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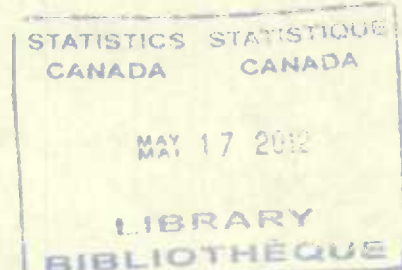
NATIONAL ACCOUNTS  
INCOME AND EXPENDITURE  
1942 - 1949

and  
*Supplementary Tables*



*H. J. Adler*

Dominion Bureau of Statistics  
DEPARTMENT OF TRADE AND COMMERCE



NATIONAL ACCOUNTS  
INCOME AND EXPENDITURE  
1942 - 1949

*and*  
*Supplementary Tables*

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## INTRODUCTION

This publication contains estimates of national income and expenditure and related series for the years 1942 to 1949 inclusive. It brings up to date previously published figures. New data and more complete analysis have made possible revisions of a number of the constituent series, particularly government expenditure, and personal expenditure on consumer goods and services. With minor exceptions, the series contained in the present publication are consistent with figures for the years 1926 to 1941 published in "National Accounts, Income and Expenditure, 1926 to 1947" (September 1948). It is expected that early in 1951 it will be possible to publish completely revised series from 1926 to 1949.

It should be noted that the data presented in this publication do not include Newfoundland. This province is excluded from the Canadian totals pending compilation and analysis of comprehensive data.

Fundamentally, a system of National Accounts such as is presented in this publication, attempts to portray the working of the economy in much the same way as a profit and loss statement indicates the operations of a firm. The Accounts are useful for many purposes, including government economic policy formulation, business analysis and program planning, and economic research. They also have educational and general administrative uses. For illustrative purposes, a brief description and analysis is made here of the main aggregates for selected years.

### Gross National Product and National Income

The market value of goods and services produced by Canadian residents in a given year can be measured by adding together all costs arising in production. For the economy as a whole these costs consist first of factor costs, that is to say, the earnings of the factors of production employed: salaries and wages, investment income including corporation profits, and net income of unincorporated business. The sum of these factor costs is the net national income. To arrive at the total which measures production at market prices it is necessary to add depreciation allowances and similar business costs, and indirect taxes less subsidies. The total thus obtained is called the gross national product.

The gross national product reached \$16,074 million in 1949, a gain of 4 per cent over 1948. Since it is measured in terms of current dollars, the gross national product reflects price changes as well as changes in the physical volume of production. If adjustments are made for the influence of price changes, an increase of approximately 2 per cent in real output of goods and services is indicated.

During the postwar years, from 1946 to 1949, the value of total output increased by 34 per cent. The rise in value was most rapid during 1947 and 1948, the years of the greatest price increases. However, with the effect of price increases removed, the total volume of output shows a steady gain of approximately 2 per cent per year.

The national income measured in current dollars increased by 4 per cent from 1948 to 1949, from \$12,474 million to \$12,917 million. This increase was mainly due to a rise in salaries, wages, and supplementary labour income of \$543 million, from \$7,139 million to \$7,682 million, which more than offset small declines in net income of farm operators from current farm production and in investment income. Net income of farm operators fell by 4 per cent, from \$1,567 million in 1948 to \$1,509 million in 1949,



despite higher wheat adjustment payments to farmers. The decline was largely due to a lower volume of physical production. Investment income also declined by 4 per cent, from \$2,379 million in 1948 to \$2,283 million in 1949, attributable to a decline in corporation profits, the largest single component of investment income.

National income can be classified according to industries in which the income originates. The year-to-year changes in this distribution give an indication of the changes in the economic contribution made to the total national income by the various industrial groups. For example, the proportion of income originating in government declined from 17 per cent in 1944 to 8 per cent in 1948. On the other hand, the proportion originating in construction went up from 2 per cent to 5 per cent, and in retail trade from 8 per cent to 10 per cent. A slight increase was also registered in the proportion originating in manufacturing, which was approximately 30 per cent in 1944 and nearly 31 per cent in 1948. The relative contribution of agriculture was about 14 per cent in each of the two years.

#### Gross National Expenditure and Related Aggregates

The market value of goods and services produced by Canadian residents can also be measured by adding together all final sales made during a period, adjusted for changes in inventories and imports. The aggregate obtained in this manner is called gross national expenditure. It is made up of four main components: personal expenditure on consumer goods and services; government expenditures on goods and services; gross home investment in plant, equipment, housing and inventories; and net investment abroad (exports minus imports).

All components of the gross national expenditure except exports and investment in inventories showed an increase between 1948 and 1949. Personal expenditure on consumer goods and services increased from \$10,151 million in 1948 to \$10,956 million in 1949. If corrections are made for price changes, an increase of 3 per cent in the real volume of consumer goods and services is indicated.

Government expenditure on goods and services increased by \$291 million, from \$1,797 million in 1948 to \$2,088 million in 1949. This increase is mainly due to increased defence expenditures and larger outlays by the provincial and municipal governments on public health, hospital care, maintenance of highways, education, and certain capital expenditures.

The aggregate of gross home investment showed a decline of \$342 million, from \$3,272 million in 1948 to \$2,930 million in 1949. As indicated above, this decline was due entirely to a decline in investment in inventories from \$609 million in 1948 to \$101 million in 1949. Investment in housing, on the other hand, rose substantially by 16 per cent, from \$647 million in 1948 to \$753 million in 1949. If price changes are accounted for, the rise in the volume of new housing was approximately 11 per cent. While the value of investment in plant and equipment increased slightly from \$2,016 million in 1948 to \$2,076 million in 1949, a small decline actually took place if the influence of price changes is eliminated.

Total exports of goods and services declined slightly from 1948 to 1949, by \$67 million. Imports, on the other hand, increased by \$189 million, thus leaving a net foreign balance of \$162 million in 1949 compared with \$418 million in 1948.

It is interesting to compare the spending pattern of the nation in the war year 1944 with the year 1949, the latest year for which data are available. Under pressure of war requirements consumer spending was curtailed, with the result that in 1944 only 54 per cent of gross national expenditure was absorbed by personal purchases of consumer goods and services. In the same year, government spending, mainly for war

requirements, absorbed 42 per cent of total output. Gross home investment was relatively small, amounting to 6 per cent of the total. In 1949, on the other hand, personal expenditure on consumer goods and services accounted for 68 per cent of gross national expenditure while government expenditure had declined drastically to 13 per cent of the total. At the same time, gross home investment in housing, plant, equipment and inventories accounted for 18 per cent of gross national expenditure.

#### Personal Income and its Disposition

Personal income is the sum of all current receipts of income, whether in cash or in kind. It differs from national income in that it excludes all current earnings not paid out to persons, such as undistributed profits, and includes receipts which have not been earned in the course of current production, that is transfer payments such as family allowances and unemployment insurance. In 1949, personal income amounted to \$12,465 million, a gain of 5 per cent over 1948.

Attention may be drawn to the increased importance of government transfer payments as an element of the personal income total in 1949, compared with 1944. In 1949, approximately 7 per cent of personal income was received in the form of transfer payments (excluding interest), while in 1944 transfer payments (excluding interest) accounted for only 3 per cent of the total. The increase between 1944 and 1949 was mainly the result of the introduction of family allowances in 1945 and increases in unemployment insurance benefits, old-age pensions, and veterans' benefits, including disability pensions.

The distribution of personal income by provinces indicates that in 1949, 39 per cent of the Canadian total was received in the Province of Ontario. Quebec accounted for about 25 per cent of the total, followed by the Prairie Provinces with 19 per cent, British Columbia with 10 per cent, and the Maritime Provinces with 7 per cent. This distribution has remained relatively stable during recent years.

Personal income can also be classified in terms of its disposition. There are three main classes into which the disposition of personal income can be divided: personal direct taxes; personal expenditure on consumer goods and services; and personal saving.

Personal direct taxes accounted for approximately 6 per cent of personal income in 1949, compared with 7 per cent in 1948. This represents a marked decline from 1944, when 9 per cent of the total was absorbed by personal direct taxes.

Personal expenditure on consumer goods and services absorbed only 72 per cent of personal income in 1944 as compared with 88 per cent in 1949. A definite shift in the pattern of consumer spending occurred during this period. The proportion of personal expenditure for durable goods, such as automobiles and refrigerators, which were in short supply during the war, rose from 4 per cent in 1944 to 9 per cent in 1949. At the same time, the proportion spent for services declined from 31 per cent to 27 per cent. The proportion spent for perishables such as food, and for semi-durables such as clothing and house furnishings remained virtually unchanged.

Personal saving was \$724 million in 1949, compared with \$869 million in 1948. This constitutes a marked decline from the \$1,683 million saved in 1944, when shortages existed in many lines of consumer goods and the government system of war finance encouraged intensive savings programs.

#### Saving and Investment

Gross national saving is defined as the portion of gross national product not used for current consumption. Gross investment is defined as the portion of current



output used to increase and maintain the country's stock of capital goods at home and net assets abroad. Since output must either be consumed or invested it follows that gross national saving is equal to gross investment.

In addition to personal saving, referred to previously, gross national saving includes undistributed corporation profits, depreciation allowances and the government surplus or deficit.

It is sometimes convenient to distinguish between gross private saving and gross national saving for analytical purposes. When this is done an equation is obtained in which gross private saving is equal to gross investment at home and abroad plus the government deficit or minus the government surplus.

An outstanding feature of saving and investment reflected in the estimates presented is the extreme variability they exhibit over time. For example, gross private saving was approximately \$2,566 million in 1949, or 16 per cent of gross national product, compared to \$3,071 million in 1944, or 26 per cent of gross national product. However, in the latter year, when resources were used to a maximum degree for prosecution of the war, most of gross private saving was offset by a large government deficit of \$2,559 million, leaving gross national saving at a very low level. On the other hand, in 1949, there was a large government surplus of \$464 million and this, together with gross private saving, was available to maintain and increase the nation's assets at home and abroad.

The remainder of this summary describes the contents of the present publication.

#### Contents of Tabular Data

The present publication is divided into six sections and three appendices. Section 1, "Income and Expenditure Accounts", contains tables of gross national product and expenditure, and a system of balancing accounts showing the main income and expenditure flows between the different sectors of the economy. Sections 2 to 6 provide further detail of the main components given in Section 1.

Table 1 of Section 1 shows the gross national product and expenditure and their main components. Substantially independent estimates are made for the gross national product and the gross national expenditure. Since, as indicated above, both of these aggregates measure the same thing - the value of goods and services produced by Canadians in a given year - they should add up to the same sum. In fact, however, there is a statistical discrepancy between the two totals due to shortcomings in available statistics. On the assumption that the "best" estimate of the common total is half way between the two independently computed totals, the statistical discrepancy is divided and one half is allocated to each of the two sides of the account under the heading of "residual error of estimate". In this manner, balance is achieved between the two sides of the account.

The main purpose of Table 2 is to show year to year changes in the gross national expenditure and its components, corrected for price movements. Since these corrected or "deflated" figures are expressed in terms of constant 1935-39 dollars, they measure changes in the volume of the nation's output, in contrast to the value figures expressed in current dollars which reflect year to year price changes as well.

Tables 3 to 6 inclusive show transactions for the four main parts or sectors of the economy: the personal sector, the government sector, the business sector, and the non-residents' (rest of the world) sector. The sources and disposition of investment

income and of private saving for all sectors combined are summarized in Tables 7 and 8 respectively. For detailed notes on the structure of these accounts reference should be made to "National Accounts, Income and Expenditure, 1938-1947" (November 1948).

Table 9 supplements Table 1 by showing how the main aggregates of national income, gross national product and expenditure can be built up from the individual accounts described above.

The distribution of national income and its components by industrial origin, for the years 1944 to 1948, is presented in Section 2 of this bulletin.

Section 3 presents five tables which give a provincial distribution of personal income and its main components for the years 1942 to 1949. It should be noted that separate tables are not given for the quantitatively less significant components; military pay and allowances; charitable contributions from corporations; and employer and employee contributions to social insurance and government pension funds. However, these components are included in Table 16 giving the provincial distribution of total personal income.

