corporation	Government	Business	1984
<u>New Entity</u>			
B.C. Transportation Financing Authority .....	.....	Government	1993
<u>YUKON TERRITORY</u>			
Yukon Housing Corporation.....	Business	Government	1972
-Whitehorse Housing Authority	Business	Government	1982
<u>NORTHWEST TERRITORIES</u>			
Northwest Territories Housing Corporation.....	Business	Government	1974
-Local Housing Organizations (47)	Business	Government	1974
10. LOCAL Entities			
<u>QUEBEC</u>			
Offices municipaux d'habitation	Business	Government	1968
<u>NORTHWEST TERRITORIES</u>			
Yellowknife Education Districts 1 & 2	Government Prov Govt.	Government : Local Govt.	1989
Sir John Franklin Territorial High School	Government Prov. Govt.	Government Local Govt.	1995

Chart 39: Total Historical Revision change in Personal Expenditure on Goods and Services, 1992
\$Millions

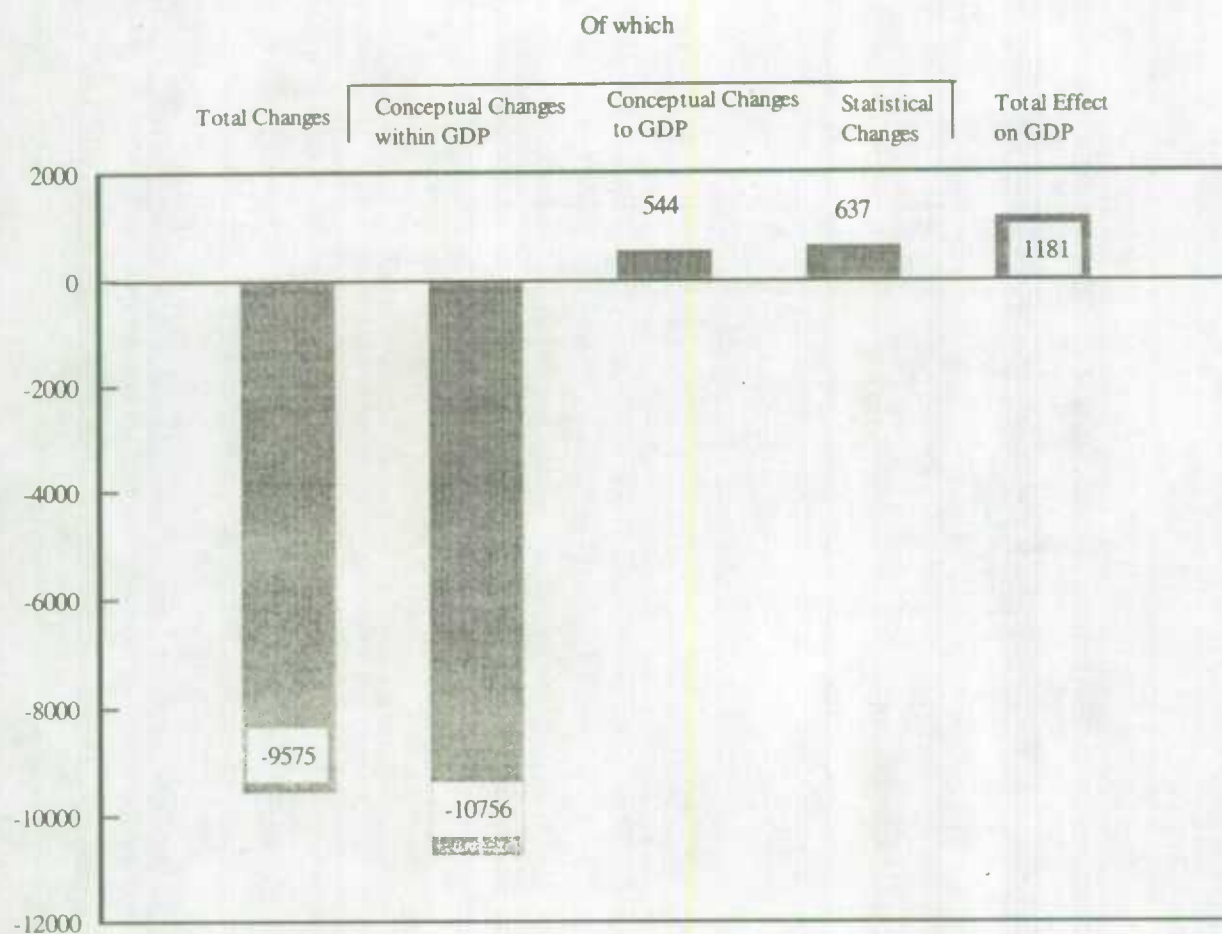


Chart 40: Total Historical Revision change in Government Current Expenditure on Goods and Services, 1992

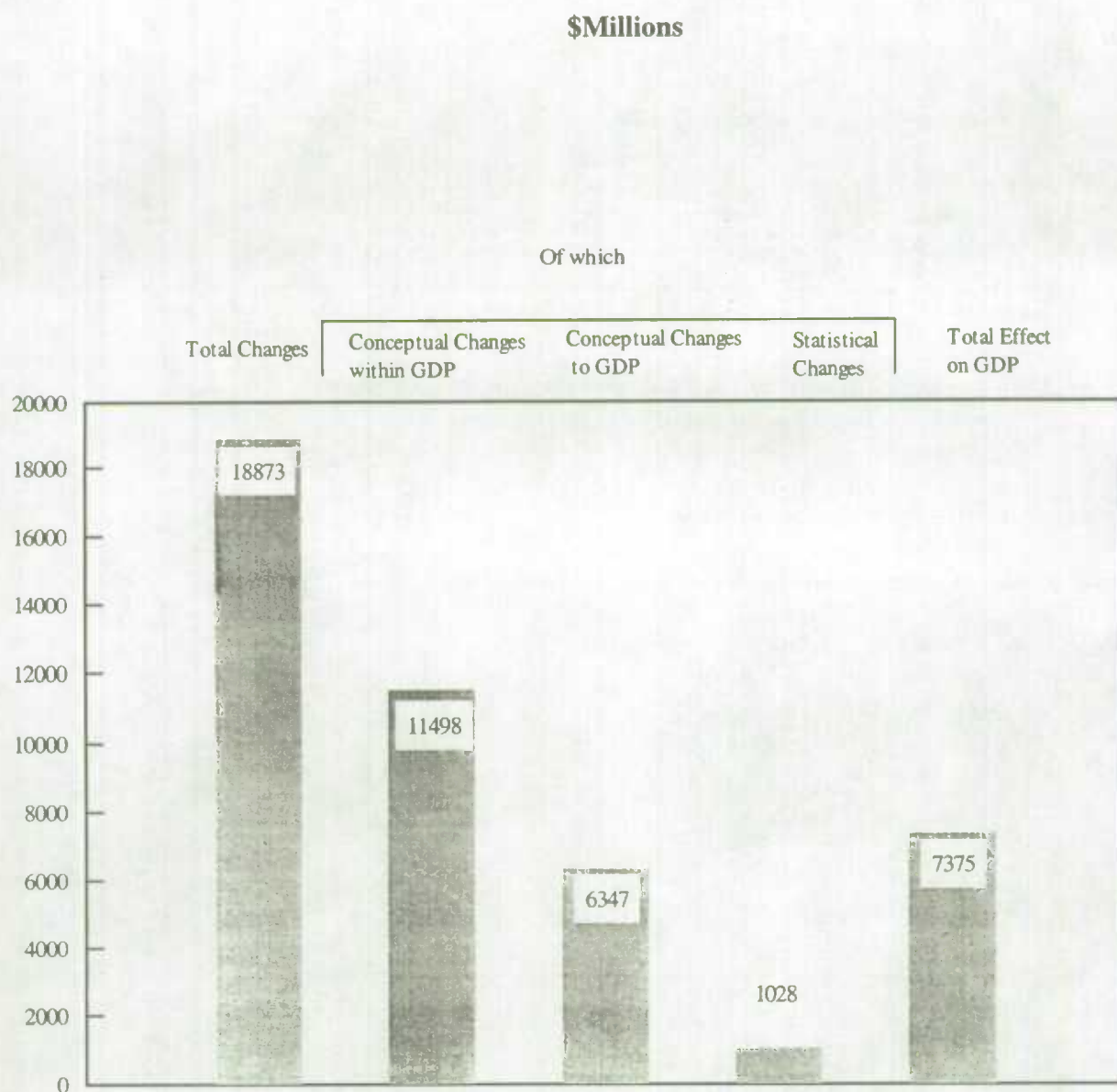
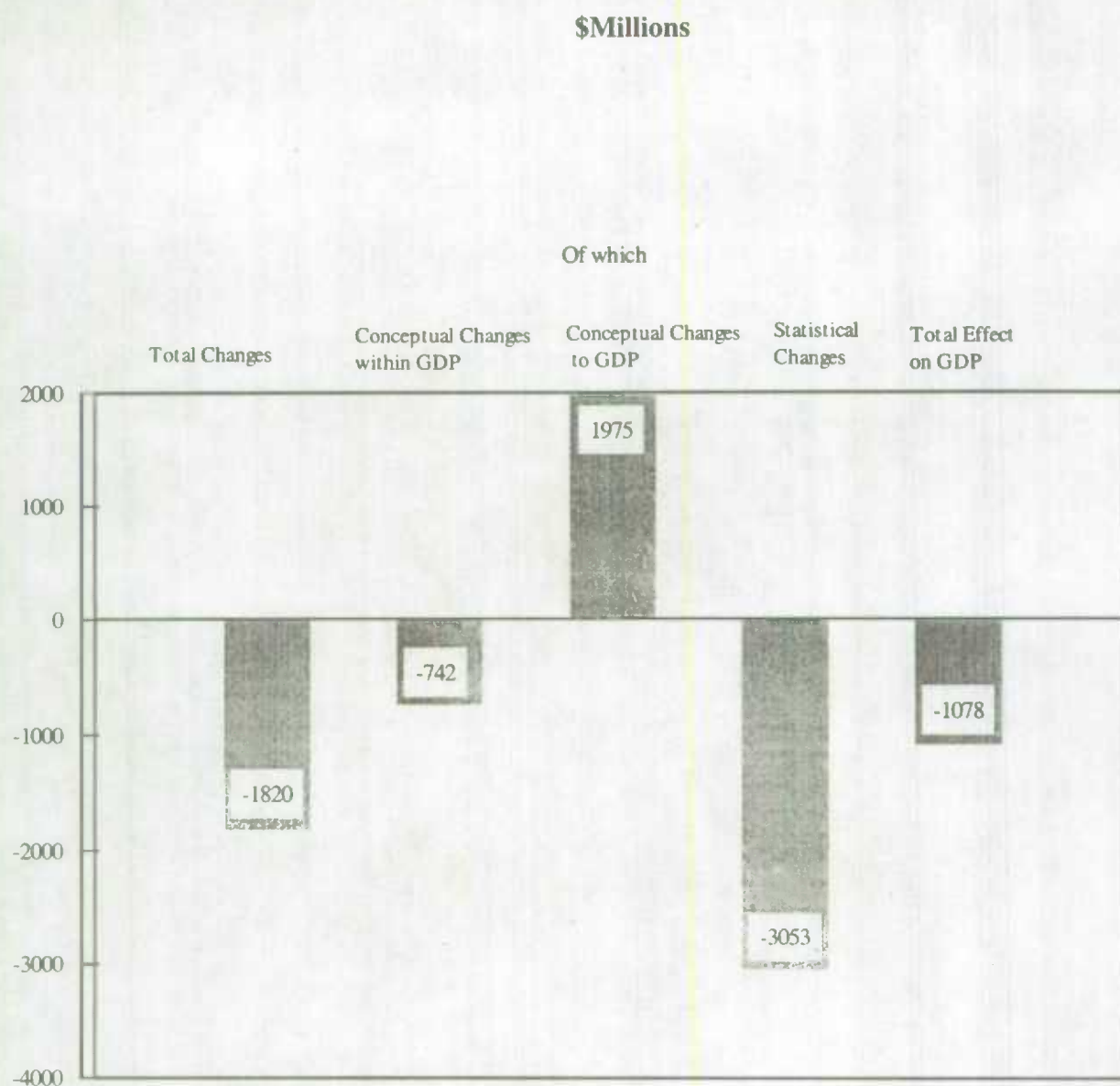


