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Government of Canada

NATIONAL ACCOUNTS  
INCOME AND EXPENDITURE  
REVISED PRELIMINARY  
1950

1951 No. 2



Dominion Bureau of Statistics  
DEPARTMENT OF TRADE AND COMMERCE

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## INTRODUCTION

Preliminary estimates of gross national product, national income and expenditure, and personal income and expenditure for the year 1950 were published early in February 1951, (National Accounts, Income and Expenditure, Preliminary 1950). Revised estimates for 1949 and previously published figures for 1948 were also given at that time. The present publication incorporates revisions for the years 1949 and 1950 and a number of additional tables giving greater detail. Most of the material shown here is also published as a statistical appendix to the Budget Speech.

The main revision in the preliminary 1950 figures was made to the investment income component, in line with new data on corporation profits and Canadian Wheat Board trading profits. The gross home investment component was also revised to take account of better information on housing, plant and equipment, and inventories. Despite these revisions, the analysis of the figures included in the February publication is not, in the main, affected. For convenience of reference, however, this analysis, with necessary revisions and extensions, is reproduced here.

### Gross National Product and National Income

The gross national product, which measures the value of current production of goods and services at prevailing prices, reached a record total of \$17.8 billion in 1950, compared with \$16.4 billion in 1949. This represents a gain of \$1.4 billion, or nearly 9 per cent. A substantial part of this rise is due to price increases. It is difficult to estimate accurately at the present time the exact increase in physical volume of goods and

services but, according to the latest data, the increase in volume appears to be 3.5 per cent. (See table 2).

National income, that is, the nation's earnings from current production, also increased by nearly 9 per cent, from \$13,169 million in 1949 to \$14,308 million in 1950.

Salaries, wages and supplementary labour income, which is the largest component of national income, showed a gain of over 6 per cent, rising from \$7,800 million in 1949 to \$8,300 million in 1950. High levels of employment combined with an increase in average hourly earnings were mainly responsible for the rise in labour income. Most of the major industrial groups shared in this increase with the exception of agriculture. This industry experienced a decline in the number of farm workers.

Military pay and allowances, a relatively small component of the national income, showed a substantial gain of approximately 19 per cent over 1949. This gain is accounted for by the expansion of Canada's armed forces.

Investment income is the sum of a number of heterogeneous items and the movements of the components are more meaningful than the change in the total. In addition to corporation profits, investment income includes interest and net rental income received by persons, trading profits of government enterprises and government interest revenue, undistributed Wheat Board trading profits, and an inventory revaluation adjustment for grain held in commercial channels (see table 6).