A detailed analysis of personal expenditure on consumer goods and services for the years 1942 to 1949 will be found in Section 4, Table 21. This table incorporates revisions of consumer expenditure which have been made possible by an improved sample survey of retail store sales.

Section 5 consists of three tables which supplement the consolidated government account in Table 4. The chief feature of these tables is the division of revenue and expenditure items between federal and provincial - municipal governments. Revisions have been made to the federal government component of government expenditure on goods and services to take account of the allocation to prior years of the balance of war refunds and better information on the inventory changes of government commodity agencies.

Section 6 presents four miscellaneous tables. Table 25 gives investment in inventories by industry for the years 1942 to 1949. Table 26 shows depreciation charges by form of business organization and by industry for the years 1947 and 1948. In Table 27 the figures of exports and imports shown in the National Accounts (see page 54) are reconciled with the balance of payments figures published by the Dominion Bureau of Statistics under the titles, "The Canadian Balance of International Payments, 1926 to 1948", and "The Canadian Balance of International Payments, Preliminary Statement, 1949". In Table 28, the National Accounts component, "Net Income of Agriculture", is reconciled with data published by the Agriculture Division of the Bureau under the heading "Net Income of Farm Operators from Farming Operations".

Appendix "A" of this publication consists of notes on sources and methods of estimation used in connection with the industrial distribution of national income and the provincial distribution of personal income. Notes on Table 2, "Gross National Expenditure in Constant (1935-39) Dollars, 1946-1949", and notes on Table 21, "Personal Expenditure on Consumer Goods and Services, 1942-1949", will be found in Appendices "B" and "C" respectively.

For a general description of concepts, sources and methods, reference should be made to:

"National Accounts, Income and Expenditure, 1938-1945" (April 1946)

"National Accounts, Income and Expenditure, 1926-1947" (September 1948)

and "National Accounts, Income and Expenditure, 1938-1947" (November 1948)

Ottawa

October 5, 1950



SECTION 1

INCOME AND EXPENDITURE ACCOUNTS



TABLE 1

NATIONAL INCOME AND GROSS NATIONAL PRODUCT, 1942 - 1949<sup>2</sup>

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
Salaries, Wages and Supplementary Labour Income .....	4,251	4,746	4,908	4,915	5,322	6,212	7,139	7,682
Military Pay and Allowances .....	641	910	1,068	1,117	340	83	82	115
Investment Income .....	1,721	1,766	1,770	1,905	1,987	2,299	2,379	2,283
Net Income of Agriculture and Other Unincorporated Business								
Farm Operators from Farm Production .....	1,089	969	1,213	959	1,130	1,104	1,567	1,509
Other Unincorporated Business .....	671	711	782	892	1,040	1,218	1,307	1,328
NET NATIONAL INCOME AT FACTOR COST .....	8,373	9,102	9,741	9,788	9,819	10,916	12,474	12,917
Indirect Taxes less Subsidies .....	1,085	1,117	1,111	1,003	1,269	1,601	1,768	1,780
Depreciation Allowances and Similar Business Costs .....	883	912	863	785	846	1,036	1,126	1,316
Residual Error of Estimate .....	114	152	204	234	74	104	135	61
GROSS NATIONAL PRODUCT AT MARKET PRICES .....	10,455	11,283	11,919	11,810	12,008	13,657	15,503	16,074

1. Excludes Newfoundland throughout this publication.

2. See also Table 9, pages 24 and 25.

TABLE 1

## GROSS NATIONAL EXPENDITURE, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
Personal Expenditure on Consumer Goods and Services .....	5,531	5,880	6,382	7,050	8,018	9,225	10,151	10,956
Government Expenditure on Goods and Services <sup>1</sup> .....	3,729	4,230	5,025	3,708	1,832	1,562	1,797	2,088
Gross Home Investment								
Housing <sup>2</sup> .....	128	131	157	210	338	492	647	753
Plant and Equipment .....	803	697	599	672	1,024	1,565	2,016	2,076
Change in Inventories .....	330	-47	-67	-283	538	901	609	101
Exports of Goods and Services <sup>3,4</sup> .....	2,354	3,462	3,596	3,597	3,210	3,638	4,054	3,987
Deduct Imports of Goods and Services <sup>4</sup> .....	-2,307	-2,917	-3,569	-2,910	-2,878	-3,621	-3,636	-3,825
Residual Error of Estimate .....	-113	-153	-204	-234	-74	-105	-135	-62
GROSS NATIONAL EXPENDITURE AT MARKET PRICES .....	10,455	11,283	11,919	11,810	12,008	13,657	15,503	16,074

1. Includes UNRRA, Mutual Aid, etc. See, "Official Contributions", Table 27, page 54. Also includes change in government inventories. See footnote 1, Table 4, page 15.
2. Excludes government housing expenditure of: \$30 million, \$30 million, \$9 million, \$16 million, \$55 million, \$39 million, \$35 million and \$31 million in the years 1942, 1943, 1944, 1945, 1946, 1947, 1948 and 1949 respectively.
3. Excludes UNRRA, Mutual Aid, etc. See footnote 1 above.
4. See Table 27, page 54.

TABLE 2

GROSS NATIONAL EXPENDITURE IN CONSTANT (1935 - 39) DOLLARS, 1946 - 1949 <sup>1</sup>

(millions of dollars)

	1946	1947	1948	1949
Personal expenditure on consumer goods and services.....	6,246	6,581	6,463	6,687
Government expenditure on goods and services.....	1,347	1,093	1,126	1,225
Gross home investment				
Housing.....	222	288	319	355
Plant and equipment.....	693	948	1,056	1,038
Physical change in inventories.....	248	230	59	-9
Exports of goods and services.....	1,990	1,987	2,027	1,943
Deduct: Imports of goods and services.....	-1,788	-1,942	-1,721	-1,770
Residual error .....	-56	-73	-84	-37
Gross National Expenditure.....	8,902	9,112	9,245	9,432

1. For explanation of methods see Appendix B, page 63.

ANALYSIS OF INCOME AND EXPENDITURE  
ACCOUNTS BY SECTORS OF THE CANADIAN ECONOMY



TABLE 3

## PERSONAL INCOME AND EXPENDITURE ACCOUNT, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
<b>INCOME</b>								
1. Salaries, Wages and Supplementary Labour Income								
(a) From business (26a) .....	3,710	4,161	4,296	4,253	4,576	5,399	6,181	6,613
(b) From government (18bi) .....	427	482	508	549	613	658	781	878
(c) From persons (8b) .....	114	103	104	113	133	155	177	191
(d) Deduct employer and employee contributions to social insurance and government pension funds (15) .....	-114	-128	-133	-136	-149	-181	-223	-241
2. Military Pay and Allowances (18bii) ..	641	910	1,068	1,117	340	83	82	115
3. Net income of Agriculture and other Unincorporated Business (26b) ..	1,760	1,680	1,995	1,851	2,170	2,322	2,874	2,837
4. Interest, <sup>1</sup> Dividends and Net Rental Income of Persons (44a) .....	696	740	793	836	871	1,049	1,086	1,147
5. Transfer Payments (excluding interest)								
(a) From governments (19b)	221	210	261	546	1,106	841	863	905
(b) Charitable contributions from corporations (44b) .....	12	12	11	12	11	16	21	20
6. Total .....	7,467	8,170	8,903	9,141	9,671	10,342	11,842	12,465

1. Includes all government debt interest paid to persons.

TABLE 3

## PERSONAL INCOME AND EXPENDITURE ACCOUNT, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
<b>EXPENDITURE</b>								
<b>7. Personal Direct Taxes</b>								
(a) Income taxes (11a) .....	433	631	772	733	711	695	717	673
(b) Succession duties (11b) .....	37	38	39	47	54	61	58	55
(c) Miscellaneous (11c) .....	25	29	27	29	31	35	47	57
<b>8. Purchase of Goods and Services</b>								
(a) From business (22a) .....	5,293	5,596	6,043	6,647	7,659	8,854	9,805	10,544
(b) Direct services (1c) .....	114	103	104	113	133	155	177	191
(c) Tourist and travel expenditure								
(1) U.S.A. (32a1) .....	24	34	56	81	130	152	113	164
(11) U.K. and other Commonwealth (32a11) .....	2	2	2	2	4	12	16	20
(111) Other countries (32a111) .....	-	-	-	-	1	3	4	7
(d) Other expenditure abroad (32b) .....	98	145	177	207	91	49	36	30
<b>9. Personal Saving<sup>1</sup> (47) .....</b>	<b>1,441</b>	<b>1,592</b>	<b>1,683</b>	<b>1,282</b>	<b>857</b>	<b>326</b>	<b>869</b>	<b>724</b>
<b>10. Total .....</b>	<b>7,467</b>	<b>8,170</b>	<b>8,903</b>	<b>9,141</b>	<b>9,671</b>	<b>10,342</b>	<b>11,842</b>	<b>12,465</b>

1. This series includes net changes in farm inventories as follows:

1942	1943	1944	1945	1946	1947	1948	1949
(millions of dollars)							
368	-62	-124	-238	-41	-123	-65	-73

TABLE 4

## GOVERNMENT REVENUE AND EXPENDITURE ACCOUNT, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
REVENUE								
11. Direct Taxes - Persons								
(a) Income taxes (7a) .....	433	631	772	733	711	695	717	673
(b) Succession duties (7b) .....	37	38	39	47	54	61	58	55
(c) Miscellaneous (7c) .....	25	29	27	29	31	35	47	57
12. Direct Taxes - Corporations								
(a) Income and excess profits taxes (44c) .....	629	640	598	599	654	703	689	712
(b) Withholding taxes (44d) .....	29	27	27	29	29	35	41	47
13. Indirect Taxes (27a) .....	1,178	1,328	1,378	1,265	1,505	1,781	1,844	1,859
14. Investment Income								
(a) Interest (44f) .....	95	107	114	129	132	131	149	189
(b) Trading profits (44e) .....	149	215	225	274	243	214	196	178
15. Employer and Employee contributions to social insurance and government pension funds (1d) .....	114	128	133	136	149	181	223	241
16. Deficit (+) or Surplus (-) (on transactions relating to the National Accounts) (55) .....	1,553	1,769	2,559	1,677	121	-788	-766	-464
17. Total .....	4,242	4,912	5,872	4,918	3,629	3,048	3,198	3,547

TABLE 4

## GOVERNMENT REVENUE AND EXPENDITURE ACCOUNT, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
<b>EXPENDITURE</b>								
18. Purchase of Goods and Services								
(a) From business <sup>1</sup> (22b) .....	2,405	2,125	2,084	1,302	706	727	837	999
(b) Direct services								
(1) Salaries and wages (1b) ..	427	482	508	549	613	658	781	878
(11) Military pay and allowances (2) .....	641	910	1,068	1,117	340	83	82	115
(111) Interest (41a) .....	111	110	104	110	99	94	97	96
(c) Direct military expenditure abroad, (excluding military pay) (all countries) (33a) .....	145	603	1,261	630	74	-	-	-
19. Transfer Payments								
(a) Interest (41b) .....	199	261	319	402	455	465	462	475
(b) Other (5a) .....	221	210	261	546	1,106	841	863	905
20. Subsidies (27b) .....	93	211	267	262	236	180	76	79
21. Total .....	4,242	4,912	5,872	4,918	3,629	3,048	3,198	3,547

1. (a) Includes change in inventories of government commodity agencies as follows:

1942	1943	1944	1945	1946	1947	1948	1949
------	------	------	------	------	------	------	------

(millions of dollars)

10	38	11	-2	-27	-16	-18	32
----	----	----	----	-----	-----	-----	----

Government commodity agencies include Commodity Prices Stabilization Corporation, Canadian Wool Board, Special Products Board, Meat Board, Dairy Products Board, Agricultural Prices Support Board and Fisheries Prices Support Board.

(b) Also includes "Official Contributions". See Table 27, page 54.