Chart 41: Total Historical Revision change in Gross Fixed Capital Formation, 1992

XI

HISTORICAL REVISION: STRUCTURAL CHANGES OF THE INPUT-OUTPUT ACCOUNTS

1. What are Structural Changes?

As explained earlier, we have three types of changes in the historical revision: conceptual; statistical, and structural. It is worth recalling here that in Chapter IX and X, we explained the changes consisting of the conceptual and statistical types for both the Income – based GDP and Expenditures – based GDP respectively. The structural changes are explained in this chapter.

2. Changes to Industries

Before the historical revision, there were 216 industries. In the historical revision, we expanded the industry structure to 243 industries with a net increase of 27 new industries. As can be seen from Table 36, some industries were split to accommodate the growing importance to the new categories of industrial activities in the economy. In that process, some were deleted and some others were added. There were also changes to the names, but they are not counted as changes to the structure as they did not increase or decrease the number of industries. They are simply 'title changes'.

The 243 industries in the new structure can be accounted for as follows:

Number of industries in the previous structure	}	=	216
Deletions		=	-4 (see Table K-2)
New industries by way of splits to the existing industries	}	=	+18 (see Table L)
New industries created for Non-business category	}	=	+13 (see Table M)
Net increase in industries	}	=	27
Equals: Number of industries in the new structure.	}	=	243

Table K-2: Summary of Deletions in the Industries

Serial Number	W Code	Description
1	171	Highway and Bridge Maintenance
2	185	Trust/Deposit Account Mortgage Companies
3	189	Government Royalties on Natural Resources
4	196	Hospitals

Table L: New industries created by the splits to the existing Business**Sector's industry structure**

Serial	Industry	Description
Number	Code	
Worksheet (W) level		
<hr/>		
1.	003	Services incidental to Agriculture
2.	006	Forestry services
3.	036	Leaf tobacco
4.	038	Tire and tube
5.	039	Rubber hose and belting
6.	041	Natural fibres processing and felt products
7.	067	Coffin and casket
8.	119	Boatbuilding and repair
9.	141	Lime
10.	144	Other petroleum and coal products
11.	183	Grain elevator
12.	194	Central Bank
13.	198	Real estate operators
14.	199	Insurance and real estate agents
15.	203	Accounting and legal services
16.	209	Health practitioners and medical laboratories
17.	220	Business and professional membership associations
18.	221	Travel services

Table M: Non-Business Sector Industries of the Historical Revision

Serial Number	Industry Number Worksheet (W) level	Description
1	191	N.B. – P. Religious organizations
2	192	N.B. – P. Welfare organizations
3	193	N.B. – P. Sports and recreation clubs
4	194	N.B. – P. Educational institutions
5	195	N.B. – P. Other organizations
6	196	N.B. – G. Hospitals
7	197	N.B. – G. Residential Care Facilities
8	198	N.B. – G. University Education
9	199	N.B. – G. Other Educational services
10	200	N.B. – G. Defence services
11	201	N.B. – G. Other municipal government services
12	202	N.B. – G. Other provincial and territorial government services
13	203	N.B. – G. Other federal government services

The changes in industry can be classified into two broad types:

- a) Business type
- b) Non-business type

While the “business” type deals with commercial activities, the “non-business” type deals with non-commercial activities carried out for “no profit”. A substantially different format of industry structure was introduced in the historical revision based on the recommendations of the new 1993 SNA³².

It should be recalled that prior to the historical revision, the structure of the industries in the Input-Output Accounts was limited only to the business sector dealing with commercial activities. Non-commercial activities such as those relating to the government sector and non-profit institutions serving households were shown in the final demand categories, but not in industries. As such, the output of these non-business activities was not reflected either in the Make (production) or in the Use (consumption) matrices. Instead, the output of the non-business type activities was routed to the final demand categories.

For example, the revenues of the government sector were directly allocated to the appropriate final demand categories as negative items. In other words, both the gross expenditures and revenues were shown in the final demand table with

³² *System of National Accounts 1993* United Nations and other international agencies, New York, 1993. *Op. Cit.*

negative entries for revenues. In the case of non-profit institutions serving households which were classified to the personal sector, the gross operating expenditures were offset by the revenues and only the net expenditures were shown in the final demand. Thus, the final demand categories included only the net operating expenditures (i.e. after deducting the revenues from the gross operating expenditures) for the ten non-business activities prior to the historical revision (see Tables 32 and 33).

In the historical revision, however, this presentation was changed. Thirteen non-business industries were created as shown in Tables 32 and 33. They are shown in the Make and Use matrices with separate identification numbers as shown in Charts 1 and 2 (see Chapter I). Thus, the final demand matrix shows only the net expenditure of the categories concerned in the new framework as the sales revenues are routed to output of industries as shown in Chart 3 (see Chapter I). The “Old” and the “New” presentation of the non-business industries are illustrated in Tables 34 and 35 by taking “University Education” as an example.

Prior to the historical revision, expenditure on university education was shown in the final demand as net expenditures of the Personal sector by subtracting revenues from total expenditures as shown in Table 34. In the historical revision, gross operating expenditure in the Use (Input) matrix shows the producers in both the non-business sector as well as the business sector. The revenues are shown as part of the Make (Output) matrix (see Table 35). The net expenditure (gross

expenditure shown in the Use (Input) matrix less revenue shown in the Make (Output) matrix) is assigned a commodity code and articulated as consumption by the relevant producing industry itself and routed to the final demand category. As the Table 35 illustrates, the difference between output (revenues) and inputs (costs) remains at \$7,865, but is now routed to the category called “University Education Services” in the final demand matrix. The same example of expenditure on university education is valid for all other non-commercial industries of the new structure.

By this changed practice of articulating non-commercial institutions in the business sector, the total inputs and outputs of any commodity can be obtained by simply adding the relevant business and non-business components. This practice provides new analytical measures for economic analysis of the country. In order to facilitate these new measures, industries have been specifically identified as business and non-business categories. Also, the inputs and outputs of the non-business type of industries by each commodity have been articulated in the same way as the business type of industries.

The new articulation also provided internal integration of industries within the Canadian System of National Accounts, because of the similarity of Input-Output industries with those of the “Gross Domestic Product by Industry” published in the Industry Measures and Analysis Division of the System of National Accounts Branch in Statistics Canada.

3. Changes to Commodities (i.e. Goods and Services)

In addition to changes in industries, the Commodity³³ Classification System of the Input-Output Accounts has also been changed in the historical revision. Before the historical revision, there were only 627 commodities and after the historical revision, this was increased to 679 with a net increase of 52 commodities. It should be noted that those 52 new additional commodities were the result of two factors. The first factor is a title change in some cases. The second factor is the splitting of some previous commodities into two or more new commodities. These changes are explained in this section.

- i) It should be recalled that beginning in 1988, a new commodity classification was introduced in the Input-Output Accounts to reflect the Harmonized System – Standard Classification of Goods (HS-SCG). However, some of the designed changes could not be carried back to the years preceding 1988 due to the timing constraints of regular SNA revision policy which covered only four preceding years. This situation has been rectified in the historical revision by incorporating the HS-SCG to all the preceding years back to 1961.
- ii) Prior to the historical revision, deflation problems were also encountered with 1986 as a base year because the new HS-SCG could not be carried back to that 1986 base year. This problem has also been eliminated in the historical revision by rebasing the constant price data to the year 1992.

³³ The term “commodity” is used to mean “goods and services” and both terms are used interchangeably in this text.

