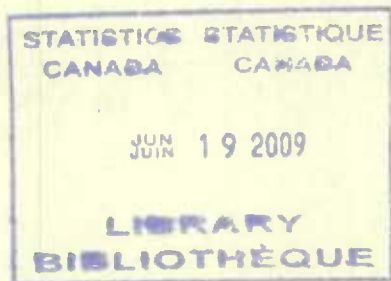


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DOMINION BUREAU OF STATISTICS

NATIONAL INCOME UNIT



NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
PRELIMINARY
1947

DEPARTMENT OF
TRADE AND COMMERCE



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C A N A D A

National Accounts, Income and Expenditure, 1946 and 1947 Preliminary

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Preliminary estimates indicate a gross national product and expenditure of \$13.1 billion for 1947. This represents an increase of \$1.4 billion or 12 per cent over 1946. While some of this increase in gross national product was the result of increased real production, a substantial portion was the result of price increases. The cost-of-living index rose by 9.6 per cent from 123.6 in 1946 to 135.5 in 1947, while the index of wholesale prices rose 18.7 per cent from 108.7 in 1946 to 129.0 in 1947.

National income increased from \$9.6 billion in 1946 to \$10.7 billion in 1947, an increase of 11.6 per cent. Civilian and military labour income, the largest component of national income, increased 12.2 per cent from \$5.5 billion to \$6.2 billion. Investment income increased 8.3 per cent from \$1.9 billion in 1946 to \$2.1 billion in 1947 despite a decline in government trading profits. Net income of agriculture and other unincorporated business increased 13.2 per cent from \$2.2 billion in 1946 to \$2.5 billion in 1947.

Examination of the components of gross national expenditure indicates very substantial absolute increases in gross home investment and consumer expenditure, offset in part by a decline in government expenditure on goods and services and a reduction in the net foreign balance. Gross home investment increased 57.1 per cent from \$1.8 billion in 1946 to \$2.8 billion in 1947. Thus gross home investment was 21.6 per cent of gross national expenditure in 1947 compared with 15.4 per cent in 1946. Consumer expenditure increased from \$7.7 billion in 1946 to \$8.7 billion in 1947, an increase of 13.4 per cent. Government expenditure on goods and services declined from \$1.8 billion to \$1.5 billion. Approximately one half of the large increase of \$.7 billion in imports was offset by increased exports.

Personal income rose by \$.7 billion, from \$9.5 billion in 1946 to \$10.2 billion in 1947, an increase of 7.6 per cent. Direct taxes remained approximately the same but since consumer spending rose by \$1.0 billion, personal saving declined. In 1946 personal saving was 11.1 per cent of personal income while in 1947 it was 7.5 per cent.

While the figures used in the text have been rounded to facilitate exposition, the percentages shown have been calculated from the figures appearing in the tables.

This bulletin continues the series which were presented and described in "National Accounts, Income and Expenditure, 1938-45", April, 1946 and in "National Accounts, Income and Expenditure, 1938-46", October, 1947. The estimates will be revised when fuller information becomes available.

C A N A D A

Table 1

NET NATIONAL INCOME AT FACTOR COST AND GROSS NATIONAL PRODUCT AT MARKET PRICES (Millions of Dollars)

Item No.		Revised Prelim. 1946	Prelim. 1947
1.	Salaries, wages and supplementary labour income	5,195	6,125
2.	Military pay and allowances	340	83
3.	Investment income	1,903	2,060
4.	Net income of agriculture and other unincorporated business	2,179	2,467
5.	NET NATIONAL INCOME AT FACTOR COST (1) + (2) + (3) + (4)	9,617	10,735
6.	Indirect taxes less subsidies	1,239	1,538
7.	Depreciation allowances and similar business costs	815	835
8.	Residual error of estimate for reconciliation with Table 2, Item 7	-15	-56
9.	GROSS NATIONAL PRODUCT AT MARKET PRICES (5) + (6) + (7) + (8)	11,656	13,052

Table 2

GROSS NATIONAL EXPENDITURE AT MARKET PRICES (Millions of Dollars)

Item No.		Revised Prelim. 1946	Prelim. 1947
1.	Personal expenditure on consumer goods and services	7,682	8,711
2.	Government expenditure - excluding UNRRA & Mutual Aid	1,736	1,462
	- UNRRA & Mutual Aid	107	38
3.	Gross home investment -		
	(a) Plant, equipment and housing	1,321	2,042
	(b) Inventories	475	780
4.	Exports of goods and services	3,170	3,538
5.	Imports of goods and services	-2,850	-3,576
6.	Residual error of estimate for reconciliation with Table 1, Item 9	+15	+57
7.	GROSS NATIONAL EXPENDITURE AT MARKET PRICES (1) + (2) + (3) + (4) + (5) + (6)	11,656	13,052

FOOTNOTES:

Table 2

Item 4.

Excludes UNRRA and Mutual Aid included under government expenditure above.

Items 4 & 5.

Minor adjustments have been made to the figures of current receipts and payments published by the Dominion Bureau of Statistics as "The Canadian Balance of International Payments" to achieve consistency with the other component series.

C A N A D A

Table 3

PERSONAL INCOME
(Millions of Dollars)

Item No.		Revised Prelim. 1946	Prelim. 1947
1.	Salaries, wages and supplementary labour income	5,195	6,125
	Deduct: Employer and employee contributions to social insurance and government pension funds	-145	-165
2.	Military pay and allowances	340	83
3.	Net income of agriculture and other unincorporated business	2,179	2,467
4.	Interest, dividends and net rental income of persons	845	911
5.	Transfer payments to persons -		
	(a) From government	1,109	824
	(b) Charitable contributions of corporations	13	14
6.	PERSONAL INCOME		
	(1) + (2) + (3) + (4) + (5)	9,536	10,259

FOOTNOTE:

Item 5 (a). Excludes government interest on debt not incurred to finance existing real assets, since this is included under Item 4 above.

Table 4

DISPOSITION OF PERSONAL INCOME
(Millions of Dollars)

Item No.		Revised Prelim. 1946	Prelim. 1947
1.	Personal direct taxes -		
	(a) Income taxes	711	694
	(b) Succession duties	52	55
	(c) Miscellaneous	31	31
	Total direct taxes	794	780
2.	Personal expenditure on consumer goods and services	7,682	8,711
3.	Personal saving	1,060	768
4.	PERSONAL INCOME		
	(1) + (2) + (3)	9,536	10,259

FOOTNOTES:

Item 1. The tax figures are actual collections in the current year. Miscellaneous direct taxes include the personal share of motor vehicle and other licences, permits, and fees.

3. Personal saving is estimated residually by deducting personal direct taxes and personal expenditure on goods and services from total personal income in Table 3. It includes changes in farm inventories.

	Revised Prelim. 1946	Prelim. 1947
Net changes in farm inventories	47	- 31

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