Corporation profits before taxes are esti-

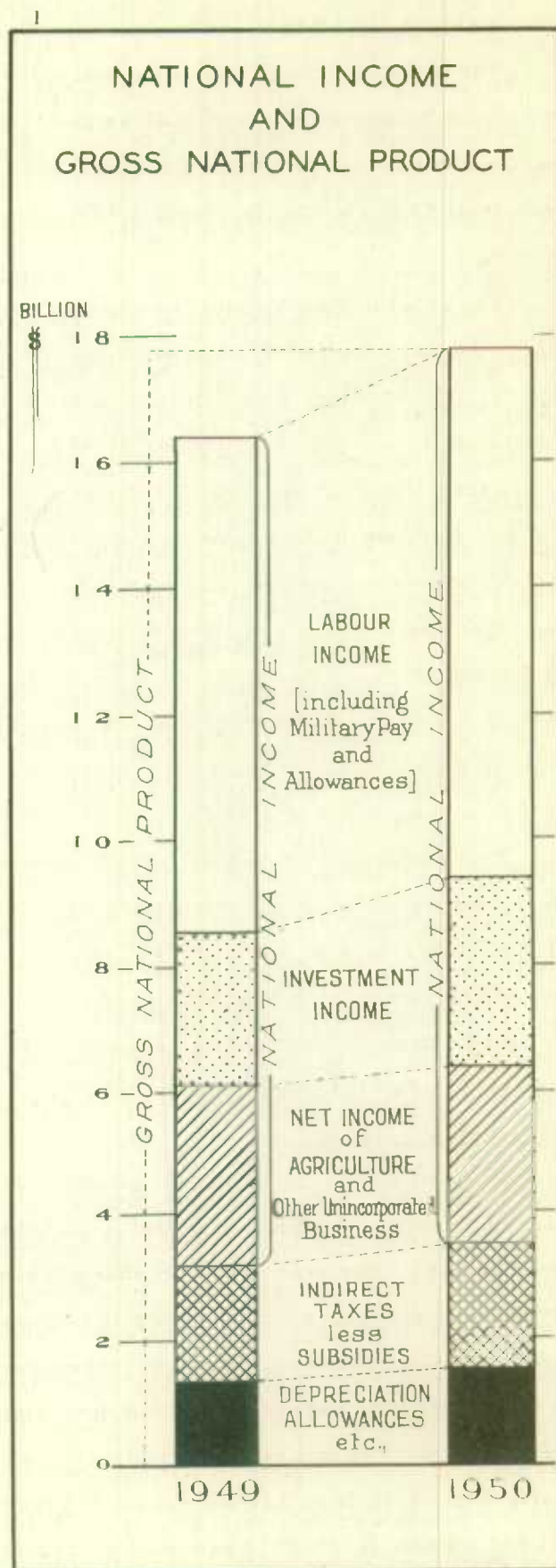


mated to be about 20 per cent higher in 1950 than in 1949 (see table 5). After deduction of dividends paid to non-residents the increase in corporation profits was approximately 18 per cent. Dividends paid to non-residents are excluded from investment income, since national income is defined to include earnings of Canadian residents only.

Interest and net rental income of persons went up moderately by 5 per cent. Trading profits of government enterprises, such as the Canadian National Railways, provincial liquor commissions, and provincial and municipal public utilities, rose by 22 per cent, mainly as a result of the greatly reduced deficit of the Canadian National Railways. Government interest revenue, which includes interest on loans and advances and on public funds, such as unemployment insurance and workmen's compensation funds, declined slightly.

The figure of undistributed Wheat Board trading profits included in investment income is after deduction of grain equalization and adjustment payments. These payments are included in farm cash income. Since they were large in 1949 and much smaller in 1950, undistributed Wheat Board trading profits were negative in 1949 and positive in 1950.

As a result of the smaller equalization and adjustment payments, and the lower initial price for wheat paid to farmers by the Canadian Wheat Board in 1950, farm cash income was 11 per cent lower than in 1949. However, there occurred a substantial accumulation of inventories held on farms and, as a consequence, the figure of net income of farm operators from farm production, which includes changes in inventories, declined by



only 6 per cent, even though operating expenses were higher in 1950 than in 1949.

The remaining component of national income, net income of other unincorporated business (including professional income), rose by nearly 6 per cent, from \$1,374 million in 1949 to \$1,451 million in 1950.

The gross national product includes, in addition to the factor costs which comprise the national income, indirect taxes less subsidies and depreciation allowances and similar business costs. Indirect tax collections rose appreciably in 1950 as a result of rising prices, a greater volume of purchases, and higher indirect tax rates approved in the September Budget of the federal government. At the same time, government subsidies declined slightly. Thus, indirect taxes less subsidies increased from \$1,831 million in 1949 to \$2,001 million in 1950, a gain of over 9 per cent.

Depreciation allowances and similar business costs rose by 11 per cent, from \$1,321 million in 1949 to \$1,471 million in 1950. This increase is largely the result of depreciation allowances on the large volume of new capital investment which was completed in 1950.

#### Gross National Expenditure

Gross national expenditure indicates the manner in which the national output is absorbed (see Chart II). The year 1950 was characterized by rising expenditures on the part of persons, governments and business. Personal expenditure on consumer goods and services, the largest component of gross national expenditure, increased by nearly 7 per cent, from \$11,086 million in 1949 to \$11,810 million in 1950. Much of this increase was taken up by higher prices, but a gain of approx-

imately 3 per cent in the volume of consumer purchases is indicated.

Expenditure on goods and services by federal, provincial, and municipal governments, rose approximately 11 per cent, from \$2,106 million in 1949 to \$2,333 million in 1950. If price increases are accounted for, a rise of 6 per cent in volume appears to have taken place. At the federal level, the considerable increase in defence expenditure was offset to the extent of \$50 million due to the fact that government commodity agencies liquidated some inventories in 1950 in contrast with the inventory accumulation of \$32 million in 1949. The rise in expenditure at the provincial and municipal levels was mainly due to higher operating costs, increases in capital expenditures, and flood relief in Manitoba. Despite these increases, however, government expenditure on goods and services absorbed slightly over 13 per cent of the nation's output in 1950, approximately the same as in 1949.