- iii) Prior to the historical revision, some commodities of the Input-Output structure could not be directly compared to the Personal Expenditure categories of the Income and Expenditure Accounts. The direct mapping of Input-Output commodities with the categories used by the Income and Expenditure Accounts (which are called J-series)³⁴ is essential in order to satisfy data requirements of analysts in Finance Canada. The new changes in the historical revision eliminated this problem by making it possible to map Input-Output commodities with the J-series.
- iv) The Balance of Payments Division implemented the new service categories of the International Monetary Fund Classification System. It has become necessary to accommodate these changes in the Input-Output Commodity Classification System as far as possible. In this case, however, a number of splits had to be implemented for several commodities in the historical revision.
- v) In general, the strategy used in revising the Input-Output Commodity Classification System took note of the following additional factors and changes were incorporated, where needed.
 - a) The definitions of new commodities had to be harmonized with the new industry definitions for internal consistency of the Input Output accounting framework.

³⁴ The Income and Expenditure Division developed a special kind of identification of goods and services that exist in the Personal Expenditure and that identification started with the alphabet J. Hence the items which are thus identified are called J series.

- b) Some commodities had to be split to provide distinct output of industries introduced in the new structure, such as those of non-business type industries (e.g. Religious organizations; welfare organizations; etc. see Table 33 for further details);
- c) New commodities such as “welfare organization services” had to be created to accommodate the new non-business type industries discussed earlier;
- d) Prior to the historical revision, sales of alcoholic beverages in the licensed premises such as hotels and restaurants were treated on a margin basis. In other words, only the difference between the sales and purchases was shown as output in the output of hotels and restaurants. In the historical revision, the total value of alcoholic beverages sold by hotels and restaurants are measured in the output on a “gross basis”. The total value of purchases is shown in the inputs, thus reflecting the margin in the “Other Operating Surplus” just like any other industry.
- e) Before the historical revision, resource-related royalty payments to governments such as those relating to extraction of oil etc. were treated as a separate commodity called “Government royalties on natural resources” and shown as output in the “Government Royalty industry”. In the historical revision, these royalty payments are treated similar to interest payments which is reflected in the “Other Operating Surplus” as the calculation of operating surplus of

industries is gross of any interest payments. The change made in this regard involved deletion of the commodity "Government royalties on natural resources" and "Government Royalty industry" of the previous structure. This treatment conforms to the recommendations of the international 1993 SNA.

- f) Subsidies have been split into two categories from 1986 onwards:
 - (a) commodity subsidies; and
 - (b) non-commodity subsidies.

For the years prior to 1986, (i.e. from 1961 to 1985), however, the split between commodity and non-commodity was not made and hence the two categories were combined into one single commodity called "subsidies.

All the changes described in this section resulted in several deletions and additions to the previous structure as shown in Table 37. The items involving only a change of commodity code number without any change either in content or name are not counted as changes. In effect, then, 89 goods and services were deleted while 141 new goods and services were added with a net increase of 52 goods and services (see Table 37).

4. Changes to Final Demand Categories

Before the historical revision, the Input-Output Accounts contained 136 final demand Categories as shown in Table 38. After the historical revision, these 136

categories were expanded to 162 with an increase of 26 new items. This increase is due to the changes made in personal expenditure, machinery and equipment; and construction categories as summarized in Table 38.

It should be recalled here that the 6 government revenue categories of the previous structure have now been routed to the new non-business type industries in the new structure. The net increase in the final demand categories is therefore 26 with 8 in personal expenditure, 12 in machinery and equipment, and 12 in construction offset by 6 deletions in the government revenue categories. The details of the new final demand categories are shown in Table 39 along with the details of the previous structure.

The reasons for these changes in the final demand categories are the following:

- i) Prior to the historical revision, both Input-Output Accounts and Income and Expenditure Accounts had 40 categories of personal expenditures. Each of these categories had a unique level of durability (such as durable, semi-durable, and non-durable) or type of services based on the 1968 System of National Accounts.³⁵ In the historical revision, the Income and Expenditure Division compressed the 40 personal expenditure categories into 38. In contrast, the Input-Output Division, applied the Classification of Individual Consumption by Purpose (COICOP) of the 1993 SNA³⁶ to the previous 40

³⁵ *A system of National Accounts*, United Nations, Studies in Methods, Series F, No. 2 Rev. 3, New York, 1968.

³⁶ *System of National Accounts, 1993, op. cit.*

personal expenditure categories and expanded them into 48 categories by maintaining the convention that each category should have a unique level of durability or type of service. These new 48 categories can be aggregated to the new 38 categories of the Income and Expenditure Accounts for comparison and analytical purposes as shown in Table N. The previous 40 categories and the new 48 categories are contrasted in Table P for information.

- ii) Before the historical revision, we had 39 groupings for machinery and equipment. These groupings were not aligned to the Input-Output groups of industries at the Medium (M) level and they posed a problem for consolidation into the Medium level groupings. In order to eliminate this problem, the machinery and equipment groupings have been increased to 51 from 39. (See Table Q). This change facilitated the conversion of the groupings from W to L, L to M, and M to S levels of aggregation.

Before the historical revision, we had 40 groupings for construction expenditures in the Gross Fixed Capital Formation. These groupings were not aligned with the Medium level of industry aggregation. In order to eliminate this problem, the 40 construction categories have been increased to 52 in the historical revision. Also, there was a change in the treatment of real estate commissions and legal costs associated with residential housing construction expenditures.

Formerly, the Income and Expenditure Accounts allocated the transfer costs (such as real estate commission and legal fees) of residential construction to housing expenditures in the Gross Fixed Capital Formation while the Input-Output Accounts left the total transfer costs in the current expenditures of Personal Sector. This inconsistency between the two sub-systems has been eliminated in the historical revision by allocating the transfer costs of residential construction to the Gross Fixed Capital Formation (housing expenditures component) in the Input-Output Accounts also in the same way as the Income and Expenditure Accounts.

The expansion in the number of categories assigned for expenditures on machinery and equipment as well as construction outlays facilitated the consistency in industrial allocation of capital formation data for both the categories as illustrated in Table J.

- iii) As already discussed earlier in the section on industry changes, another major new feature of the historical revision is the treatment of government sector and non-profit institutional serving households as non-business type industries with corresponding deletions in the final demand categories of government and personal sectors respectively. Thus, the net expenditures of government sector and non-profit institutions serving households, which were treated formerly as final purchases and presented in the Final Demand matrix, are identified in the new accounting framework as thirteen different 'non-business type' industries. (See Table M).

This new articulation of government and non-profit organizations in the industries facilitates the treatment of all revenue-generating institutions as producing industries in the economy. For example, the government sector sells some services and gets revenue in the form of fees for specific services such as passport fees, inspection fees. It also sells some goods such as publications, directories and others. The sales revenues are routed through the Make (Output) matrices for the industries mentioned earlier. In addition, all the expenditures on goods and services which the government sector purchases from others are routed through the Use (Input) matrix.

As the Use (Input) matrix and the Make (Output) matrix have to give identical totals, the differences between the totals of the Use and Make matrices are treated as the following separate commodities and routed through the Final Demand matrix (see Table M at P. 648).

In other words, the commodities noted against the industries in the right hand side of Table M are the only ones that are reflected in the Final Demand matrix of the new accounting framework. In the previous framework, the gross expenditure of these industries were reflected separately as positive numbers while the sales revenue were reflected as negative numbers in the Final Demand matrix. The net effect is the same as the one that is adopted in the new framework. The only difference is that all the detailed goods and services which are needed for various purposes such as tax-margin calculations are now in the Use (Input) matrix of the

new structure. Only a residual between the Use and Make matrices is shown in the final demand matrix.

5. Summary

This chapter completes a brief review of the historical revision and presentation of its final results to provide a link between the previously published data and the historically revised data of the Input Output Accounts. In fact, this third volume of the publication with Chapters VIII, IX, X and XI provides the essence of the historical revision with valuable information for the last four decades in a consistent and systematic accounting framework of industries, goods and services and final demand categories of the Canadian economy.

Table N: Personal Expenditure on Goods and Services

New Categories of Input-Output Accounts		New Categories of Income and Expenditure Accounts	
PE01	Food and Non-alcoholic Beverage	PS01	Food and Non-alcoholic Beverages
PE02	Alcoholic Beverages	PS02	Alcoholic Beverages
PE03	Tabacco Products	PS03	Tabacco Products
PE04	Men's and Boys' Clothing	PS04	Men's and Boys' Clothing
PE05	Men's Clothing Repair and Alterationns	PS05	Women's and Children's Clothing
PE06	Women's and Children's Clothing	PS05	Women's and Children's Clothing
PE07	Dressmaking, Repairs and Alterations		
PE08	Footwear	PS06	Footwear and Repair
PE09	Shoe Repair		
PE10	Gross Imputed Rent	PS07	Gross Imputed Rent
PE11	Gross Rent Paid	PS09	Other Shelter Expenses
PE12	Other Shelter Expenses	PS09	Other Shelter Expenses
PE13	Electricity	PS10	Electricity
PE14	Natural Gas	PS11	Natural Gas
PE15	Other Fuels	PS12	Other Fuels
PE16	Furniture, Carpets and Other Floor	PS13	Furniture, Carpets and Other Floor Coverings
PE17	Covering		
	Upholstery and Furniture Repairs		
PE18	Household Appliances	PS14	Household Appliances
PE19	Household Equipment Repairs		
PE20	Semi-Durable Household Furnishings	PS15	Semi-Durable Household Furnishings
PE21	Non-Durable Household Supplies	PS16	Non-Durable Household Supplies
PE22	Domestic and Child Care Services	PS17	Domestic and Child Care Services
PE23	Other Household Services	PS18	Other Household Services
PE24	Medical Care	PS19	Medical Care
PE25	Hospital Care and the Like	PS20	Hospital Care and the Like
PE26	Other Medical Care Expenses	PS21	Other Medical Care Expenses
PE27	Drugs and Sundries	PS22	Drugs and Sundries
PE28	New and Used (net) Motor Vehicles	PS23	New and Used (net) Motor Vehicles
PE29	Motor Vehicle, Parts and Accessories	PS24	Motor Vehicle Parts and Repairs
PE30	Motor Vehicle Repairs		
PE31	Motor Fuels and Lubricants	PS25	Motor Fuels and Lubricants
PE32	Other Auto Related Services	PS26	Other Auto Related Services
PE33	Purchased Transportation	PS27	Purchased Transportation
PE34	Communications	PS28	Communications
PE35	Recreational, Sporting and Camping	PS29	Recreational, Sporting and Camping Equipment
PE36	Equipment		
	Recreation Equipment, Repairs and		
	Rentals		
PE37	Reading and Entertainment Supplies	PS30	Reading and Entertainment Supplies
PE38	Recreational Services	PS31	Recreational Services
PE39	Education and Cultural Services	PS32	Education and Cultural Services
PE40	Watches and Jewellery	PS33	Personal Effects
PE41	Watches and Jewellery Repairs		
PE42	Luggage, Leather Goods and Other		
	Personal Effects		
PE43	Cosmetics and Toiletries	PS34	Personal Care
PE44	Personal Care		
PE45	Expenditure on Restaurants and Hotels	PS35	Expenditure on Restaurants and Hotels
PE46	Financial, Legal and Other Services	PS36	Financial, Legal and Other Services
PE47	Operating Expenditure of Non-Profit	PS37	Operating Expenditure of Non-Profit Organizations
	Organizations		
PE48	Net Expenditure Abroad	PS38	Net Expenditure Abroad