TABLE 5

## BUSINESS OPERATING ACCOUNT, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
REVENUE								
22. Sales to Residents								
(a) Persons (8a) .....	5,293	5,596	6,043	6,647	7,659	8,854	9,805	10,544
(b) Governments <sup>1</sup> (18a) .....	2,405	2,125	2,084	1,302	706	727	837	999
(c) Business on capital account								
(i) Housing <sup>2</sup> (53a) .....	128	131	157	210	338	492	647	753
(ii) Plant and equipment (53b) .....	803	697	599	672	1,024	1,565	2,016	2,076
(iii) Change in inventories (53c) .....	330	- 47	-67	-283	538	901	609	101
23. Sales to Non-Residents								
(a) U. S. A. (36a1) .....	1,355	1,731	1,941	1,655	1,471	1,598	2,149)	3,904
(b) U. K. and other Commonwealth (36a11) .....	862	1,607	1,515	1,461	1,127	1,380	1,246)	
(c) Other countries (36a111).....	70	65	69	401	542	598	589)	
24. Residual Error of Estimate .....	-113	-153	-204	-234	- 74	-105	-135	- 62
Total .....	11,133	11,752	12,137	11,831	13,331	16,010	17,763	18,315

1. See footnote 1, Table 4, page 15.

2. See footnote 2, Table 1, page 9.

TABLE 5

## BUSINESS OPERATING ACCOUNT, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
<b>EXPENDITURE</b>								
26. Factor Costs								
(a) Salaries, wages and supplementary labour income (1a) .....	3,710	4,161	4,296	4,253	4,576	5,399	6,181	6,613
(b) Net income of agriculture and other unincorporated business (3) .....	1,760	1,680	1,995	1,851	2,170	2,322	2,874	2,837
(c) Corporation profits (excluding interest and dividends from abroad (39) <sup>1</sup> .....	1,276	1,269	1,176	1,178	1,410	1,773	1,901	1,787
(d) Other investment income (excluding interest on the public debt) (40) .....	537	589	683	788	720	707	636	707
27. Other Costs								
(a) Indirect taxes (13) .....	1,178	1,328	1,378	1,265	1,505	1,781	1,844	1,859
(b) Less subsidies (20) .....	- 93	-211	-267	-262	-236	-180	- 76	- 79
(c) Depreciation allowances and similar business costs (50) ....	883	912	863	785	846	1,036	1,126	1,316
28. Purchases from Non-Residents								
(a) U.S.A. (31ai) .....	1,396	1,508	1,437	1,335	1,731	2,374	2,217	3,214
(b) U.K. and other Commonwealth (31aii) .....	305	291	279	288	343	430	572	
(c) Other countries (31aiii) .....	67	73	93	116	192	264	353	
29. Residual Error of Estimate .....	114	152	204	234	74	104	135	61
30. Total .....	11,133	11,752	12,137	11,831	13,331	16,010	17,763	18,315

1. For total corporation profits, see footnote 1, Table 7, page 20.

TABLE 6

## NON-RESIDENTS' REVENUE AND EXPENDITURE ACCOUNT, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
<b>RECEIPTS FROM CANADA</b> (Canadian Imports)								
<b>31. Receipts from Business</b>								
(a) Other than interest and dividends								
(1) U. S. A. (28a) .....	1,396	1,508	1,437	1,335	1,731	2,374	2,217	3,214
(ii) U.K. and other Commonwealth (28b)...	305	291	279	288	343	430	572	
(iii) Other countries (28c) .....	67	73	93	116	192	264	353	
(b) Interest and dividends								
(1) U.S.A. (45ai) .....	162	148	144	129	189	222	218	273
(ii) U.K. and other Commonwealth (45aii)...	44	45	49	48	49	49	47	52
(iii) Other countries (45aiii) .....	4	3	3	3	5	7	5	7
<b>32 Receipts from Persons</b>								
(a) Tourist and Travel Expenditure								
(1) U.S.A. (8ci) .....	24	34	56	81	130	152	113	164
(ii) U.K. and other Commonwealth (8cii)...	2	2	2	2	4	12	16	20
(iii) Other countries (8ciii) .....	-	-	-	-	1	3	4	7
(b) All other receipts (all countries) (8d)...	98	145	177	207	91	49	36	30
<b>33. Receipts from Government</b>								
(a) Direct Military expenditure (excluding military pay) (all countries) (18c).....	145	603	1,261	630	74	-	-	-
(b) Interest								
(1) U.S.A. (45bi) .....	53	57	59	63	61	52	49	52
(ii) U.K. and other Commonwealth (45bii)...	7	7	7	6	6	5	4	4
(iii) Other countries (45biii) .....	-	1	2	2	2	2	2	2
<b>34. Net Debit (+) or Credit (-) on Current Account<sup>1</sup></b>								
(a) U.S.A. (54a) .....	-243	-152	- 21	9	-625	-1,176	-417	162
(b) U.K. and other Commonwealth (54b) .....	280	703	66	408	651	884	612	
(c) Other countries (54c) .....	10	- 6	- 18	270	306	309	223	
<b>35. Total .....</b>	<b>2,354</b>	<b>3,462</b>	<b>3,596</b>	<b>3,597</b>	<b>3,210</b>	<b>3,638</b>	<b>4,054</b>	<b>3,987</b>

1. These figures differ from those shown in "The Canadian Balance of International Payments", Dominion Bureau of Statistics, 1950, because adjustments have been made to the figures of receipts and payments to achieve consistency with other component series.



TABLE 6

## NON-RESIDENTS' REVENUE AND EXPENDITURE ACCOUNT, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
PAYMENTS TO CANADA (Canadian Exports)								
36. Payments to Business								
(a) Payments other than interest and dividends								
(i) U.S.A. (23a) .....	1,355	1,731	1,941	1,655	1,471	1,598	2,149)	3,904
(ii) U.K. and other Commonwealth (23b) ..	862	1,607	1,515	1,461	1,127	1,380	1,246)	
(iii) Other countries (23c) .....	70	65	69	401	542	598	589)	
(b) Interest and dividends (all countries) (42a) .....	38	28	40	45	40	32	43	47
37. Payments to Persons								
Interest and dividends (all countries) (42b) .....	29	31	31	35	30	30	27	36
38. Total .....	2,354	3,462	3,596	3,597	3,210	3,638	4,054	3,987

TABLE 7

## INVESTMENT INCOME APPROPRIATION ACCOUNT, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
SOURCE								
39. Corporation Profits <sup>1</sup> (excluding interest and dividends from abroad) (26c).....	1,276	1,269	1,176	1,178	1,410	1,773	1,901	1,787
40. Other Investment Income (excluding interest on the public debt) (26d).....	537	589	683	788	720	707	636	707
41. Interest on the Public Debt								
(a) Portion included in national income (18biii) .....	111	110	104	110	99	94	97	96
(b) Transfer portion (19a) .....	199	261	319	402	455	465	462	475
42. Interest and Dividends from Non-Residents received by:								
(a) Corporations (36b) <sup>1</sup> .....	38	28	40	45	40	32	43	47
(b) Persons (37) .....	29	31	31	35	30	30	27	36
43. Total .....	2,190	2,288	2,353	2,558	2,754	3,101	3,166	3,148

1. For total Corporation Profits add items 39 and 42(a).

TABLE 7

## INVESTMENT INCOME APPROPRIATION ACCOUNT, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
DISPOSITION								
44. To Canadian Residents								
(a) Interest, dividends and net rental income of persons (4) .....	696	740	793	836	871	1,049	1,086	1,147
(b) Charitable contributions from corporations (5b) .....	12	12	11	12	11	16	21	20
(c) Corporation income and excess profits taxes (12a) .....	629	640	598	599	654	703	689	712
(d) Withholding taxes (12b) .....	29	27	27	29	29	35	41	47
(e) Government trading profits (14b) .....	149	215	225	274	243	214	196	178
(f) Government interest revenue (14a) .....	95	107	114	129	132	131	149	189
(g) Undistributed corporation profits (43a) ..	374	362	334	374	469	595	777	570
(h) Undistributed Wheat Board trading profits (43b) .....	3	57	-19	64	37	37	-116	-93
(i) Inventory revaluation adjustment (49)....	- 67	-133	6	- 10	- 4	-16	- 2	-12
45. To Non-Residents, Interest and Dividends received from:								
(a) Business								
(1) U.S.A. (31bi) .....	162	148	144	129	189	222	213	273
(ii) U.K. and other Commonwealth (31bii) .....	44	45	49	43	49	49	47	52
(iii) Other countries (31bi(i)) .....	4	3	3	3	5	7	5	7
(b) Government								
(1) U.S.A. (33bi) .....	53	57	59	63	61	52	49	52
(ii) U.K. and other Commonwealth (33bii) .....	7	7	7	6	6	5	4	4
(iii) Other countries (33bi(i)) .....	-	1	2	2	2	2	2	2
46. Total .....	2,190	2,288	2,353	2,558	2,754	3,101	3,166	3,148



TABLE 8

## SOURCE AND DISPOSITION OF PRIVATE SAVING ACCOUNT, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
SOURCE								
47. Personal Saving (9) .....	1,441	1,592	1,683	1,282	857	326	869	724
48. Business Saving								
(a) Undistributed corporation profits (44g) .....	374	362	334	374	469	595	777	570
(b) Undistributed Wheat Board trading profits (44h) .....	3	57	-19	64	37	37	-116	-93
49. Inventory Revaluation Adjustments (44i) .....	-67	-133	6	-10	-4	-16	-2	-12
50. Depreciation Allowances and Similar Business Costs (27c) .....	883	912	863	785	846	1,036	1,126	1,316
51. Residual Error of Estimate .....	114	152	204	234	74	104	135	61
52. Total .....	2,748	2,942	3,071	2,729	2,279	2,082	2,789	2,566

TABLE 8

## SOURCE AND DISPOSITION OF PRIVATE SAVING ACCOUNT, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
DISPOSITION								
53. Gross Home Investment								
(a) Housing <sup>1</sup> (22c1) .....	128	131	157	210	338	492	647	753
(b) Plant and equipment (22c11) ....	803	697	599	672	1,024	1,565	2,016	2,076
(c) Change in Inventories (22c111) ..	330	-47	-67	-283	538	901	609	101
54. Net Foreign Investment <sup>2</sup>								
(a) U.S.A. (34a) .....	-243	-152	-21	9	-625	-1,176	-417)	162
(b) U.K. and other Commonwealth (34b) .....	280	703	66	408	651	884	612)	
(c) Other countries (34c) .....	10	-6	-18	270	306	309	223)	
55. Government Deficit (+) or Surplus (-) (16) .....	1,553	1,769	2,559	1,677	121	-788	-766	-464
56. Residual Error of Estimate .....	-113	-153	-204	-234	-74	-105	-135	-62
57. Total .....	2,748	2,942	3,071	2,729	2,279	2,082	2,789	2,566

1. See footnote 2, Table 1, page 9.

2. See footnote 1, Table 6, page 18, and Table 27, page 54.

TABLE 9

## SECTOR ACCOUNTS CONSOLIDATION, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
Salaries and Wages.....	4,251	4,746	4,908	4,915	5,322	6,212	7,139	7,682
From business.....	3,710	4,161	4,296	4,253	4,576	5,399	6,181	6,613
From government.....	427	482	508	549	613	658	781	878
From persons.....	114	103	104	113	133	155	177	191
Military Pay and Allowances.....	641	910	1,068	1,117	340	83	82	115
Investment Income.....	1,721	1,766	1,770	1,905	1,987	2,299	2,379	2,283
Total.....	2,190	2,288	2,353	2,558	2,754	3,101	3,166	3,148
Less-Interest and dividends to non-residents.....	- 270	- 261	- 264	- 251	- 312	- 337	- 325	- 390
-Transfer interest on public debt.....	- 199	- 261	- 319	- 402	- 455	- 465	- 462	- 475
Net Income of Agriculture and Other Unincorporated Business.....	1,760	1,680	1,995	1,851	2,170	2,322	2,874	2,837
NET NATIONAL INCOME AT FACTOR COST.....	8,373	9,102	9,741	9,788	9,819	10,916	12,474	12,917
Indirect Taxes less Subsidies.....	1,085	1,117	1,111	1,003	1,269	1,601	1,768	1,780
Depreciation Allowances and Similar Business Costs.....	883	912	863	785	848	1,036	1,126	1,316
Residual Error of Estimate.....	114	152	204	234	74	104	135	61
GROSS NATIONAL PRODUCT AT MARKET PRICES.....	10,455	11,283	11,919	11,810	12,008	13,657	15,503	16,074