Expenditures on construction and equipment for general government purposes are included in the figures of government expenditures on goods and services referred to above. The remainder of the nation's outlay for capital investment in housing, plant, equipment, and inventories, made by private and government-operated businesses and by individuals is analyzed below.

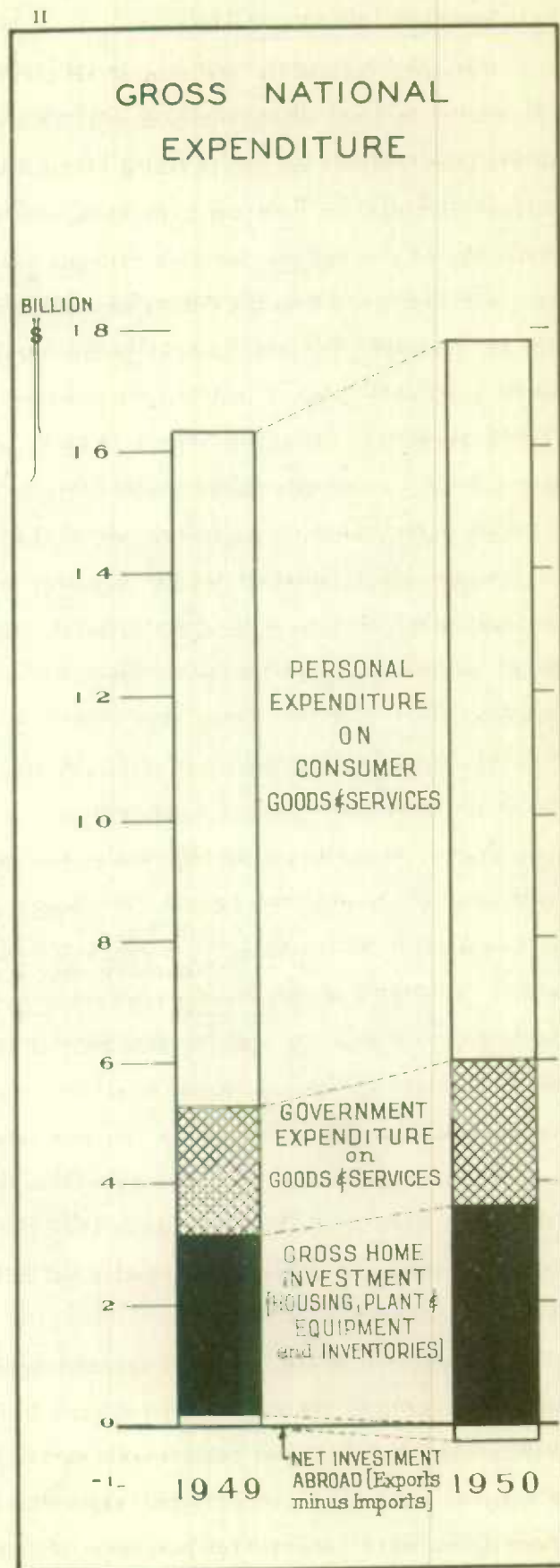
The value of new residential construction rose about 6 per cent in 1950, from \$741 million in 1949 to \$782 million. Investment in plant and equipment increased from \$2,229 million in 1949 to \$2,381 million in 1950, a gain of 7 per cent. In volume terms, however, a slight decline is indicated in both these categories. On the other hand,

investment in inventories showed a large increase in both value and volume terms. In 1950 the change in inventories amounted to \$805 million, compared with \$108 million in 1949. Both farm and non-farm inventories shared in the rise in inventory accumulation. Taken together, total investment in housing, plant, equipment, and inventories by private and government businesses and by individuals, apparently absorbed a larger percentage of the gross national product in 1950 than in 1949.

The value of imports of goods and services in 1950 was \$4,482 million compared with \$3,837 million in 1949, a rise of 17 per cent. The upsurge of demand related to expanding defence programs, rising levels of income and the progressive removal of import restrictions led to a marked upswing in the value of imports from the United States. At the same time, a gradual recovery of production in Europe and the improved bargaining position of the European seller in Canadian markets resulting from the re-alignment of currencies in September, 1949, made possible an increase in merchandise imports from the non-dollar countries.