Table P: Changes in the Structure of Personal Expenditure categories of Input-Output Accounts

Previous categories		New categories	
PE01	Food and Non-alcoholic Beverage	PE01	Food and Non-alcoholic Beverages
PE02	Alcoholic Beverages	PE02	Alcoholic Beverages
PE03	Tabacco Products	PE03	Tabacco Products
PE04	Men's and Boys' Clothing	PE04	Men's and Boys' Clothing
		PE05	Men's Clothing Repair and Alterations
PE05	Women's and Children's Clothing	PE05	Women's and Children's Clothing
		PE07	Dressmaking, Repairs and Alterations
PE06	Footwear and Repair	PE08	Footwear
		PE09	Shoe Repair
PE07	Gross Imputed Rent	PE10	Gross Imputed Rent
PE08	Gross Rent Paid	PE11	Gross Rent Paid
PE09	Other Shelter Expenses	PE12	Other Shelter Expenses
PE10	Electricity	PE13	Electricity
PE11	Natural Gas	PE14	Natural Gas
PE12	Other Fuels	PE15	Other Fuels
PE13	Furniture, Carpets and Other Floor Coverings	PE16	Furniture, Carpets and Other Floor Coverings
		PE17	Upholstery and Furniture Repairs
PE14	Household Appliances	PE18	Household Appliances
		PE19	Household Equipment Repairs
PE15	Semi-Durable Household Furnishings	PE20	Semi-Durable Household Furnishings
PE16	Non-Durable Household Supplies	PE21	Non-Durable Household Supplies
PE17	Laundry and Drycleaning Services		Combined with PE23
PE18	Domestic and Child Care Services	PE22	Domestic and Child Care Services
PE19	Other Household Services	PE23	Other Household Services
PE20	Medical Care	PE24	Medical Care
PE21	Hospital Care and the Like	PE25	Hospital Care and the Like
PE22	Other Medical Care Expenses	PE26	Other Medical Care Expenses
PE23	Drugs and Sundries	PE27	Drugs and Sundries
PE24	New and Used (net) Motor Vehicles	PE28	New and Used (net) Motor Vehicles
PE25	Motor Vehicle Parts and Repairs	PE29	Motor Vehicle, Parts and Accessories
		PE30	Motor Vehicle Repairs
PE26	Motor Fuels and Lubricants	PE31	Motor Fuels and Lubricants
PE27	Other Auto Related Services	PE32	Other Auto Related Services
PE28	Purchased Transportation	PE33	Purchased Transportation
PE29	Communications	PE34	Communications
PE30	Recreational, Sporting and Camping Equipment	PE35	Recreational, Sporting and Camping Equipment
		PE36	Recreation Equipment, Repairs and Rentals
PE31	Reading and Entertainment Supplies	PE37	Reading and Entertainment Supplies
PE32	Recreational Services	PE38	Recreational Services
PE33	Education and Cultural Services	PE39	Education and Cultural Services
PE34	Jewellery, Watches and Repairs	PE40	Watches and Jewellery
		PE41	Watches and Jewellery Repairs
		PE42	Luggage, Leather Goods and Other Personal Effects
PE35	Toilet Articles and Cosmetics	PE43	Cosmetics and Toiletries
PE36	Personal Care	PE44	Personal Care
PE37	Expenditure on Restaurants and Hotels	PE45	Expenditure on Restaurants and Hotels
PE38	Financial, Legal and Other Services	PE46	Financial, Legal and Other Services
PE39	Operating Expenditure of Non-Profit Organizations	PE47	Operating Expenditure of Non-Profit Organizations
PE40	New Expenditure Abroad	PE48	Net Expenditure Abroad

Table Q: Final Demand Capital Formation categories by Industry in the Input-Output Accounts for both Machinery and Equipment and construction categories

Serial	I/O		I/O	
#	Code	Machinery and Equipment	Code	Construction categories
1	49	Agriculture and related services industries	100	Agriculture and related services industries
2	50	Fishing and trapping industries	101	Fishing and trapping industries
3	51	Logging and forestry industries	102	Logging and forestry industries
4	52	Mining industries	103	Mining industries
5	53	Crude petroleum and natural gas industries	104	Crude petroleum and natural gas industries
6	54	Quarry and sand pit industries	105	Quarry and sand pit industries
7	55	Service ind. Incidental to mineral extraction	106	Service ind. Incidental to mineral extraction
8	56	Food industries	107	Food industries
9	57	Beverage industries	108	Beverage industries
10	58	Tobacco products industries	109	Tobacco products industries
11	59	Rubber products industries	110	Rubber products industries
12	60	Plastic products industries	111	Plastic products industries
13	61	Leather and allied products industries	112	Leather and allied products industries
14	62	Primary textile and textile products ind.	113	Primary textile and textile products ind.
15	63	Clothing industries	114	Clothing industries
16	64	Wood industries	115	Wood industries
17	65	Furniture and fixture industries	116	Furniture and fixture industries
18	66	Paper and allied products industries	117	Paper and allied products industries
19	67	Printing, publishing and allied industries	118	Printing, publishing and allied industries
20	68	Primary metal industries	119	Primary metal industries

21	69	Fabricated metal product industries	120	Fabricated metal product industries
22	70	Machinery industries (except elect. mach.)	121	Machinery industries (except elect. mach.)
23	71	Transportation equipment industries	122	Transportation equipment industries
24	72	Electrical and electronic products ind.	123	Electrical and electronic products ind.
25	73	Non-metallic mineral products industries	124	Nonmetallic mineral products industries
26	74	Refined petroleum and coal products ind.	125	Refined petroleum and coal products ind.
27	75	Chemical and chemical products ind.	126	Chemical and chemical products ind.
28	76	Other manufacturing industries	127	Other manufacturing industries
29	77	Construction industries	128	Construction industries
30	78	Transportation industries	129	Transportation industries
31	79	Pipeline transport industries	130	Pipeline transport industries
32	80	Storage and warehousing industries	131	Storage and warehousing industries
33	81	Communication industries	132	Communication industries
34	82	Other utility industries	133	Other utility industries
35	83	Wholesale trade industries	134	Wholesale trade industries
36	84	Retail trade industries	135	Retail trade industries
37	85	Finance, insurance and real estate ind	136	Finance, insurance and real estate ind
38	86	Business service industries	137	Business services industries
39	87	Health and social services industry	138	Health and social services industry
40	88	Accomm., food and beverage service ind.	139	Accommo., food and beverage service ind.
41	89	Amusement and recreational service ind..	140	Amusement and recreational service ind.
42	90	Personal & household service industries	141	Personal & household service industries
43	91	Other service industries	142	Other service industries

44	92	Used cars, equipment, and scrap		
45	143	Transfer costs, non-residential construction		
46	93	Membership organization industries	144	Membership organization industries
47	94	Educational service industries (excl univ.)	145	Educational service industries
48	95	Universities	147	Universities
49	146	Housing		
50	96	Hospitals	148	Hospitals
51	97	Federal government service industries	149	Federal government service industries
52	98	Provincial and terr. govt. service industries	150	Provincial and terr. govt. service industries
53	99	Local government service industries	151	Local government service industries

Table 32: Dimension of Non-Business Industries

(see Table 33 for details)

Sector	Number of categories
Personal Sector	5
Government Sector	8
Total	13

Table 33: Non-Business Industries in the Historical Revision

Serial No.	Worksheet Industry No.	Sector	Industry title
1	231	Personal	NB-P – Religious organizations
2	232	Personal	NB-P – Welfare orgnaizations
3	233	Personal	NB-P – Sports & recreation clubs
4	234	Personal	NB-P – Educational institutions
5	235	Personal	NB-P – Other organizations
6	236	Government	NB-G – Hospitals
7	237	Government	NB-G – Residential Care Facilities
8	238	Government	NB-G – University education
9	239	Government	NB-G – Other education
10	240	Government	NB-G – Defence services
11	241	Government	NB-G – Other municipal government
12	242	Government	NB-G – Other provincial & territorial
13	243	Government	NB-G – Other federal government

Table 34: University Education Measured Prior to the Historical Revision as a component of Personal Expenditure on Goods and Services in the Personal Sector.