TABLE 9

## SECTOR ACCOUNTS CONSOLIDATION, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
Personal Expenditure on Consumer Goods and Services.....	5,531	5,880	6,382	7,050	8,018	9,225	10,151	10,956
Purchases from business.....	5,293	5,596	6,043	6,647	7,659	8,854	9,805	10,544
Purchases of direct services.....	114	103	104	113	133	155	177	191
Purchases from non-residents.....	124	181	235	290	226	216	169	221
Government Expenditure on Goods and Services.....	3,729	4,230	5,025	3,708	1,832	1,562	1,797	2,088
Purchases from business .....	2,405	2,125	2,084	1,302	706	727	837	999
Salaries and wages.....	427	482	508	549	613	658	781	878
Military pay and allowances.....	641	910	1,068	1,117	340	83	82	115
Interest.....	111	110	104	110	99	94	97	96
Direct military expenditure abroad....	145	603	1,261	630	74	-	-	-
Gross Home Investment.....	1,261	781	689	599	1,900	2,958	3,272	2,930
Housing <sup>1</sup> .....	128	131	157	210	338	492	647	753
Plant and equipment.....	803	697	599	672	1,024	1,565	2,016	2,076
Change in inventories.....	330	-47	-67	-283	538	901	609	101
Exports of Goods and Services.....	2,354	3,462	3,596	3,597	3,210	3,638	4,054	3,987
Payments to Canadian business.....	2,325	3,431	3,565	3,562	3,180	3,608	4,027	3,951
Payments to persons.....	29	31	31	35	30	30	27	36
Imports of Goods and Services.....	-2,307	-2,917	-3,569	-2,910	-2,878	-3,621	-3,636	-3,825
Receipts from Canadian business.....	-1,978	-2,068	-2,005	-1,919	-2,609	-3,346	-3,412	-3,546
Receipts from persons.....	- 124	- 181	- 235	- 290	- 226	- 216	- 169	- 221
Receipts from government.....	- 205	- 668	-1,329	- 701	- 143	- 59	- 55	- 58
Residual Error of Estimate.....	- 113	- 153	- 204	- 234	- 74	- 105	- 135	- 62
GROSS NATIONAL EXPENDITURE AT MARKET PRICES.....	10,455	11,283	11,919	11,810	12,008	13,657	15,503	16,074

1. See footnote 2, Table 1, page 9.



SECTION 2

INDUSTRIAL DISTRIBUTION OF NATIONAL INCOME



TABLE 10

NATIONAL INCOME BY INDUSTRY, 1944 - 1948<sup>1</sup>

(millions of dollars)

	1944	1945	1946	1947	1948
Agriculture.....	1,370	1,118	1,328	1,304	1,767
Forestry.....	133	157	199	260	250
Fishing, Hunting, and Trapping.....	55	63	77	46	68
Mining.....	279	274	300	362	435
Manufacturing.....	2,900	2,706	2,779	3,407	3,837
Construction.....	233	293	422	559	670
Public Utilities, Transportation, Communication, and Storage.....	1,034	1,074	1,094	1,165	1,264
Trade					
Wholesale.....	344	439	490	584	510
Retail.....	763	856	992	1,176	1,273
Finance, Insurance, and Real Estate....	595	606	637	706	811
Service					
Government <sup>2</sup> .....	1,682	1,776	1,053	836	963
Other.....	546	598	692	786	881
Deduct: Net Interest and Dividends to Non-Residents.....	-193	-171	-242	-275	-255
Total.....	9,741	9,788	9,819	10,916	12,474

1. See Appendix A, page 57 for sources and methods of estimation.

2. Includes government non-business transactions only. Income originating in government business enterprises is included under the appropriate industrial group.

TABLE 11

PERCENTAGE DISTRIBUTION OF NATIONAL INCOME  
BY INDUSTRY, 1944 - 1948

	1944	1945	1946	1947	1948
Agriculture.....	14.0	11.4	13.5	11.9	14.2
Forestry.....	1.4	1.6	2.0	2.4	2.0
Fishing, Hunting, and Trapping.....	.6	.6	.8	.4	.5
Mining.....	2.9	2.8	3.1	3.3	3.5
Manufacturing.....	29.8	27.7	28.3	31.2	30.7
Construction.....	2.4	3.0	4.3	5.1	5.4
Public Utilities, Transportation, Communication, and Storage.....	10.6	11.0	11.1	10.7	10.1
Trade					
Wholesale.....	3.5	4.5	5.0	5.3	4.1
Retail.....	7.8	8.7	10.1	10.8	10.2
Finance, Insurance, and Real Estate.....	6.1	6.2	6.5	6.5	6.5
Service					
Government .....	17.3	18.1	10.7	7.7	7.7
Other.....	5.6	6.1	7.1	7.2	7.1
Deduct: Net Interest and Dividends to Non-Residents .....	-2.0	-1.7	-2.5	-2.5	-2.0
Total.....	100.0	100.0	100.0	100.0	100.0

TABLE 12

SALARIES, WAGES AND SUPPLEMENTARY LABOUR INCOME  
BY INDUSTRY, 1944 - 1948

(millions of dollars)

	1944	1945	1946	1947	1948
Agriculture.....	119	123	157	157	156
Forestry.....	118	141	179	223	213
Fishing, Hunting, and Trapping.....	9	11	12	10	13
Mining.....	165	155	168	192	226
Manufacturing.....	2,138	1,940	1,831	2,166	2,523
Construction.....	163	188	295	399	485
Public Utilities, Transportation, Communication, and Storage.....	640	667	738	825	961
Trade					
Wholesale.....	224	244	281	334	380
Retail.....	353	383	441	535	611
Finance, Insurance, and Real Estate.....	158	169	202	236	264
Service					
Government <sup>1</sup> .....	1,576	1,666	953	741	863
Other.....	313	345	405	457	526
Total.....	5,976	6,032	5,662	6,295	7,221

1. Includes Military Pay and Allowances. See also footnote 2, Table 10, page 28.

TABLE 13

NET INCOME OF AGRICULTURE AND OTHER UNINCORPORATED BUSINESS  
BY INDUSTRY, 1944 - 1948

(millions of dollars)

	1944	1945	1946	1947	1948
Agriculture.....	1,213	959	1,130	1,104	1,567
Forestry.....	12	12	15	25	25
Fishing, Hunting, and Trapping.....	46	51	64	35	54
Mining.....	7	7	7	7	7
Manufacturing.....	121	132	168	203	212
Construction.....	58	95	111	135	146
Public Utilities, Transportation, Communication, and Storage.....	40	44	55	58	58
Trade					
Wholesale.....	34	38	45	65	78
Retail.....	237	264	293	364	375
Finance, Insurance, and Real Estate.....	23	28	31	30	33
Service					
Government.....	-	-	-	-	-
Other.....	204	221	251	296	319
Total.....	1,995	1,851	2,170	2,322	2,874



TABLE 14

## CORPORATION PROFITS BY INDUSTRY, 1944 - 1948

(millions of dollars)

	1944	1945	1946	1947	1948
Agriculture.....	2	2	2	2	3
Forestry.....	2	2	5	12	12
Fishing, Hunting, and Trapping.....	-	1	1	1	1
Mining.....	111	116	128	165	204
Manufacturing.....	630	629	776	1,010	1,091
Construction.....	10	8	13	21	35
Public Utilities, Transportation, Communication, and Storage.....	157	144	131	144	124
Trade					
Wholesale.....	90	95	124	148	157
Retail.....	112	123	153	172	176
Finance, Insurance, and Real Estate.....	75	74	84	99	108
Service					
Government.....	-	-	-	-	-
Other.....	27	29	33	31	33
Deduct: Net Interest and Dividends to Non-Residents	-153	-138	-205	-248	-249
Total.....	1,063	1,085	1,245	1,557	1,695

TABLE 15

OTHER INVESTMENT INCOME, BY INDUSTRY, 1944 - 1948<sup>1</sup>

(millions of dollars)

	1944	1945	1946	1947	1948
Agriculture.....	36	34	37	41	41
Forestry.....	1	2	-	-	-
Fishing, Hunting, and Trapping.....	-	-	-	-	-
Mining.....	-4	-4	-3	-2	-2
Manufacturing.....	11	5	4	8	11
Construction.....	2	2	3	4	4
Public Utilities, Transportation, Communication and Storage.....	197	219	170	138	121
Trade					
Wholesale.....	- 4	62	40	37	- 105
Retail.....	61	86	105	105	111
Finance, Insurance, and Real Estate.....	339	334	320	341	406
Service					
Government <sup>2</sup> .....	106	110	100	95	100
Other.....	2	3	3	2	3
Deduct: Net Interest and Dividends to Non Residents	-40	-33	-37	-27	-6
Total.....	707	820	742	742	684

1. Includes interest, net rents, trading profits of government business enterprises, Undistributed Wheat Board Trading Profits, and inventory revaluation adjustment for grain in commercial channels.

2. See also footnote 2, Table 10, page 28.



# SECTION 3

## PROVINCIAL DISTRIBUTION OF PERSONAL INCOME



TABLE 16

PERSONAL INCOME, BY PROVINCE, 1942 - 1949<sup>1</sup>

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
PROVINCE								
Prince Edward Island.....	30	36	38	44	46	41	48	52
Nova Scotia.....	285	338	364	387	417	390	425	453
New Brunswick.....	183	213	227	254	277	281	303	316
Quebec.....	1,775	2,021	2,125	2,240	2,403	2,607	2,972	3,138
Ontario.....	3,026	3,375	3,592	3,764	3,788	4,079	4,587	4,898
Manitoba.....	433	471	510	520	579	600	713	712
Saskatchewan.....	566	477	674	540	605	628	797	827
Alberta.....	521	485	590	556	654	700	862	879
British Columbia <sup>2</sup> .....	648	755	783	836	902	1,016	1,135	1,190
Canada	7,467	8,170	8,903	9,141	9,671	10,342	11,842	12,465

1. See Appendix "A", page 57, for sources and methods of estimation.

2. Includes Yukon and North West Territories.

TABLE 17

SALARIES, WAGES, AND SUPPLEMENTARY LABOUR INCOME, BY PROVINCE, 1942 - 1949<sup>1</sup>

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
PROVINCE								
Prince Edward Island.....	10	12	13	14	16	17	21	22
Nova Scotia.....	183	209	224	219	226	238	274	298
New Brunswick.....	105	118	125	132	149	172	188	198
Quebec.....	1,185	1,345	1,384	1,370	1,446	1,664	1,910	2,031
Ontario.....	1,808	1,986	2,032	2,020	2,177	2,591	2,997	3,249
Manitoba.....	206	218	239	251	283	321	362	392
Saskatchewan.....	135	145	163	174	201	226	253	273
Alberta.....	187	210	232	242	284	313	364	397
British Columbia <sup>2</sup> .....	432	503	496	493	540	670	770	822
Canada	4,251	4,746	4,908	4,915	5,322	6,212	7,139	7,682

1. Does not include Military Pay and Allowances.

2. Includes Yukon and North West Territories.

TABLE 18

NET INCOME OF AGRICULTURE AND OTHER UNINCORPORATED BUSINESS, BY PROVINCE, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
PROVINCE								
Prince Edward Island .....	12	14	14	16	17	13	17	18
Nova Scotia .....	41	54	56	62	75	61	68	70
New Brunswick.....	38	47	47	49	56	54	59	59
Quebec.....	320	364	390	421	493	507	597	604
Ontario.....	518	510	569	638	709	777	896	905
Manitoba.....	146	157	160	129	166	173	249	215
Saskatchewan.....	335	241	397	227	269	297	429	441
Alberta.....	250	182	245	171	231	280	386	364
British Columbia <sup>1</sup> .....	100	111	117	138	154	160	173	161
Canada	1,760	1,680	1,995	1,851	2,170	2,322	2,874	2,837

