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FEB 10 1949

DOMINION BUREAU OF STATISTICS

RESEARCH AND DEVELOPMENT

NATIONAL INCOME



**NATIONAL ACCOUNTS**  
**INCOME AND EXPENDITURE**  
**PRELIMINARY**  
**1948**

DEPARTMENT OF  
TRADE AND COMMERCE



CANADA  
1949

Published by Authority of the Rt. Hon. C. D. Howe, M.P.,  
Minister of Trade and Commerce

Price 10 cents

## C A N A D A

### National Accounts, Income and Expenditure, Preliminary 1948

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Preliminary estimates indicate a gross national product and expenditure of approximately \$15.4 billion in 1948, an increase of nearly 15 per cent over 1947. Most of this increase was the result of rising prices as indicated by the increase of about 14 per cent in the cost of living index during 1948.

National income increased from \$11.0 billion in 1947 to \$12.8 billion in 1948, a gain of more than 16 per cent. Civilian and military labour income which accounted for 56 per cent of national income in 1948 compared with 57 per cent in 1947, rose by 14 per cent. Investment income increased by 12 per cent from \$2.3 billion in 1947 to \$2.6 billion in 1948. The most striking gain occurred in the agricultural component of national income. A combination of higher prices, increased marketings and exceptional wheat adjustment payments boosted the net income of farm operators from farm production by 41 per cent from \$1.2 billion in 1947 to \$1.7 billion in 1948. Net income of other unincorporated business rose by 12 per cent between 1947 and 1948.

Indirect taxes less subsidies increased by \$.1 billion. This was due to the drop in federal subsidy payments rather than to any general increase in indirect taxation. The significant decline in federal customs revenues due to import restrictions was roughly balanced by increased yields from other forms of indirect taxation at federal, provincial and municipal levels.

Examination of the components of gross national expenditure indicates increases in all components except net addition to inventories. These increases were for the most part the result of price factors. Consumer expenditure rose by \$1.1 billion from \$8.9 billion in 1947 to \$10.0 billion in 1948, an increase of 12 per cent. This is two per cent less than the increase in prices alone as measured by the cost of living index. Using the cost of living index as a measure of the importance of price changes in consumer expenditure, a decline in real consumption is indicated. Government expenditure on goods and services accounted for approximately the same percentage of gross national expenditure in 1947 and 1948.

Gross home investment in plant, equipment and housing was 16 per cent of gross national expenditure in 1948 compared with 15 per cent in 1947. While this component gained relative to gross national expenditure, a significant lessening in the rate of increase is indicated. Thus the value of gross investment in plant, equipment and housing increased by over 54 per cent from 1946 to 1947 compared with 22 per cent from 1947 to 1948. If price increases are taken into account the comparison is even more striking. Net addition to inventories dropped substantially during 1948 and represented 4 per cent of gross national expenditure compared with 6 per cent in 1947.

While imports of goods and services remained at the 1947 level of \$3.6 billion, exports increased from \$3.6 billion to \$4.0 billion resulting in substantial net foreign investment.

Ottawa, February 10, 1949.

## CANADA

Table 1

## NATIONAL INCOME AND GROSS NATIONAL PRODUCT

(Millions of Dollars)

Item No.	1946	Revised Prelim. 1947	Prelim. 1948
1. Salaries, wages and supplementary labour income .....	5,322	6,235	7,134
2. Military pay and allowances ....	340	83	81
3. Investment income .....	1,949	2,309	2,592
4. Net income of agriculture and other unincorporated business -			
(a) Farm operators from farm production .....	1,130	1,235	1,743
(b) Other unincorporated business .....	1,024	1,119	1,252
5. Net National Income at Factor Cost (1 + 2 + 3 + 4) .....	9,765	10,981	12,802
6. Indirect taxes less subsidies ...	1,261	1,572	1,696
7. Depreciation allowances and similar business costs .....	846	928	993
8. Residual error of estimate .....	- 9	-106	-141
9. Gross National Product at Market Prices (5+6+7+8).....	11,863	13,375	15,350



## CANADA

Table 2

## GROSS NATIONAL EXPENDITURE

(Millions of Dollars)

Item No.	1946	Revised Prelim. 1947	Prelim. 1948
1. Personal expenditure on consumer goods and services	7,913	8,888	10,000
2. Government expenditure .....	1,828	1,481	1,683
3. Gross Home Investment			
(a) Plant equipment and housing	1,321	2,042	2,500
(b) Inventories .....	467	842	600
4. Exports of goods and services ...	3,197	3,616	4,042
5. Deduct Imports of goods and services .....	-2,871	-3,599	-3,616
6. Residual error of estimate	+ 8	+105	+141
7. Gross National Expenditure at Market Prices (1+2+3+4+5+6)	11,863	13,375	15,350

Item 2 Includes UNRRA, Mutual Aid, etc. of \$97 million in 1946; \$38 million in 1947; \$19 million in 1948.

Item 4 Excludes UNRRA, Mutual Aid, etc. which are included under Government expenditure, item 2 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.

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