INPUTS	\$	REVENUES	\$
Mineral fuels	48	Fees	-1422
Printing and Publishing	225	Other services	-1067
Petroleum Products	163		
Other expenses	2239		
Indirect Taxes	130		
Labour Income	6974		
Other operating surplus	575		
TOTAL	10354	Total	-2489
Net Expenditure Measured in the GDP as part of Personal Expenditure on Goods and Services: \$10,354 - \$2,489 = \$7,865			

Table 35: University Education Measured in the Historical Revision Component of Government Expenditure on Goods and Services in the Government Sector

OUTPUT MATRIX	\$	INPUT MATRIX	\$	FINAL DEMAND	\$
Private Education Services	1422	Mineral Fuels	48	University Education Services included in Other Provincial Government Expenditure	7865
Other Services	1067	Printing and	225		
Sub-Total	2489				
Government Funding on Universities Measured in Final Demand	7865	Petroleum	163		
		Other Expenses	2239		
		Indirect Taxes	130		
		Labour Income	6974		
		Other Operating	575		
TOTAL	10,354	TOTAL	10,354	TOTAL	7,865

Table 36: Additions of New Industries and Deletions of the Existing Industries of the Input-Output Accounts in the Historical Revision (Cont'd)

INPUT-OUTPUT INDUSTRY CLASSIFICATION CHANGES - WORKING LEVEL

FROM			TO		
W Code		1980 SIC	W Code		1980 SIC
				<u>Business Sector</u>	
1	Agriculture, livestock	011,012,021	1	Agriculture, Livestock farms	011,012
2	Agriculture, fieldcrop	013-017,022, 023	2	Agriculture, Field crop farms	013-017
3	Fishing and trapping industries	031-033	3	Service industries incidental To agriculture	021-023
			4	Fishing and trapping industries	031-033
4	Logging & forestry industries	0411,0412, 0511	5	Logging industry	041
			6	Forestry services industry	051
34	Tobacco products industries	121,122	36	Leaf tobacco industry	121
			37	Tobacco products industry	122
35	Rubber products industries	151-159	38	Tire and tube industry	151
			39	Rubber hose & belting industry	152
			40	Other rubber products industry	159
48	Misc. textile products industries	191,193,1991, 1993-1995, 1999	41	Natural fibres processing and felt prod. ind.	191
			54	Canvas and related products industry	193
49	Contract textile dyeing and Finishing industry	1992	55	Other textile products industry	199
60	Wooden box & coffin industries	256,258	66	Wooden box & pallet industry	256
			67	Coffin & casket industry	258

Table 36: Additions of New Industries and Deletions of the Existing Industries of the Input-Output Accounts in the Historical Revision (Cont'd)

INPUT-OUTPUT INDUSTRY CLASSIFICATION CHANGES – WORKING LEVEL					
FROM			TO		
W Code		1980 SIC	W Code		1980 SIC
112	Misc. transportation equipment industry	328,329	119	Boatbuilding & repair industry	328
			120	Other transportation equipment industries	329
				Abrasives industry	
132	Non-metal mineral insulation ind	3594	140	Lime industry	357
133	Misc. non-metallic minerals Products industry	357,3583591-3593,3599 3599	141	Other non-metallic mineral Products industries	358
			142		359
134	Refined petroleum & coal Products	361,369	143	Refined petroleum products Industries	361
			144	Other petroleum & coal products Industries	369
168	Taxicab industry	4581	178	Taxicab and other transportation industries	458
169	Misc. transportation Industries	4573-4575, 4589	179	School and other bus operations industries	4573-4575
170	Other services incidental to Transport	4592, 4599, 996,9991	180	Other service ind. Incidental To transportation	459
171	Highway & bridge maintenance	4591		Deleted (see 180)	
174	Storage & warehousing industries	471,479	183	Grain elevator industry	471
			184	Other storage and warehousing industries	479
178	Postal service industry	4841	188	Postal and courier service industries	484
184	Banks & other dep. accepting inst.	701,702,709	194	Central bank	701
			195	Banks and other deposit Accepting intermed.	702,703,704 709
185	Trust/deposit acc. mortgage co	703,704		Deleted (see 195)	

Table 36: Additions of New Industries and Deletions of the Existing Industries of the Input-Output Accounts in the Historical Revision (Cont'd)

INPUT-OUTPUT INDUSTRY CLASSIFICATION CHANGES – WORKING LEVEL					
FROM			TO		
W Code		1980 SIC	W Code		1980 SIC
187	Other finance & real estate ind	711-729, 741-743, 7499, 7511, 7512, 759, 761	197	Other financial intermediary industries	711-729, 741-749
			198	Real estate operator industries	7511, 7512, 759
			199	Real estate & insurance agent ind.	761
188	Insurance industries	731, 732, 733	200	Insurance industries	731, 732, 733
189	Govt royalties on nat. resources	7495		Deleted completely	
192	Professional business services	773, 775, 776	203	Accounting and legal services	773, 776
			204	Architectural, eng., & other scientific and technical service	775
194	Misc. business services	771, 777, 779, 4842	206	Miscellaneous business service industries	771, 777, 779
195	Educational service industries	851-859	207	Educational service industries, private	851, 852, 854-859
196	Hospitals	861		Deleted (see 208)	
197	Homes for personal & nursing care	8621	208	Other health and social service industries	862-869
198	Other health & social services	863, 865, 866, 8671, 8679, 868, 8691, 8693, 8699	209	Health practitioners & medical laboratories industries	865, 866, 868
203	Theatre, sports & recreational Services	963, 9641, 9642, 965, 969	214	Other amusement and recreational Service industries	963-965, 969
204	Race tracks and gambling Operations	9643, 9644, 966	215	Lotteries, bingos, casinos, etc	966
206	Other personal services	971, 973, 979	217	Other personal service industries	971, 973, 974, 979

Table 36: Additions of New Industries and Deletions of the Existing Industries of the Input-Output Accounts in the Historical Revision (Cont'd)

INPUT-OUTPUT INDUSTRY CLASSIFICATION CHANGES – WORKING LEVEL					
FROM			TO		
W Code		1980 SIC	W Code		1980 SIC
208	Bus ass./mach. Leasing/oth.serv.	4842,982,983, 991,992,9999	220	Business and professional membership Association	982-986
			221	Travel services	996
			222	Other services n.e.c.	999
270	Religious organizations	981	231	N.B. - P Religious organizations	981
266	Institutional, social services	8622- 8629,864 8672,8694	232	N.B. - P Welfare organizations	864
268	Amusement & other service Industry	963,9641,9642 .911-922 971,973,979,9 94,995	233	N.B. - P Sports & recreation clubs	961-969
			234	N.B. - P Educational institutions	851,852, 854-859
271	Other non-profit organ.	984-986	235	N.B. - P Other organizations	3999,4571, 4811- 4813,601- 692,711- 729,741- 749,751, 759,761, 771,773, 775,776, 777,779, 862- 869,911- 914, 921,922, 971,973, 974,979, 982-986, 991-999
265	Hospitals	861	236	N.B. - G Hospitals	861
			237	N.B. - G Residential care facilities	862
264	Educational service industries	851-859	238	N.B. - G University education	853
			239	N.B. - G Other educational serv.	851,852, 854-859

Table 36: Additions of New Industries and Deletions of the Existing Industries of the Input-Output Accounts in the Historical Revision (Cont'd)

INPUT-OUTPUT INDUSTRY CLASSIFICATION CHANGES – WORKING LEVEL					
W Code	FROM	1980 SIC	W Code	TO	1980 SIC
260	Defence services	811	240	N.B. – G Defence services	811
263	Local government services	832-837	241	Other municipal govt.	451,452, 459,493, 499,751, 759, 832- 837,862, 863, 864,867, 869, 963- 965,969, 971, 973,974, 979, 982- 986,999
262	Provincial government serv.	822-827	242	N.B. – G Other provincial & territorial govt.	021- 023,031- 033, 051,3999, 451,452, 454,455, 459, 4811- 4813,493, 499,711- 729,731- 733,741- 749,751, 759,822- 827,862- 869,911- 914,921, 922,961, 963-965, 966,969, 982-986, 996

Table 36: Additions of New Industries and Deletions of the Existing Industries of the Input-Output Accounts in the Historical Revision

INPUT-OUTPUT INDUSTRY CLASSIFICATION CHANGES – WORKING ILEVEL				
FROM			TO	
W Code		1980 SIC	W Code	1980 SIC
261	Other federal govt. serv.	812-817,841	243	N.B. – G Other federal govt.
				051,451, 452,454, 455,459, 4811-4813, 711,729, 731-733, 741- 749,751- 759, 812 817,911- 914, 921,922, 961, 963- 965,969

**Table 37: Deletions and Additions to the Input-Output Commodities in the
Historical Revision
Part I: Deletions (Cont'd)**

Serial No.	Worksheet Code	Title
1	5	Wheat, unmilled
2	6	Corn
3	7	Barley
4	8	Other grains
5	15	Hay & straw
6	18	Soybeans, canola, & other oil seeds
7	20	Mink skins, ranch undressed
8	21	Raw wool
9	85	Infant & Junior Foods, Canned
10	90	Pre-cooked & Frozen Food Products
11	100	Plain Bread & Rolls
12	123	Infant & Junior Foods, Excl. Canned
13	127	Distilled alc. Beverages, incl. Coolers
14	128	Beer, incl. Coolers
15	129	Wine, incl. Coolers
16	137	Tire Repair Material & Retreads
17	149	Leather & Miscellaneous Leather Goods
18	157	Bedding, towels, and cloths
19	169	Man-made & cotton mixed fabric
20	178	Textile containers
21	198	Treated lumber & Wood Products
22	204	Millwork
23	207	Wood Containers
24	218	Pulp
25	228	Vanillin
26	237	Backed aluminum foil
27	244	Paper End Products, Incl. Household
28	262	Flat iron & steel, hot roll, not coated
29	263	Flat iron & steel, cold roll, not coat
30	264	Flat iron & steel, galvanized, tinplate
31	279	Aluminium Ingots, Billets, Blacks & Slabs
32	280	Aluminium, Other Primary Forms
33	281	Tin in prim forms & fabricated mat
34	302	Flat iron & steel, alloy, other coated
35	317	Miscellaneous Hardware
36	324	Movers, Snowblowers & Other Household Equipment