1. Includes Yukon and North West Territories.

TABLE 19

## INTEREST, DIVIDENDS, AND NET RENTAL INCOME OF PERSONS, BY PROVINCE, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
PROVINCE								
Prince Edward Island.....	4	4	4	4	4	4	4	4
Nova Scotia.....	24	26	28	30	32	37	35	36
New Brunswick.....	17	18	20	21	22	24	28	29
Quebec.....	176	188	199	210	214	267	282	298
Ontario.....	322	342	359	379	390	463	465	493
Manitoba.....	35	38	40	41	41	55	57	60
Saskatchewan.....	29	30	34	32	35	40	43	44
Alberta.....	33	35	39	41	46	49	56	60
British Columbia <sup>1</sup> .....	56	59	70	78	87	110	116	123
Canada	696	740	793	836	871	1,049	1,086	1,147

1. Includes Yukon and North West Territories.



TABLE 20

## GOVERNMENT TRANSFER PAYMENTS, EXCLUDING INTEREST, BY PROVINCE, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
PROVINCE								
Prince Edward Island.....	1	1	1	4	9	6	6	7
Nova Scotia.....	9	10	13	29	63	49	45	46
New Brunswick.....	5	6	8	21	46	35	33	34
Quebec.....	50	56	69	140	250	206	228	251
Ontario.....	64	74	82	180	377	269	266	277
Manitoba.....	14	12	15	35	75	54	49	49
Saskatchewan.....	32	11	20	38	89	69	76	74
Alberta.....	20	12	19	40	83	59	59	60
British Columbia <sup>1</sup> .....	26	28	34	59	114	94	101	107
Canada	221	210	261	546	1,106	841	863	905

1. Includes Yukon and North West Territories.

SECTION 4

DETAIL OF PERSONAL EXPENDITURE  
ON CONSUMER GOODS AND SERVICES

TABLE 21

## PERSONAL EXPENDITURE ON CONSUMER GOODS AND SERVICES, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
<b>1. Goods</b>								
<b>(a) Perishable Goods</b>								
(i) Food.....	1,533	1,735	1,873	1,976	2,102	2,502	2,769	3,012
(ii) Tobacco and Alcoholic Beverages.....	472	534	565	704	847	890	959	1,026
(iii) Drugs and Cosmetics.....	101	114	124	133	145	154	169	179
(iv) Soap and Cleaning Supplies.....	77	85	92	99	111	133	154	165
(v) Stationery, Books, Magazines, Flowers and Bulbs.....	69	78	87	98	113	122	134	141
(vi) Gasoline and Lubricants.....	120	96	96	117	230	272	331	343
(vii) Fuel.....	189	232	227	239	261	287	347	361
Sub-Total	2,561	2,874	3,064	3,366	3,809	4,360	4,883	5,227
<b>(b) Semi-Durable Goods</b>								
(i) Clothing.....	763	796	864	953	1,036	1,180	1,348	1,423
(ii) House Furnishings.....	48	48	55	64	83	100	105	111
(iii) Automotive Accessories....	60	65	81	100	137	151	154	162
Sub-Total.....	871	909	1,000	1,117	1,256	1,431	1,607	1,696
<b>(c) Durable Goods</b>								
(i) Automobiles.....	20	1	3	5	101	237	237	330
(ii) Furniture.....	72	72	82	95	125	150	157	166
(iii) Household Appliances and Hardware.....	115	96	96	113	188	278	313	358
(iv) Jewellery.....	42	50	58	66	73	72	74	80
Sub-Total.....	249	219	239	279	487	737	781	934
<b>(d) Miscellaneous .....</b>	92	93	99	110	130	161	195	214
<b>Total</b>	3,773	4,095	4,402	4,872	5,682	6,689	7,466	8,071

See Appendix C, P. 66 for explanatory notes to this table.

TABLE 21

PERSONAL EXPENDITURE ON CONSUMER GOODS AND SERVICES, 1942 - 1949, (Concluded)

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
<b>2. Services</b>								
(a) Attire and Personal Appearance..	109	116	125	136	156	181	208	219
(b) Transportation - User Operated.....	47	43	50	56	86	106	118	141
(c) Transportation - Purchased.....	175	217	231	246	269	275	283	297
(d) Household Operations and Utilities.....	811	810	824	849	891	956	1,034	1,092
(e) Communications.....	73	84	88	93	100	103	110	118
(f) Medical Care and Death Expenses.....	192	200	219	255	301	350	392	420
(g) Education.....	35	36	37	38	46	60	65	64
(h) Recreation.....	92	105	109	114	125	130	139	136
(i) Miscellaneous Services	257	273	291	313	373	416	459	475
<b>Total</b>	<b>1,791</b>	<b>1,884</b>	<b>1,974</b>	<b>2,102</b>	<b>2,347</b>	<b>2,577</b>	<b>2,808</b>	<b>2,962</b>
<b>3. Net Personal Expenditure Abroad .....</b>	<b>-33</b>	<b>-99</b>	<b>6</b>	<b>76</b>	<b>-11</b>	<b>-41</b>	<b>-123</b>	<b>-77</b>
<b>4. Summary</b>								
(a) Goods.....	3,773	4,095	4,402	4,872	5,682	6,889	7,466	8,071
(b) Services.....	1,791	1,884	1,974	2,102	2,347	2,577	2,808	2,962
(c) Net Expenditure Abroad .....	-33	-99	6	76	-11	-41	-123	-77
<b>GRAND TOTAL</b>	<b>5,531</b>	<b>5,880</b>	<b>6,382</b>	<b>7,050</b>	<b>8,018</b>	<b>9,225</b>	<b>10,151</b>	<b>10,956</b>



Continued from page 101 - List of names of persons who have been

admitted to the hospital

NAME	AGE	SEX	DATE	TIME	REMARKS	DOCTOR	NURSE
101	101	M	101	101	101	101	101
102	102	F	102	102	102	102	102
103	103	M	103	103	103	103	103
104	104	F	104	104	104	104	104
105	105	M	105	105	105	105	105
106	106	F	106	106	106	106	106
107	107	M	107	107	107	107	107
108	108	F	108	108	108	108	108
109	109	M	109	109	109	109	109
110	110	F	110	110	110	110	110
111	111	M	111	111	111	111	111
112	112	F	112	112	112	112	112
113	113	M	113	113	113	113	113
114	114	F	114	114	114	114	114
115	115	M	115	115	115	115	115
116	116	F	116	116	116	116	116
117	117	M	117	117	117	117	117
118	118	F	118	118	118	118	118
119	119	M	119	119	119	119	119
120	120	F	120	120	120	120	120
121	121	M	121	121	121	121	121
122	122	F	122	122	122	122	122
123	123	M	123	123	123	123	123
124	124	F	124	124	124	124	124
125	125	M	125	125	125	125	125
126	126	F	126	126	126	126	126
127	127	M	127	127	127	127	127
128	128	F	128	128	128	128	128
129	129	M	129	129	129	129	129
130	130	F	130	130	130	130	130
131	131	M	131	131	131	131	131
132	132	F	132	132	132	132	132
133	133	M	133	133	133	133	133
134	134	F	134	134	134	134	134
135	135	M	135	135	135	135	135
136	136	F	136	136	136	136	136
137	137	M	137	137	137	137	137
138	138	F	138	138	138	138	138
139	139	M	139	139	139	139	139
140	140	F	140	140	140	140	140
141	141	M	141	141	141	141	141
142	142	F	142	142	142	142	142
143	143	M	143	143	143	143	143
144	144	F	144	144	144	144	144
145	145	M	145	145	145	145	145
146	146	F	146	146	146	146	146
147	147	M	147	147	147	147	147
148	148	F	148	148	148	148	148
149	149	M	149	149	149	149	149
150	150	F	150	150	150	150	150
151	151	M	151	151	151	151	151
152	152	F	152	152	152	152	152
153	153	M	153	153	153	153	153
154	154	F	154	154	154	154	154
155	155	M	155	155	155	155	155
156	156	F	156	156	156	156	156
157	157	M	157	157	157	157	157
158	158	F	158	158	158	158	158
159	159	M	159	159	159	159	159
160	160	F	160	160	160	160	160
161	161	M	161	161	161	161	161
162	162	F	162	162	162	162	162
163	163	M	163	163	163	163	163
164	164	F	164	164	164	164	164
165	165	M	165	165	165	165	165
166	166	F	166	166	166	166	166
167	167	M	167	167	167	167	167
168	168	F	168	168	168	168	168
169	169	M	169	169	169	169	169
170	170	F	170	170	170	170	170
171	171	M	171	171	171	171	171
172	172	F	172	172	172	172	172
173	173	M	173	173	173	173	173
174	174	F	174	174	174	174	174
175	175	M	175	175	175	175	175
176	176	F	176	176	176	176	176
177	177	M	177	177	177	177	177
178	178	F	178	178	178	178	178
179	179	M	179	179	179	179	179
180	180	F	180	180	180	180	180
181	181	M	181	181	181	181	181
182	182	F	182	182	182	182	182
183	183	M	183	183	183	183	183
184	184	F	184	184	184	184	184
185	185	M	185	185	185	185	185
186	186	F	186	186	186	186	186
187	187	M	187	187	187	187	187
188	188	F	188	188	188	188	188
189	189	M	189	189	189	189	189
190	190	F	190	190	190	190	190
191	191	M	191	191	191	191	191
192	192	F	192	192	192	192	192
193	193	M	193	193	193	193	193
194	194	F	194	194	194	194	194
195	195	M	195	195	195	195	195
196	196	F	196	196	196	196	196
197	197	M	197	197	197	197	197
198	198	F	198	198	198	198	198
199	199	M	199	199	199	199	199
200	200	F	200	200	200	200	200

SECTION 5

GOVERNMENT - SUPPLEMENTARY TABLES

TABLE 22

## GOVERNMENT REVENUE AND EXPENDITURE, BY LEVEL OF GOVERNMENT, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
REVENUE								
1. Direct Taxes - Persons .....	495	698	838	809	796	791	822	785
(a) Income and Excess Profits								
(i) Federal .....	432	630	771	733	711	695	717	673
(ii) Provincial and Municipal .....	1	1	1	-	-	-	-	-
(b) Succession Duties								
(i) Federal .....	15	14	16	22	20	30	29	26
(ii) Provincial .....	22	24	23	25	34	31	29	29
(c) Miscellaneous								
(i) Federal .....	5	6	6	6	6	4	6	7
(ii) Provincial and Municipal .....	20	23	21	23	25	31	41	50
2. Direct Taxes - Corporations .....	658	667	625	628	683	738	730	759
(a) Income and Excess Profits								
(i) Federal .....	624	636	594	596	652	631	571	586
(ii) Provincial .....	5	4	4	3	2	72	118	126
(b) Withholding Taxes								
(i) Federal .....	29	27	27	29	29	35	41	47
3. Indirect Taxes .....	1,178	1,228	1,378	1,265	1,505	1,781	1,844	1,859
(a) Federal .....	750	889	922	782	957	1,136	1,086	1,043
(b) Provincial and Municipal .....	428	439	456	483	548	645	758	816
4. Investment Income .....	244	322	339	403	375	345	345	367
(a) Federal .....	101	174	176	203	154	115	104	123
(b) Provincial and Municipal .....	143	148	163	200	221	230	241	244
5. Employer and Employee Contributions to Social Security and Pension Funds .....	114	128	133	136	149	181	223	241
(a) Federal .....	64	70	76	74	78	100	129	140
(b) Provincial and Municipal .....	50	58	57	62	71	81	94	101
6. Transfers from Other Governments								
(a) Provincial and Municipal .....	150	148	155	157	174	192	150	180
7. Total Revenue .....	2,839	3,291	3,468	3,398	3,682	4,028	4,114	4,191
(a) Federal .....	2,020	2,446	2,588	2,445	2,607	2,746	2,683	2,645
(b) Provincial and Municipal .....	819	845	880	953	1,075	1,282	1,431	1,546
8. Deficit (+) or Surplus (-) .....	1,553	1,769	2,559	1,677	121	-788	-766	-464
(a) Federal .....	1,714	1,933	2,701	1,820	232	-701	-785	-515
(b) Provincial and Municipal .....	-161	-164	-142	-143	-111	-87	19	51
9. Total Revenue plus Deficit (or minus Surplus) .....	4,392	5,060	6,027	5,075	3,803	3,240	3,348	3,727
(a) Federal .....	3,734	4,379	5,289	4,265	2,839	2,045	1,898	2,130
(b) Provincial and Municipal .....	658	681	738	810	964	1,195	1,450	1,597