Table 37: Deletions and Additions to the Input-Output Commodities in the Historical Revision

Part 1: Deletions (Cont'd)

Serial No.	Worksheet Code	Title
37	325	Other heating equipment
38	327	Oil & gas burners, etc
39	336	Indicator panels, regulators, etc
40	342	Pumps, Compressors & Blowers
41	384	Locomotive & Railway Rolling Stock
42	385	Urban transit rolling stock
43	391	Small household appliances, incl. Microwave
44	395	Radio, TV, stereo, VCR, & unrec. Tape
45	409	Industrial Electric Equipment
46	419	Concrete Products, Including Sand & Lime
47	437	Gasoline
48	446	Asphalt & products
49	448	Animal & vegetable fertilizers
50	450	Chemical fertilizers, Excl. Nitrogenous
51	498	Pigments & Dyes
52	499	Nitrogenous fertilizers
53	515	Lab., Scientific Instruments
54	525	Jewellery, Metal Tableware, Etc.
55	534	Fur dressing & dyeing services
56	535	Custom Work, Miscellaneous
57	536	Animal hair, feathers, etc
58	547	Dams & Irrigation Projects
59	550	Air transportation
60	553	Water transportation
61	555	Rail transportation
62	557	Bus transport, interurban & rural
63	562	Storage
64	563	Radio & Television Broadcasting
65	569	Water, waste disposal, other utilities
66	574	Imputed service, banks
67	575	Imputed serv., excl. banks, & credit unions
68	576	Services of credit unions
69	577	Other finance & real estate services
70	578	Insurance & worker's comp
71	579	Inputted Rent, Owner Occupy. Dwelling
72	580	Cash Residential Rent
73	581	Other rent
74	582	Govt royalties on nat. resources

Table 37: Deletions and Additions to the Input-Output Commodities in the Historical Revision
Part 1: Deletions

Serial No.	Worksheet Code	Title
75	583	Education Services
76	584	Hospital Services
77	585	Personal & nursing care services
78	587	Motion Picture Prod. & Distribution
79	589	Lottery, gambling, & race track services
80	594	Laundry, Cleaning & Pressing Services
81	597	Service margin on alcoholic beverages
82	598	Personal services, incl. child care
83	601	Computer services
84	604	Trade Association Dues
85	620	Government Goods and Services
86	621	Commodity indirect taxes
87	622	Subsidies
88	623	Other indirect taxes
89	626	Net income, other unincorporated business

Table 37: Deletions and Additions to the Input-Output Commodities in the Historical Revision

Part II: Additions (Cont'd)

Serial No.	Worksheet Code	Title
1	5	Wheat, unmilled, excl. imputed feed
2	6	Wheat, unmilled, imputed feed
3	7	Grain corn, excl. imputed feed
4	8	Corn fodder, imputed feed
5	9	Barley, excl imputed feed
6	10	Other grains, excl imputed feed
7	11	Other grains & fodder, imputed feed
8	18	Hay & straw, excl. imputed feed
9	19	Hay & straw, imputed feed
10	22	Canola
11	23	Soybeans & other oil seeds
12	25	Raw wool and mink skins
13	89	Infant & Junior Foods, in Airtight Containers
14	94	Prepared Meals
15	104	Bread & Rolls
16	127	Infant & Junior Foods, Excl. in Airtight Containers
17	131	Distilled alc. Beverages, bought in store
18	132	Distilled alc. Beverages, cons. On licensed premises
19	133	Beer, incl. Coolers bought in store
20	134	Beer, incl. Coolers cons. On licensed premises
21	135	Wine, incl. Coolers bought in store
22	136	Wine, incl. Coolers cons. On licensed premises
23	144	Tire Repair Material & Retreated Tires
24	156	Leather & Other Leather Goods
25	164	Bedding
26	203	Treated Wood
27	209	Other Millwork
28	212	Wood Containers & Pallets
29	223	Wood Pulp
30	241	Aluminium foil
31	248	Other Paper End Products
32	266	Flat iron & steel, not alloy, not coated
33	267	Flat iron & steel, alloy, coated
34	282	Aluminium & Alloy Ingots, Billets, Blacks & Slabs
35	283	Aluminium & Alloy, Other Primary Forms
36	286	Other non-ferrous base & fabricated materials
37	319	Other Hardware
38	326	Mowers, Snowblowers, Sprinklers, Etc.

Table 37: Deletions and Additions to the Input-Output Commodities in the Historical Revision
Part II: Additions (Cont'd)

Serial No.	Worksheet Code	Title
39	341	Pumps, Compressors, Fans & Blowers
40	383	Locomotive, railway & urban trans. Rolling stock
41	389	Microwave ovens
42	390	Small household appliances
43	394	Radio, stereo, cassette & CD players, & access.
44	395	TV, VCR, accessories, & unrecorded tape
45	409	Industrial Electric Equipment, Incl. Safety
46	419	Concrete Products
47	437	Motor Gasoline
48	446	Asphalt compound, hot bulk
49	447	Other asphalt products
50	449	Animal & vegetable fertilizers, imputed
51	450	Animal & vegetable fertilizers, excl. imputed
52	452	Chemical fertilizers
53	500	Pigments, Lakes & Dyes
54	516	Lab. & Scientific Instruments & Flight Simulators
55	526	Jewellery, Silverware, Flatware, Etc.
56	535	Custom work, refined petroleum & coal
57	536	Other custom work
58	537	Animal hair, fur dyeing, etc
59	548	Electric Power, Dams & Irrigation Construction
60	551	Air transport, passenger
61	552	Air transport, freight
62	553	Air transport, speciality
63	554	Serv. Incidental to air transport
64	556	Ambulance services
65	557	Travel agents, tour wholes. & operator services
66	558	Parking services
67	560	Water transport, passenger
68	561	Water transport, freight
69	562	Water transport, other
70	564	Rail transport, passenger
71	565	Rail transport, freight
72	566	Service incidental to rail transport
73	568	Bus transport, interurban & rural, passenger
74	569	Bus transport, interurban & rural, parcel express
75	574	Grain storage
76	575	Other storage & warehousing
77	576	Radio & Television Broadcasting, Incl. Cable

Table 37: Deletions and Additions to the Input-Output Commodities in the Historical Revision
Part II: Additions (Cont'd)

Serial No.	Worksheet Code	Title
78	582	Water supply
79	583	Other utilities
80	588	Retailing service
81	589	Central bank
82	590	Implicit charges, banks & other dep. acc. Intermed.
83	591	Paid charges, banks & other dep. Acc. Intermed
84	592	Implicit charges, credit unions & caisses pop.
85	593	Paid charges, credit unions & caisses pop
86	594	Royalties & licence fees (excl. natural resource)
87	595	Stock & bond commissions
88	596	Implicit charge, sales finance & consumer loan
89	597	Mutual funds
90	598	Other financial intermediary services
91	599	Real estate commissions & management fees
92	600	Life insurance
93	601	Non-life insurance
94	602	Trusted pension funds
95	603	Insurance commissions
96	604	Gross Imputed Rent
97	605	Gross Paid Residential Rent
98	606	Imputed lodging
99	607	Lodging in universities
100	608	Other paid lodging, excl univ
101	609	Non-residential rent
102	610	Private Education Services
103	611	Private Hospital Services
104	612	Private residential care facilities
105	613	Child care, outside home
106	615	Health practitioners & laboratory services
107	616	Motion Picture, Audio & Video Prod. & Distribution
108	618	Lottery and other gambling
109	619	Race track services
110	624	Laundry and Dry Cleaning
111	627	Barber & beauty services
112	628	Funeral services
113	629	Child care in the home
114	630	Private household service
115	631	Other personal services

Table 37: Deletions and Additions to the Input-Output Commodities in the
Historical Revision
Part II: Additions

Serial No.	Worksheet Code	Title
116	634	Software products development
117	635	Computer lease & rental (hardware)
118	636	Professional & processing computer services
119	638	Courier service
120	640	Membership Organization Dues (Excl. Religions)
121	641	Rental, video & recreation equipment
122	650	Religious organizations services
123	651	Welfare organizations services
124	652	Non-profit sports & recreation services
125	653	Non-profit educational services
126	654	Other non-profit services
127	655	Government funding of hospital
128	656	Government funding of residential care
129	657	Government funding of universities
130	658	Government funding of other education
131	659	Defence services
132	660	Other municipal government services
133	661	Other provincial government services
134	662	Other federal government services
135	663	Blank
136	671	Sales of other government services
137	672	Indirect taxes on products
138	673	Subsidies on products
139	674	Subsidies on production
140	675	Indirect taxes on production
141	678	Mixed income

Table 38: Net Increase in the Number of Final Demand Categories After the Historical Revision

Category	Number of categories Before Historical Revision	Number of categories After Historical Revision	Net Increase
Personal Expenditure	40	48	8
Machinery & Equipment	39	51	12
Construction	40	52	12
Inventories	2	2	0
Government Expenditure	6	6	0
Exports	2	2	0
Imports	1	1	0
Government Revenue	6	0	-6
Total	136	162	26

Table 39: Comparison of Final Demand Categories in the Previous Structure and the Historical Revision (Cont'd)

Previous Category		Historical Revision Category	
	Personal Expenditure:		
1 PE	Food & Non-Alcoholic Beverag	1 PE	Food And Non-Alcoholic Beverages
2 PE	Alcoholic Beverages	2 PE	Alcoholic Beverages Bought In Stores
3 PE	Tobacco Products	3 PE	Tobacco Products
4 PE	Men's And Boy's Clothing	4 PE	Men's And Boys' Clothing
		5 PE	Men's And Boys' Clothing Repair & Alteration
5 PE	Women's&Children's Clothing	6 PE	Women's And Children's Clothing
		7 PE	Women's Clothing Repair & Alteration
6 PE	Footwear And Shoe Repair	8 PE	Footwear
		9 PE	Shoe Repair
7 PE	Gross Imputed Rents	10 PE	Gross Imputed Rent
8 PE	Gross Rent Paid	11 PE	Gross Rent Paid
9 PE	Other Lodging	12 PE	Other Shelter Expenses
10 PE	Electricity	13 PE	Electricity
11 PE	Natural Gas	14 PE	Natural Gas
12 PE	Other Fuels	15 PE	Other Fuels
13 PE	Furn.,Carpets&Floor Covering	16 PE	Furniture And Floor Covering
		17 PE	Upholstery And Furniture Repair
14 PE	Durable Hhld. Appliances	18 PE	Household Appliances
		19 PE	Household Equipment Repairs
15 PE	Semi-Dur Held Furn&Supplies	20 PE	Semi-Durable Household Furnishings
16 PE	Non-Durable Held Supplies	21 PE	Non-Durable Household Supplies
17 PE	Laundry & Dry Cleaning Serv		
18 PE	Domestic & Child Care Services	22 PE	Domestic And Child Care Services
19 PE	Other Household Services	23 PE	Other Household Services
20 PE	Medical Care	24 PE	Medical Care
21 PE	Hospital Care And The Like	25 PE	Hospital Care And The Like
22 PE	Other Medical Care Expenses	26 PE	Accident And Sickness Insurance
23 PE	Drugs And Sundries	27 PE	Drugs And Pharmaceutical Products
24 PE	New & Used (Net) Motor Vehicles	28 PE	New And Used (Net) Motor Vehicles
25 PE	Motor Vehicles Repairs & Parts	29 PE	Motor Vehicles Parts And Accessories
		30 PE	Motor Vehicle Repairs

26	PE	Motor Fuels And Lubricants	31	PE	Motor Fuels And Lubricants
27	PE	Other Auto Related Services	32	PE	Other Motor Vehicle Related Services
28	PE	Purchased Transportation	33	PE	Purchased Transportation
29	PE	Communications	34	PE	Communications
30	PE	Rec., Sports&Camping Equip	35	PE	Recreation, Sporting And Camping Equip.
			36	PE	Recreation Equipment Repair And Rentals
31	PE	Reading & Entertainment Supp.	37	PE	Reading And Entertainment Supplies
32	PE	Recreational Services	38	PE	Recreational Services
33	PE	Education &Cultural Services	39	PE	Educational And Cultural Services
34	PE	Jewelry,Watches & Repairs	40	PE	Jewelry And Watches
			41	PE	Jewelry And Watch Repair
			42	PE	Leather Goods & Other Personal Effects
35	PE	Toilet Articles,Cosmetics	43	PE	Toilet Articles And Cosmetics
36	PE	Personal Care	44	PE	Personal Care
37	PE	Restaurants & Hotels	45	PE	Restaurants And Accommodation Services

Table 39: Comparison of the Final Demand Categories in the Previous Structure and the Historical Revision (Cont'd)

Previous Category			Historical Revision Category		
38	PE	Financial, Legal & Other Serv.	46	PE	Financial, Legal & Other Services
39	PE	Oper. Exp. Non-Profit Orgn.	47	PE	Operating Expenditures Of Non-Profit Org.
40	PE	Net Expenditures Abroad	48	PE	Net Expenditure Abroad
		Machinery & Equipment:			
41	M&E	Agriculture And Fishing	49	M&E	Agriculture And Related Services Industries
			50	M&E	Fishing And Trapping Industries
42	M&E	Forestry	51	M&E	Logging And Forestry Industries
43	M&E	Mining Quarrying & Oil Wells	52	M&E	Mining Industries
			53	M&E	Crude Petroleum And Natural Gas Industries
			54	M&E	Quarry And Sand Pit Industries
			55	M&E	Service Ind. Incidental To Mineral Extraction
44	M&E	Food And Beverages	56	M&E	Food Industries
			57	M&E	Beverage Industries
45	M&E	Tobacco And Tobacco Products	58	M&E	Tobacco Products Industries
46	M&E	Rubber Products	59	M&E	Rubber Products Industries
			60	M&E	Plastic Products Industries
47	M&E	Leather Goods	61	M&E	Leather And Allied Products Industries
48	M&E	Textile Products	62	M&E	Primary Textile And Textile Products Ind.
49	M&E	Clothing And Knitting Mills	63	M&E	Clothing Industries
50	M&E	Wood Products	64	M&E	Wood Industries
51	M&E	Furniture And Fixtures	65	M&E	Furniture And Fixture Industries
52	M&E	Paper And Allied Industries	66	M&E	Paper And Allied Products Industries
53	M&E	Printing, Publishing & Allied	67	M&E	Printing, Publishing And Allied Industries
54	M&E	Primary Metals	68	M&E	Primary Metal Industries
55	M&E	Metal Fabricating	69	M&E	Fabricated Metal Products Industries
56	M&E	Machinery	70	M&E	Machinery Industries (Except Elect. Mach.)
57	M&E	Transport Equipment	71	M&E	Transportation Equipment Industries
58	M&E	Electrical Products	72	M&E	Electrical And Electronic Products Ind.
59	M&E	Non-Metallic Mineral Product	73	M&E	Non-Metallic Mineral Products Industries
60	M&E	Petroleum And Coal Products	74	M&E	Refined Petroleum And Coal Products Ind.
61	M&E	Chemicals & Chemical Prod.	75	M&E	Chemical And Chemical Products Ind.
62	M&E	Miscellaneous Manufacturing	76	M&E	Other Manufacturing Industries

63	M&E	Construction Industry	77	M&E	Construction Industries
64	M&E	Electric Power			See 82 M&E
65	M&E	Gas Distribution			See 79 M&E
66	M&E	Railway Transport	78	M&E	Transportation Industries
67	M&E	Urban Transit Systems			
68	M&E	Water Transport And Services			
69	M&E	Motor Transport			
			79	M&E	Pipeline Transport Industries
70	M&E	Grain Elevators	80	M&E	Storage And Warehousing Industries
71	M&E	Telephones	81	M&E	Communication Industries

Table 39: Comparison of the Final Demand Categories in the Previous Structure and the Historical Revision (Cont'd)

Previous Category			Historical Revision Category	
72	M&E	Broadcasting		See 81 M&E
73	M&E	Air Transport & Oth. Util.		See 78 and 82 M&E
74	M&E	Trade, Wholesale And Retail		See 83 and 84 M&E
75	M&E	Finance Insurance & Real Est		See 85 M&E
76	M&E	Commercial Services		See 86 to 91 M&E
77	M&E	Churches and Universities		See 95 M&E and 93 M&E
			82 M&E	Other Utility Industries
			83 M&E	Wholesale Trade Industries
			84 M&E	Retail Trade Industries
			85 M&E	Finance, Insurance And Real Estate Ind.
			86 M&E	Business Service Industries
			87 M&E	Health And Social Services Industry
			88 M&E	Accomm., Food And Beverage Service Ind.
			89 M&E	Amusement And Recreational Service Ind.
			90 M&E	Personal & Household Service Industries
			91 M&E	Other Service Industries
78	M&E	Used Cars, Equip't. & Scrap	92 M&E	Used Cars, Equipment, And Scrap
		See 76 M&E	93 M&E	Membership Organization Industries
		See 76 M&E	94 M&E	Private Educational Service Ind.
79	M&E	Government Sector	95 M&E	Universities
			96 M&E	Hospitals
			97 M&E	Federal Government Service Industries
			98 M&E	Provincial And Terr. Govt. Service Industries
			99 M&E	Local Government Service Industries
	Construction:			
80	Con	Agriculture And Fishing	100 Con	Agriculture And Related Services Industries
			101 Con	Fishing And Trapping Industries
81	Con	Forestry	102 Con	Logging And Forestry Industries
82	Con	Mining Quarrying & Oil Wells	103 Con	Mining Industries
			104 Con	Crude Petroleum And Natural Gas Industries
			105 Con	Quarry And Sand Pit Industries

			106	Con	Service Ind. Incidental To Miner Al Extraction
83	Con	Food And Beverages	107	Con	Food Industries
			108	Con	Beverage Industries
84	Con	Tobacco And Tobacco Products	109	Con	Tobacco Products Industries
85	Con	Rubber Products	110	Con	Rubber Products Industries
			111	Con	Plastic Products Industries
86	Con	Leather Goods	112	Con	Leather And Allied Products Industries
87	Con	Textile Products	113	Con	Primary Textile And Textile Products Ind.
88	Con	Clothing And Knitting Mills	114	Con	Clothing Industries
89	Con	Wood Products	115	Con	Wood Industries
90	Con	Furniture And Fixtures	116	Con	Furniture And Fixture Industries
91	Con	Paper And Allied Industries	117	Con	Paper And Allied Products Industries
92	Con	Printing, Publishing & Allied	118	Con	Printing, Publishing And Allied Industries

Table 39: Comparison of the Final Demand Categories in the Previous Structure and the Historical Revision (Cont'd)

Previous Category			Historical Revision Category		
93	Con	Primary Metals	119	Con	Primary Metal Industries
94	Con	Metal Fabricating	120	Con	Fabricated Metal Products Industries
95	Con	Machinery	121	Con	Machinery Industries (Except Elect. Mach.)
96	Con	Transport Equipment	122	Con	Transportation Equipment Industries
97	Con	Electrical Products	123	Con	Electrical And Electronic Products Ind.
98	Con	Non-Metallic Mineral Product	124	Con	Non-Metallic Mineral Products Industries
99	Con	Petroleum And Coal Products	125	Con	Refined Petroleum And Coal Products Ind.
100	Con	Chemicals & Chemical Prod.	126	Con	Chemical And Chemical Products Ind.
101	Con	Miscellaneous Manufacturing	127	Con	Other Manufacturing Industries
102	Con	Construction Industry	128	Con	Construction Industries
103	Con	Electric Power			See 133 Con
104	Con	Gas Distribution			See 130 Con
105	Con	Railway Transport	129	Con	Transportation Industries
106	Con	Urban Transit Systems			
107	Con	Water Transport And Services			
108	Con	Motor Transport			
			130	Con	Pipeline Transport Industries
109	Con	Grain Elevators	131	Con	Storage And Warehousing Industries
110	Con	Telephones	132	Con	Communication Industries
111	Con	Broadcasting	133	Con	Other Utility Industries
112	Con	Air Transport & Oth. Unl.			See 133 Con
113	Con	Trade, Wholesale And Retail	134	Con	Wholesale Trade Industries
			135	Con	Retail Trade Industries
114	Con	Finance Insurance + Real Est	136	Con	Finance, Insurance And Real Estate Ind.
115	Con	Commercial Services	137	Con	Business Service Industries
			138	Con	Health And Social Services Industry
			139	Con	Accomm., Food And Beverage Service Ind.
			140	Con	Amusement And Recreational Service Ind.
			141	Con	Personal & Household Service Industries
			142	Con	Other Service Industries