TABLE 22

GOVERNMENT REVENUE AND EXPENDITURE, BY LEVEL OF GOVERNMENT, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
<b>EXPENDITURE</b>								
10. Goods and Services .....	3,729	4,230	5,025	3,708	1,832	1,562	1,797	2,088
(a) Federal <sup>1</sup> .....	3,253	3,739	4,491	3,114	1,090	637	676	863
(b) Provincial and Municipal .....	476	491	534	594	742	925	1,121	1,225
11. Transfer Payments .....	420	471	580	948	1,561	1,306	1,325	1,380
(a) Federal .....	244	287	382	737	1,344	1,042	1,001	1,011
(b) Provincial and Municipal .....	176	184	198	211	217	264	324	369
12. Subsidies .....	93	211	267	262	236	180	76	79
(a) Federal .....	87	205	261	257	231	174	71	76
(b) Provincial and Municipal .....	6	6	6	5	5	6	5	3
13. Transfers to Other Governments								
(a) Federal .....	150	148	155	157	174	192	150	180
14. Total Expenditure .....	4,392	5,060	6,027	5,075	3,803	3,240	3,348	3,727
(a) Federal .....	3,734	4,379	5,289	4,265	2,839	2,045	1,898	2,130
(b) Provincial and Municipal .....	658	681	738	810	964	1,195	1,450	1,597

1. Includes UNRRA, Mutual Aid, etc. See "Official Contributions", Table 27, page 54.



TABLE 23

## GOVERNMENT TRANSFER PAYMENTS INCLUDING INTEREST, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
<b>FEDERAL</b>								
(a) Family Allowances.....	-	-	-	114	240	261	269	284
(b) War Service Gratuities.....	-	-	-	116	322	27	3	-
(c) Re-establishment Credits.....	-	-	-	13	87	79	43	24
(d) Rehabilitation Benefits.....	-	-	2	10	91	79	57	30
(e) Pensions World Wars I&II.....	34	36	41	49	60	70	89	87
(f) War Veterans' Allowances .....	8	8	12	20	25	24	23	24
(g) Unemployment Insurance Benefits.....	-	1	3	16	49	31	40	69
(h) Prairie Farm Income Plan.....	18	-	-	-	-	-	-	-
(i) Prairie Farm Assistance Act.....	14	-	10	6	17	12	21	18
(j) Pensions to Government Employees.....	6	7	9	10	11	16	16	14
(k) Dominion Grants to War Charities.....	5	10	18	15	3	-	-	-
(l) Interest on Debt Not Incurred to Finance Existing Real Assets.....	153	218	276	355	420	431	431	438
(m) Miscellaneous .....	6	7	11	13	19	13	10	23
<b>TOTAL.....</b>	<b>244</b>	<b>287</b>	<b>382</b>	<b>737</b>	<b>1,344</b>	<b>1,042</b>	<b>1,001</b>	<b>1,011</b>
<b>PROVINCIAL AND MUNICIPAL</b>								
(a) Direct Relief.....	8	7	7	5	7	9	15	13
(b) Workmen's Compensation Benefits.....	23	26	28	30	31	36	38	42
(c) Old Age Pensions.....	42	48	58	62	65	82	96	126
(d) Mothers' Allowances.....	9	10	10	11	12	12	14	16
(e) Pensions to Government Employees .....	8	8	10	10	12	12	13	14
(f) Provincial and Municipal Grants to Private Non- Commercial Institutions.....	37	40	41	41	50	73	107	110
(g) Interest on Debt Not Incurred to Finance Existing Real Assets.....	46	43	43	47	36	34	31	37
(h) Miscellaneous.....	3	2	1	5	5	7	10	11
<b>TOTAL.....</b>	<b>176</b>	<b>184</b>	<b>198</b>	<b>211</b>	<b>217</b>	<b>264</b>	<b>324</b>	<b>369</b>
<b>GRAND TOTAL .....</b>	<b>420</b>	<b>471</b>	<b>580</b>	<b>948</b>	<b>1,561</b>	<b>1,306</b>	<b>1,325</b>	<b>1,380</b>

TABLE 24

## SUBSIDIES, 1942 - 1949

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
<b>FEDERAL</b>								
1. Department of Agriculture								
(a) Wheat Acreage Reduction .....	23	31	10	1	-	-	-	-
(b) Oats and Barley .....	-	-	-	-	-	14	-	-
(c) Fluid Milk .....	-	5	13	13	14	-	-	-
(d) Butterfat <sup>1</sup> .....	-	16	23	24	22	4	-	-
(e) Milk - Cheddar Cheese .....	-	1	4	4	5	1	-	-
(f) Feed Freight Assistance-								
Western Grain .....	10	16	16	17	19	20	18	14
(g) Feed Wheat Drawback .....	-	2	8	7	7	6	-	-
(h) Hog Premiums .....	-	-	14	11	6	5	5	4
(i) Miscellaneous .....	7	7	10	8	7	8	3	2
<b>TOTAL<sup>2</sup> .....</b>	<b>40</b>	<b>78</b>	<b>98</b>	<b>85</b>	<b>80</b>	<b>56</b>	<b>26</b>	<b>20</b>
2. Commodity Prices Stabilization Corp <sup>3</sup>								
(a) Import Subsidies								
(i) Petroleum Products .....	12	13	12	9	5	2	-	-
(ii) Woven Fabrics-Cotton .....	1	3	5	2	6	25	1	-
(iii) Raw Cotton and Linters .....	-	1	9	13	13	6	-1	-
(iv) Coal and Coke .....	-	2	7	6	11	8	-	-
(v) Miscellaneous .....	6	16	20	3	10	5	2	-
<b>SUBTOTAL .....</b>	<b>19</b>	<b>35</b>	<b>53</b>	<b>33</b>	<b>45</b>	<b>46</b>	<b>2</b>	<b>-</b>
(b) Domestic Subsidies								
(i) Milk-Production .....	4	2	-	-	-	-	-	-
(ii) Milk-Consumption .....	-	19	19	21	11	-	-	-
(iii) Butterfat .....	7	6	-1	-	-	-	-	-
(iv) Miscellaneous .....	7	17	14	25	14	3	7	2
<b>SUBTOTAL .....</b>	<b>18</b>	<b>44</b>	<b>32</b>	<b>46</b>	<b>26</b>	<b>3</b>	<b>7</b>	<b>2</b>
(c) Trading Loss <sup>3</sup> .....	-	9	16	15	17	11	6	-1
<b>TOTAL .....</b>	<b>37</b>	<b>88</b>	<b>101</b>	<b>94</b>	<b>87</b>	<b>60</b>	<b>15</b>	<b>1</b>
3. Other Subsidies								
(a) Emergency Gold Mine Assistance	-	-	-	-	-	-	5	14
(b) Drawbacks to Millers .....	2	16	20	16	25	24	-	11
(c) Emergency Coal Production Board.	-	5	7	9	8	8	-	-
(d) Maritime Freight Rates Act .....	5	5	5	4	5	5	7	11
(e) Movement of Coal .....	5	2	2	2	2	1	2	3
(f) Wheat Board Trading Loss .....	- 9	-	14	31	10	6	4	4
(g) Miscellaneous .....	7	11	14	16	14	14	12	12
<b>TOTAL .....</b>	<b>10</b>	<b>39</b>	<b>62</b>	<b>78</b>	<b>64</b>	<b>58</b>	<b>30</b>	<b>55</b>
<b>TOTAL FEDERAL SUBSIDIES .....</b>	<b>87</b>	<b>205</b>	<b>261</b>	<b>257</b>	<b>231</b>	<b>174</b>	<b>71</b>	<b>76</b>
<b>TOTAL PROVINCIAL SUBSIDIES .....</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>3</b>
<b>GRAND TOTAL ALL SUBSIDIES .....</b>	<b>93</b>	<b>211</b>	<b>267</b>	<b>262</b>	<b>236</b>	<b>180</b>	<b>76</b>	<b>79</b>

1. Transferred from Commodity Prices Stabilization Corporation, May, 1945.

2. Department of Agriculture figures as shown in "Agricultural Assistance, War and Post War" (March 1949) have been adjusted by deleting Prairie Farm Income Plan payments, which are treated as transfer payments in the National Accounts, and payments for the improvement of cheese factories, which are treated as capital assistance to industry.

3. Includes Canadian Wool Board.



SECTION 6

MISCELLANEOUS TABLES



TABLE 25

INVESTMENT IN INVENTORIES BY INDUSTRY, 1942 - 1949<sup>1</sup>

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
Agriculture.....	368	-62	-124	-238	-41	-123	-65	-73
Forestry.....	2	4	13	24	65	-4	4	-34
Fishing and Trapping.....	-	-	-	-	-	-	-	-
Mining.....	3	-4	-1	-2	14	10	2	4
Manufacturing (excluding government financed inventories).....	-26	152	43	114	240	514	271	42
Construction.....	-11	-4	-12	6	5	18	18	14
Public Utility Operations.....	-1	-2	1	4	7	16	22	13
Transportation, Communication, and Storage.....	10	7	10	-11	10	22	36	-27
Trade								
Wholesale (excluding grain in commer- cial channels).....	-3	-13	9	10	125	178	140	24
Grain in commercial channels.....	10	-90	-7	-220	-41	23	51	-12
Retail.....	-26	-36	-	28	146	232	130	145
Finance, Insurance, and Real Estate.....	-	-	-	-	4	3	-6	1
Service (excluding government) <sup>2</sup> .....	3	1	1	2	4	12	6	4
Total.....	330	-47	-67	-283	538	901	609	101

1. Investment in farm inventories and grain in commercial channels is calculated as the value of the physical change. Investment in inventories for all other industries is calculated as the change in book values. Book values are taken before deduction of inventory reserves. This table has been completely recalculated and classified according to the Standard Industrial Classification.

2. Change in inventories of government commodity agencies are included with government expenditure on goods and services. See footnote 1, Table 4, page 15.

TABLE 26

## DEPRECIATION CHARGES CLASSIFIED BY FORM OF ORGANIZATION AND INDUSTRY, 1947 AND 1948

(millions of dollars)

	1947	1948
<b>1. Depreciation (including obsolescence and amortization)</b>		
(a) By Form of Organization.....	<u>873</u>	<u>947</u>
(i) Taxable Corporations.....	455	506
(ii) Non-Taxable Corporations and Institutions.....	82	82
(iii) Unincorporated Business and Individuals.....	336	359
(b) By Industry.....	<u>873</u>	<u>947</u>
(i) Agriculture, Forestry, and Fishing <sup>1</sup> .....	128	137
(ii) Mining.....	59	46
(iii) Manufacturing.....	221	261
(iv) Construction.....	22	25
(v) Public Utility Operation.....	61	46
(vi) Transportation, Communication, and Storage.....	135	151
(vii) Trade		
Wholesale.....	17	21
Retail.....	43	54
(viii) Finance, Insurance, and Real Estate		
Residual (Non-Farm) Property.....	114	123
Other.....	34	39
(ix) Service.....	39	42
<b>2. Similar Business Costs.....</b>	<u>163</u>	<u>179</u>
(a) Capital Outlay Charged to Current Account.....	80	86
(b) Claim Portion of Business Insurance.....	83	93
<b>3. Total Depreciation and Similar Business Costs</b> <b>    (1a + 2 or 1b + 2).....</b>	<b>1,036</b>	<b>1,126</b>

1. Includes Hunting and Trapping.

TABLE 27

RECONCILIATION STATEMENT OF GROSS EXPORTS AND IMPORTS, 1942 - 1949<sup>1</sup>

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
Gross Exports (Current Receipts) - International Payments Section, D.B.S.....	3,376	4,064	4,557	4,456	3,365	3,746	4,147	4,070
Add (+) or Subtract (-)								
Official Contributions <sup>2</sup> .....	-1,002	-518	-960	-858	-97	-38	-19	-
Immigrants' Capital and Inheritances <sup>3</sup> .....	-	-	-	-18	-65	-69	-84	-66
Miscellaneous Adjustments <sup>4</sup> (Net)....	-20	-84	-1	17	7	-1	10	-17
Gross Exports as per National Accounts <sup>5</sup> .....	2,354	3,462	3,596	3,597	3,210	3,638	4,054	3,987
Gross Imports (Current Payments) - International Payments Section, D.B.S.....	2,275	2,858	3,539	2,910	2,905	3,661	3,695	3,890
Add (+) or Subtract (-)								
Miscellaneous Adjustments <sup>4</sup> (Net)....	32	59	30	-	-27	-40	-59	-65
Gross Imports as per National Accounts <sup>5</sup> .....	2,307	2,917	3,569	2,910	2,878	3,621	3,636	3,825

1. The above statement is a reconciliation of Gross Exports and Imports as per National Accounts with data published by The International Payments Section, D.B.S.
2. Comprises "Billion Dollar Gift to U.K., Mutual Aid, Military Relief, UNRRA, and Post-UNRRA." These items are included in "Government Expenditure on Goods and Services," Table 1, page 9.
3. These items are treated as capital transfers in National Accounts.
4. Miscellaneous adjustments are made to exclude Newfoundland's balance of trade with other countries; to eliminate duplication with other components of Gross National Expenditure arising from certain special wartime transactions, and to compensate for a change in treatment of official contributions in the Balance of Payments statement for 1948.
5. See Table 1, page 9.

TABLE 28

RECONCILIATION STATEMENT OF NET INCOME OF AGRICULTURE, 1942 - 1949<sup>1</sup>

(millions of dollars)

	1942	1943	1944	1945	1946	1947	1948	1949
Net income of farm operators from farming operations <sup>2</sup> .....	1,104	990	1,227	981	1,161	1,129	1,600	1,537
Deduct imputed net rents of owner occupied dwellings <sup>3</sup> .....	-17	-15 -17	-18	-18	-19	-19	-19	-19
Deduct net transfers under Prairie Farm Income Plan and Farm Assistance Act <sup>4</sup> .....	2	-4	4	-4	-12	-6	-14	-9
Net Income of Agriculture.....	1,089	969	1,213	959	1,130	1,104	1,567	1,509

1. The above statement is a reconciliation of Net Income of Agriculture as shown in the National Accounts with data published by the Agriculture Division, D.B.S.
2. See "Net Income of Farm Operators from Farming Operations, Canada, "1938 to 1945", "1944 to 1946", "1945 to 1947", "1946 to 1948", and "1947 to 1949", D.B.S.
3. This item is included with "Investment Income", Table 1, page 8.
4. These items are deducted since transfer payments are excluded from "Net National Income at Factor Cost", Table 1, page 8. These figures differ from those shown in Table 23 under federal transfers, items (h) and (i) page 48, since the latter are on a cash basis and are not reduced by farmers' contributions.





## A P P E N D I X "A"

### SOURCES AND METHODS OF ESTIMATING INDUSTRIAL DISTRIBUTION OF NATIONAL INCOME AND PROVINCIAL DISTRIBUTION OF PERSONAL INCOME

#### 1. INDUSTRIAL DISTRIBUTION OF NATIONAL INCOME

##### Introduction

The purpose of the industrial distribution of net national income at factor cost is to measure quantitatively the economic contribution made to the total national income by the various industrial groups comprising the economy. The measure of the contribution made by each industry is the net income originating in, or the net value added by, each industry. Net income originating and net value added are identical in total; the former views this total as the earnings of the factors of production, while the latter views it as a measure of production. The term "net income originating" denotes that if an industry receives income of a type which is identical with payments it makes, only that portion of the payment which remains, after deduction of the identical type of income it receives, is counted as its contribution to national income. For example, if an industrial group pays \$5 million bond interest and receives \$2 million bond interest, only \$3 million bond interest is net income originating. The net income originating in an industry thus takes into consideration all factors of production on a net basis, avoiding all duplication. It, therefore, serves as one of the best measuring devices for the comparison of the relative size of industries.

Net income originating consists of the sum of salaries, wages and supplementary labour income, net income of agriculture and other unincorporated business, and investment income. For purposes of the industrial distribution, investment income is divided into its two main components: corporation profits and other investment income, the latter being principally composed of interest and net rent payments.

One of the problems encountered in attempting to distribute net national income by industrial groups is that of classification. The data on labour income and income of unincorporated business have been classified on an establishment or plant basis, whereas investment income, including corporation profits, has been classified on a company basis. The latter basis of classification is used because of the difficulty of allocating company profits and related data among the various activities of a multi-plant company.

As long as all manufacturing is classified in one group, with no subdivisions, the difference between the two bases of classification is slight, except in the case of forestry and manufacturing. It was noted, for example, that when salaries and wages were classified on a company basis for the year 1946, the results were similar to those from classification on an establishment basis, except that forestry was reduced by approximately \$50 million, and manufacturing was correspondingly increased.

(a) Salaries, Wages and Supplementary Labour Income

Separate estimates of salaries and wages are made for each industrial group. In manufacturing, mining, electric power, railways, telephones, telegraphs, street railways, finance, forestry, construction, hospitals, education, road transport, and Dominion and Provincial governments, wages and salaries are based on annual surveys made by the Bureau, and on the public accounts and other annual publications of the Dominion and Provincial governments. These sources are also used for estimating employers' contributions to workmen's compensation funds and the contribution to employees' pension funds by governments, insurance companies, and railway companies.

Estimates for most of the remaining industries are based either on the Census of Merchandising and Services, the Agricultural Census, or the Census of Population of 1941. The figures are projected on the basis of suitable time series such as employment and wage rates.

Employer contributions to unemployment insurance are distributed industrially from data prepared by the Unemployment Insurance Section of the Bureau. Employer contributions to workmen's compensation are distributed separately for each province. In some provinces, the distribution is based on compensation paid out in various industrial groups, in others, on the number of accidents reported in various industries, and still in others, on time loss reported by industry.

(b) Net Income of Agriculture and Other Unincorporated Business

Net income originating in Agriculture is estimated by making appropriate adjustments to the series "net income of farm operators from farming operations" published by the Agriculture Division of the Dominion Bureau of Statistics. (See Table 28). Net income from Forestry, and from Fishing, Hunting and Trapping is estimated by deducting corporation revenues and estimated expenses of unincorporated establishments from gross revenues as compiled by the Bureau. The estimates for income originating in Manufacturing; Construction; Public Utilities, Transportation, Communication, and Storage; and Finance, Insurance, and Real Estate are based on tabulations of basic data by the Bureau of Statistics and the Department of National Revenue. Net income originating in Retail Trade is based on surveys by the Merchandising and Services Branch of the Bureau. The 1941 Census of Merchandising and the Population Census were the basis for estimating net income originating in Wholesale Trade, and projection to other years is based on an index of wholesale sales. Net income originating in the service group is estimated on the basis of special surveys made by the Bureau in recent years, data tabulated by the Department of National Revenue, and information obtained from the Bureau's Labour Force Survey.

(c) Corporation Profits

The industrial distribution of corporation profits (net of losses) is obtained from "Taxation Statistics" published by the Department of National Revenue. The figures thus obtained are adjusted from a taxation to a calendar year basis, and charitable donations and depletion charges are then added back. The only adjustment made to the industrial distribution itself is that "repairs" are deducted from the Service group and included in the Manufacturing group.



(d) Other Investment Income

(i) Net bond interest paid, i.e. total bond interest paid by all industrial groups minus total bond interest received by such groups, is distributed industrially on the basis of information contained in "Taxation Statistics" (Department of National Revenue), "Statistical Summary" (Bank of Canada), "Report of the Superintendent of Insurance for Canada", "The Canadian Balance of International Payments, 1926 - 1948" and the public accounts and reports of the Federal and Provincial governments. The resulting series is adjusted by excluding the transfer portion of interest on the public debt.

(ii) The industrial distribution of interest on bank loans is based on information supplied by the Bank of Canada. Deposit interest paid by banks and imputed banking services to individuals and governments are considered as income originating in Finance, Insurance, and Real Estate.

(iii) Interest paid on farm mortgages is shown as originating in Agriculture. Almost all other mortgage interest is paid by individuals on residential property. This interest is shown as income originating in Finance, Insurance, and Real Estate, as all individuals paying such interest are considered to be paying it in their capacity as real estate operators rather than as individuals.

(iv) Dividends paid by non-residents are distributed industrially on the basis of information contained in "Taxation Statistics" (Department of National Revenue) and "The Canadian Balance of International Payments, 1926 - 48".

(v) Federal, provincial and municipal trading profits are included in their appropriate industrial category.

(vi) Investment income of life insurance companies, fraternal and mutual benefit societies and industrial pension funds is considered as income originating in Finance, Insurance, and Real Estate. These institutions are treated as associations of individuals and the income they receive is considered as accruing directly to the individuals who invest in them. Net rents paid to individuals and profits of mutual non-life insurance companies are also regarded as income originating in the Finance, Insurance, and Real Estate group.

(vii) Undistributed Wheat Board trading profits and inventory revaluation adjustment for grain in commercial channels are income originating in Wholesale Trade. This classification represents a change from the previously published classification and is based on a more careful analysis of these components.

(viii) Interest on consumer debt is excluded from investment income.

11. PROVINCIAL DISTRIBUTION OF PERSONAL INCOME

This section provides estimates of current receipts of income of persons, in cash or in kind, separately for each of the provinces of Canada except Newfoundland. The term "persons" includes individuals, private non-commercial institutions (charities, hospitals, and so on) and private pension funds. Personal income differs from national income in that it excludes all current earnings not paid out to persons such as undistributed profits and government trading profits, and includes receipts which have not been earned in the course of current production, that is, transfer payments.

In addition to the total the following four components of personal income are shown separately:



(a) Salaries, Wages, and Supplementary Labour Income

Estimates of salaries, wages, and supplementary labour income, by province, were prepared by the Labour and Prices Division, Dominion Bureau of Statistics, on the basis of annual returns submitted to the Bureau by various industries. For some industrial groups, the distribution was based on ratios established from the 1941 Census of Canada and the 1946 Quinquennial Census of the Prairie Provinces.

(b) Net Income of Agriculture and Other Unincorporated Business

Provincial data on cash farm income, income in kind, and farm expenses are estimated annually for each province by the Agriculture Division of the Bureau. Net income of other unincorporated business is distributed on the basis of annual production statistics prepared by various sections of the Bureau, 1941 and 1946 Census data, and surveys of net income in certain professional groups.

(c) Interest, Dividends, and Net Rental Income of Persons

Dividends and Bond Interest

For the years 1946 to 1949 the estimates were allocated on the basis of the provincial distribution of bond interest and dividend receipts of individuals filing income tax returns as reported in "Taxation Statistics", published by the Department of National Revenue. Percentage distributions for the years 1942 to 1945 were obtained by interpolating between the Rowell-Sirois figures for 1940 and "Taxation Statistics" figures for 1946.