116	Con	Churches And Universities			See 147 for Universities
117	Con	Housing			See 146
118	Con	Real Estate Commissions	143	Con	Transfer Costs, Non-Residential Construction
			144	Con	Membership Organization Industries
			145	Con	Private Educational Service Ind.
			146	Con	Housing
119	Con	Government Sector	147	Con	Universities
			148	Con	Hospitals
			149	Con	Federal Government Service Industries
			150	Con	Provincial And Terr. Govt. Service Industries
			151	Con	Local Government Service Industries

Table 39: Comparison of the Final Demand Categories in the Previous Structure and the Historical Revision

Previous Category			Historical Revision Category		
	Value of Physical change				
120	Inv	Finished Goods & Goods I.P.	152	Inv	Finished Goods & Goods I.P.
121	Inv	Raw Materials & G.P.R.S.	153	Inv	Raw Materials & G.P.R.S.
	Government Expenditure:				
122	GCE	Hospital Exp.	154	GCE	Hospital Exp.
123	GCE	Education Exp.	155	GCE	Education Exp.
124	GCE	Defence Exp.	156	GCE	Defence Exp.
125	GCE	Other Municipal Govt. Exp.	157	GCE	Other Municipal Govt. Exp.
126	GCE	Other Prov. Govt. Exp.	158	GCE	Other Prov. Govt. Exp.
127	GCE	Other Fed. Govt. Exp.	159	GCE	Other Fed. Govt. Exp.
	Exports & Imports:				
128		Domestic Exports	160		Domestic Exports
129		Re-Exports	161		Re-Exports
130		Imports	162		Imports
	Government Revenue:		Moved to Industries		
131	GCE	Hospital Rev.	236		Non-Business Hospitals
			237		Non-Business Residential Care Facilities
132	GCE	Education Rev.	238		Non-Business University Education
			239		Non-Business: Other Educational Serv.
133	GCE	Defence Rev.	240		Non-Business Defence Services
134	GCE	Other Municipal Govt. Rev.	241		Non-Business Municipal Gov't Serv.
135	GCE	Other Prov. Govt. Rev.	242		Non-Business: Other Provincial Serv.
136	GCE	Other Fed. Govt. Rev.	243		Non-Business: Other Federal Gov't Serv.

Table 40: Final Demand Categories After Historical Revision (Cont'd)

1	1	PE Food and non-alcoholic beverages
2	2	PE Alcoholic beverages bought in stores
3	3	PE Tobacco products
4	4	PE Men's and boys' clothing
5	5	PE Men's and boys' clothing repair & alteration
6	6	PE Women's and children's clothing
7	7	PE Women's clothing repair & alteration
8	8	PE Footwear
9	9	PE Shoe repair
10	10	PE Gross imputed rent
11	11	PE Gross rent paid
12	12	PE Other shelter expenses
13	13	PE Electricity
14	14	PE Natural gas
15	15	PE Other fuels
16	16	PE Furniture and floor covering
17	17	PE Upholstery and furniture repair
18	18	PE Household appliances
19	19	PE Household equipment repairs
20	20	PE Semi-durable household furnishings
21	21	PE Non-durable household supplies
22	22	PE Domestic and child care services
23	23	PE Other household services
24	24	PE Medical care
25	25	PE Hospital care and the like
26	26	PE Accident and sickness insurance
27	27	PE Drugs and pharmaceutical products
28	28	PE New and used (net) motor vehicles
29	29	PE Motor vehicles parts and accessories
30	30	PE Motor vehicle repairs
31	31	PE Motor fuels and lubricants
32	32	PE Other motor vehicle related services
33	33	PE Purchased transportation

34	34	PE Communications
35	35	PE Recreation, sporting and camping equip.
36	36	PE Recreation equipment repair and rentals
37	37	PE Reading and entertainment supplies
38	38	PE Recreational services
39	39	PE Educational and cultural services
40	40	PE Jewellery and watches
41	41	PE Jewellery and watch repair
42	42	PE Leather goods & other personal effects
43	43	PE Toilet articles and cosmetics
44	44	PE Personal care
45	45	PE Restaurants and accommodation services
46	46	PE Financial, legal & other services
47	47	PE Operating expenditures of non-profit org.
48	48	PE Net expenditure abroad
49	49	M&E Agriculture and related services industries

Table 40: Final Demand Categories After Historical Revision (Cont'd)

50	50	M&E Fishing and trapping industries
51	51	M&E Logging and forestry industries
52	52	M&E Mining industries
53	53	M&E Crude petroleum and natural gas industries
54	54	M&E Quarry and sand pit industries
55	55	M&E Service ind. Incidental to mineral extraction
56	56	M&E Food industries
57	57	M&E Beverage industries
58	58	M&E Tobacco products industries
59	59	M&E Rubber products industries
60	60	M&E Plastic products industries
61	61	M&E Leather and allied products industries
62	62	M&E Primary textile and textile products ind.
63	63	M&E Clothing industries
64	64	M&E Wood industries
65	65	M&E Furniture and fixture industries
66	66	M&E Paper and allied products industries
67	67	M&E Printing, publishing and allied industries
68	68	M&E Primary metal industries
69	69	M&E Fabricated metal products industries
70	70	M&E Machinery industries (except elect. Mach.)
71	71	M&E Transportation equipment industries
72	72	M&E Electrical and electronic products ind.
73	73	M&E Non-metallic mineral products industries
74	74	M&E Refined petroleum and coal products ind.
75	75	M&E Chemical and chemical products ind.
76	76	M&E Other manufacturing industries
77	77	M&E Construction industries
78	78	M&E Transportation industries
79	79	M&E Pipeline transport industries
80	80	M&E Storage and warehousing industries
81	81	M&E Communication industries
82	82	M&E Other utility industries
83	83	M&E Wholesale trade industries
84	84	M&E Retail trade industries

85	85	M&E Finance, insurance and real estate ind.
86	86	M&E Business service industries
87	87	M&E Health and social services industry
88	88	M&E Accom., food and beverage service ind.
89	89	M&E Amusement and recreational service ind.
90	90	M&E Personal & household service industries
91	91	M&E Other service industries
92	92	M&E Used cars, equipment, and scrap
93	93	M&E Membership organization industries
94	94	M&E Private educational service ind.
95	95	M & Eiversities
96	96	M&E Hospitals
97	97	M&E Federal government service industries
98	98	M&E Provincial and terr. Govt. service industries

Table 40: Final Demand Categories After Historical Revision (Cont'd)

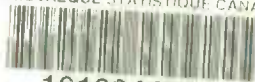
99	99	M&E Local government service industries
100	00	CON Agriculture and related services industries
101	101	CON Fishing and trapping industries
102	102	CON Logging and forestry industries
103	103	CON Mining industries
104	104	CON Crude petroleum and natural gas industries
105	105	CON Quarry and sand pit industries
106	106	CON Service ind. Incidental to mineral extraction
107	107	CON Food industries
108	108	CON Beverage industries
109	109	CON Tobacco products industries
110	110	CON Rubber products industries
111	111	CON Plastic products industries
112	112	CON Leather and allied products industries
113	113	CON Primary textile and textile products ind.
114	114	CON Clothing industries
115	115	CON Wood industries
116	116	CON Furniture and fixture industries
117	117	CON Paper and allied products industries
118	118	CON Printing, publishing and allied industries
119	119	CON Primary metal industries
120	120	CON Fabricated metal products industries
121	121	CON Machinery industries (except elect. mach.)
122	122	CON Transportation equipment industries
123	123	CON Electrical and electronic products ind.
124	124	CON Non-metallic mineral products industries
125	125	CON Refined petroleum and coal products ind.
126	126	CON Chemical and chemical products ind.
127	127	CON Other manufacturing industries
128	128	CON Construction industries
129	129	CON Transportation industries
130	130	CON Pipeline transport industries

131	131	CON Storage and warehousing industries
132	132	CON Communication industries
133	133	CON Other utility industries
134	134	CON Wholesale trade industries
135	135	CON Retail trade industries
136	136	CON Finance, insurance and real estate ind.
137	137	CON Business service industries
138	138	CON Health and social services industry
139	139	CON Accom., food and beverage service ind.
140	140	CON Amusement and recreational service ind.
141	141	CON Personal & household service industries
142	142	CON Other service industries
143	143	CON Transfer costs, non-residential construction
144	144	CON Membership organization industries
145	145	CON Private educational service ind.
146	146	CON Housing
147	147	CON Universities

Table 40: Final Demand Categories After Historical Revision (Concluded)

148	148	CON Hospitals
149	149	CON Federal government service industries
150	150	CON Provincial and terr. govt. service industries
151	151	CON Local government service industries
152	152	INV Finished goods & goods in process
153	153	INV Raw materials & goods purchased for resale
154	154	GCE Hospital & residential care facilities exp.
155	155	GCE Education exp.
156	156	GCE Defence exp.
157	157	GCE Other municipal govt. expenditures
158	158	GCE Other prov. & terr. govt. expenditures
159	159	GCE Other federal govt. expenditures
160	160	Domestic exports
161	161	Re-exports
162	162	Imports

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