Mortgage Interest Received by Individuals

The provincial distribution of mortgage interest received by individuals as reported in "Taxation Statistics" was used as the basis of the calculations for the years 1946 to 1949. For the period 1942 to 1945, the 1946 distribution was adjusted in line with changes in the relative provincial distribution of corporate holdings of mortgages for these years. The assumption that the relative geographical distribution of personal holdings will change in the same way as the relative distribution of corporate holdings is questionable but other information is not available.

Net Rents Received by Individuals

The distribution for the year 1948 was based on the results of a sample survey conducted by the Bureau. For the years 1942 to 1947 the provincial distribution was obtained by interpolating between 1941 Census data and the year 1948. The 1949 estimates were based on the 1948 survey. Appropriate adjustments were made for the construction of new rental housing in each province.

Investment Income of Life Insurance Companies and Fraternal Societies

This item was allocated on the basis of the amount of insurance in force in the province at the end of each calendar year as reported in the "Annual Report of the Superintendent of Insurance".

Deposit Interest and Imputed Bank Charges

Data on cheques cashed against individual savings accounts were used to distribute these figures for the years 1942 - 1949.

Other

The undistributed residual consisting of the investment income of industrial pension funds, profits of non-life mutual insurance companies and co-operatives, and the negative item "interest on consumer debt" was pro-rated on the basis of the distribution of the total of the above components.

(d) Transfer Payments

Family Allowances

The provincial figures were obtained from publications of the Department of National Health and Welfare.

War Service Gratuities

These were distributed in proportion to provincial enlistments.

Re-establishment Credits and Rehabilitation Benefits

The provincial data were supplied by the Department of Veterans Affairs.

War Pensions and War Veterans' Allowances

Figures on provincial payments were obtained from the reports of the Department of Veterans Affairs and the Department of National Health and Welfare.

Unemployment Insurance Benefits

The provincial data were secured from the annual reports of the Unemployment Insurance Commission.

Prairie Farm Assistance Act Payments

This information was supplied by the Agriculture Division of the Bureau.

Prairie Farm Income Plan Payments

The estimates of provincial payments were based on data drawn from the Public Accounts of the Federal Government.

Pensions to Government Employees

The federal content of these pensions was distributed on the basis of information from the Department of Finance as to the place of residence of superannuated civil servants. The provincial data were drawn from the Public Accounts of the various provinces.

Mothers' Allowances, Old Age Pensions, Workmen's Compensation, Provincial Grants to Private Non-Commercial Institutions, and Relief

All these were assembled from the Public Accounts of the various provinces.

(e) Miscellaneous Items

The following components of personal income for which separate tables are not given in Section 3 were distributed by province as follows:

(i) Employer and Employee Contributions to Social Insurance and Government Pension Funds

Employer and employee contributions to the Unemployment Insurance Fund were allocated provincially on the basis of the number of books issued annually in each province. Contributions to the Workmen's Compensation Fund and provincial government pension funds were obtained for each province from the provincial Public Accounts. Contributions to federal and municipal government pension funds were allocated on the basis of the distribution of the other components.

(ii) Military Pay and Allowances

For the years 1942 to 1945 Navy and Air Force pay and allowances were distributed by provincial enlistment figures while figures on Army pay and allowances by provinces were supplied by the Department of National Defence. For the years 1946 to 1949 provincial figures for all three services were obtained from the Department of National Defence.

(iii) Charitable Contributions from Corporations

These were distributed on the basis of the populations of the various provinces.



# A P P E N D I X    "B"

## NOTES ON METHODS OF CALCULATING TABLE 2 - "GROSS NATIONAL EXPENDITURE IN CONSTANT (1935 - 39) DOLLARS, 1946 - 1949"

Table 2 and the following table present a separation of the value of expenditures into volume and price elements. The value figures show how gross national expenditure and its components vary from year to year, but the question has frequently been asked, "How has total real output or the real volume of expenditures varied?" Sometimes the cost-of-living index and the general wholesale price index have been used as a guide for separating volume and price elements, but these indexes were not designed for this particular purpose.

A special procedure known as "deflation" has been devised to remove the effect of price changes from the year to year movements of the aggregates expressed in current dollars. This procedure is simple in principle: it merely divides each value figure by a price index number especially constructed for the purpose. The following calculation will illustrate the general nature of the procedure.

	<u>1948</u>	<u>1949</u>
Consumer expenditure, current dollars (million)	10,151	<del>10,596</del> 10,956
Divide by price index (1935 - 39 = 100)	157.1	163.8
Equals consumer expenditure, constant dollars (million)	6,463	6,687

The above figures of 6,463 and 6,687 are measures of current quantities at base period prices. They indicate the change in the physical volume of consumer expenditure between 1948 and 1949. The change in volume is equal to  $6,687 \div 6,463 = 1.035$  or plus 3.5 per cent.

The first step in the deflation is to obtain price indexes for each item in the detailed worksheets for each of the main components of gross national expenditure. The majority of the price indexes are available in the Prices Section of the D.B.S. but in a number of cases, e.g., export and import prices, prices of investment goods, inventory holdings, and government expenditures, new price series have been constructed.

The second step is to divide the price indexes into current dollar values in order to convert the latter to constant dollar terms. An illustration of this for the broad group of consumer expenditure has been given above but in actual practice the division is performed first for the individual items within consumer expenditure, such as food, men's clothing, etc. Each one of these items is divided by an appropriate price index. The final step is to sum the constant dollar values for these items into sub-groups such as food, clothing, etc. The sub-groups are then summed to give the main constant dollar aggregates shown in the table.



In addition to current and constant dollar aggregates of the table, a composite price index is shown for each main group. These price indexes are merely quotients of the original current dollar figures divided by the constant dollar figures for each main aggregate. This procedure yields group price indexes which contain current quantity weights. It is hoped that it will be possible to provide a more detailed description of methods and price data in forthcoming publications.

Special attention is given to the price and quantity components of changes in inventory book values from year to year. The procedure can be outlined briefly as follows. Year-end inventories as reported by manufacturers, retailers, etc., are divided by price indexes on a 1935 - 39 base. The latter are constructed to match the contents of actual inventories and to cover a period of months which is the same as that taken into account by the predominant method of inventory valuation of each trade. This gives inventories in base period dollars and the year to year change in them is a measure of physical change. This physical change is then multiplied by average annual prices in order to obtain the revalued inventory change. The difference between the latter and the original book value change is the inventory revaluation adjustment. The inventory revaluation adjustment is excluded from calculations of volume and price of output of final goods and services in gross national expenditure. An exception to the above procedure is made in the case of farm inventories and grain in commercial channels. These are calculated and entered in terms of the value of their physical change and consequently no separate inventory revaluation adjustment is required for them.

The price indexes used in deflation and the constant dollar values for the main components of gross national expenditure are shown in the following table.

## GROSS NATIONAL EXPENDITURE, VALUE, VOLUME AND PRICE COMPONENTS, 1946 - 1949

NOTE: The volume movement is given by the constant (1935 - 39) dollar series. All dollar series are to the nearest million and all price indexes are on the base 1935 - 39 = 100

		1946	1947	1948	1949
Personal expenditure on consumer goods and services	current \$	8,018	9,225	10,151	10,956
	price index	128.4	140.2	157.1	163.8
	constant \$	6,246	6,581	6,463	6,687
Government expenditure on goods and services	current \$	1,832	1,562	1,797	2,088
	price index	136.0	142.9	159.6	170.4
	constant \$	1,347	1,093	1,126	1,225
Gross home investment					
Housing	current \$	336	492	647	753
	price index	152.1	171.0	202.8	212.3
	constant \$	222	288	319	355
Plant and equipment	current \$	1,024	1,565	2,016	2,076
	price index	147.7	165.0	190.8	200.0
	constant \$	693	948	1,056	1,038
Inventories - book values ✓		538	901	609	101
Deduct: inventory revaluation adjustment		-167	-576	-609	-131
Equals value of physical change		371	325	-	-30
Physical change in constant \$		248	230	59	-9
Exports of goods and services	current \$	3,210	3,638	4,054	3,987
	price index	161.3	183.1	200.0	205.2
	constant \$	1,990	1,987	2,027	1,943
Deduct: Imports of goods and services	current \$	-2,878	-3,621	-3,636	-3,825
	price index	161.0	186.5	211.3	216.1
	constant \$	-1,788	-1,942	-1,721	-1,770
Sub-total (1)	current \$	12,082	13,762	15,638	16,136
	constant \$	8,958	9,185	9,329	9,469
	implicit price index	133.0	143.6	161.1	169.0
Residual error	current \$	-74	-105	-135	-62
	implicit price index	133.0	143.6	161.1	169.0
	constant \$	-56	-73	-84	-37
(2)					
Gross National Expenditure	current \$	12,008	13,657	15,503	16,074
	implicit price index	133.0	143.6	161.1	169.0
	constant \$	8,902	9,112	9,245	9,432

(1) The implicit price index is calculated as follows:

	1946	1947	1948	1949
Sub total G.N.E. excluding residual error	12,082	13,762	15,638	16,136
Deduct inventory revaluation adjustment	- 167	- 576	- 609	- 131
Equals adjusted value	11,915	13,186	15,029	16,005
Divide by sub total in constant dollars	8,958	9,185	9,329	9,469
Equals implicit price index	133.0	143.6	161.1	169.0

(2) The current and constant dollar figures of G.N.E. are obtained by summation and the implicit price index is merely copied from the above calculation.

## A P P E N D I X "C"

### NOTES ON METHODS OF ESTIMATING TABLE 21 - "PERSONAL EXPENDITURE ON CONSUMER GOODS AND SERVICES, 1942 - 1949".

Personal expenditure on consumer goods and services consists of the personal expenditure of Canadians residing in Canada or temporarily abroad (e.g., tourists and members of the armed forces). It includes the expenditures of certain non-commercial institutions which serve individuals (e.g. provincial universities, municipal hospitals, and welfare organizations), and also the wages paid to domestic servants. The expenditures of foreigners temporarily residing in Canada are excluded. Expenditures made by business in the course of production, or by governments on behalf of the community, are also excluded.

Personal expenditure is divided into three main groups:

- (a) Purchases of goods;
- (b) Purchases of services;
- (c) Adjustment for expenditures of Canadians abroad and of foreigners in Canada.

Purchases of goods and purchases of services are further classified into more detailed categories. Consumption out of income in kind has been allocated to the appropriate category. For example, food eaten on farms, food issued to the armed forces, and food supplied to non-agricultural workers, are included under the heading "Food" in Table 21.

Further explanation of detailed items is given below:

#### Item 1.

- (a) (i) Includes meals purchased in restaurants.
- (a) (iii) Includes toilet articles and optical goods.
- (b) (i) Includes dry goods and men's, women's, and children's apparel.
- (b) (ii) Includes draperies, linens, etc., but excludes furniture.
- (b) (iii) Includes parts, accessories, storage batteries, tires and tubes.
- (c) (iii) Includes stoves, gas and electric appliances, and musical instruments.
- (d) Includes items not specified elsewhere, and taxes paid at retail which are not included in the selling price of the goods.

Item 2.

- (a) Includes barber shop and beauty parlour services, cleaning, dyeing, pressing and repair of clothing, etc.
- (c) Includes expenditures by persons on steam and electric railways, buses, taxis, motor carriers, etc.
- (d) The main components of this item are paid rents and imputed rents of owner-occupied houses, electricity, gas, domestic service.
- (e) Includes expenditures by persons on telephone, telegraph, cable, and postage.
- (f) The major components of this item are medical and dental care, private duty nursing, operating expenses of hospitals other than those owned by federal and provincial governments, and funeral and burial services.
- (g) Includes operating expenses of universities and private schools.
- (h) Includes motion picture theatres and all other taxed amusements, billiard parlour and bowling alley services, photographic services, etc.
- (i) The main services included here are personal insurance, financial and legal services, hotel rooms, board and lodging, and expenditures of charitable and religious institutions.

Item 3.

Includes the expenditures of Canadian tourists and servicemen abroad, less expenditures in Canada of foreign tourists and foreign servicemen, plus personal remittances to abroad, less remittances to Canada.



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