On the other hand, the value of total exports of goods and services increased moderately in 1950, from \$4,011 million to \$4,173 million, or by 4 per cent. Although merchandise exports to the United States showed a large gain of approximately 35 per cent over 1949, this increase was offset to a considerable extent by a decline of 33 per cent in the value of merchandise exports to the United Kingdom.

In volume terms, total exports of goods and services showed very little change, while imports





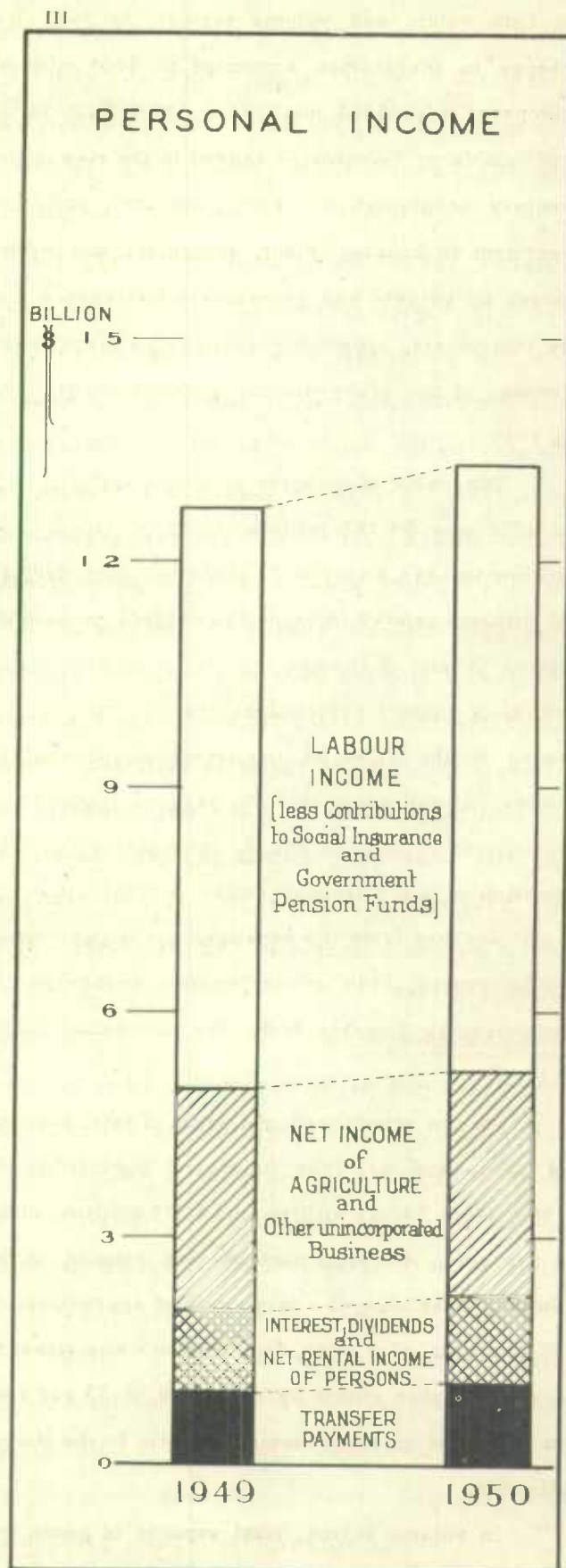
increased by approximately 9 per cent.

### Personal Income and Expenditure

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 production, that is, transfer payments such as family allowances and unemployment insurance benefits. In 1950, personal income was \$13,327 million, a gain of 5 per cent over 1949. As indicated in Chart III the increase is mainly attributable to salaries, wages and supplementary labour income, but government transfer payments, and interest, dividends, and net rental income of persons also rose moderately.

The disposition of personal income is illustrated in Chart IV. Despite higher personal incomes in 1950, total direct personal tax collections declined by 6 per cent. This decline is mainly due to the fact that a substantial part of the personal income tax is paid in the calendar year succeeding the tax year. Thus, a considerable part of the taxes collected in 1949 included taxes levied on income earned in 1948 when the tax rate was relatively high. As a result, total direct personal tax collections were lower in 1950 than in 1949, despite some increase in succession duties and miscellaneous direct taxes.

As indicated above, personal expenditure on goods and services increased by 7 per cent, from 1949 to 1950, but there was considerable variation as between components of personal expenditure. Major gains were recorded for purchases of most durable goods, particularly automobiles, which





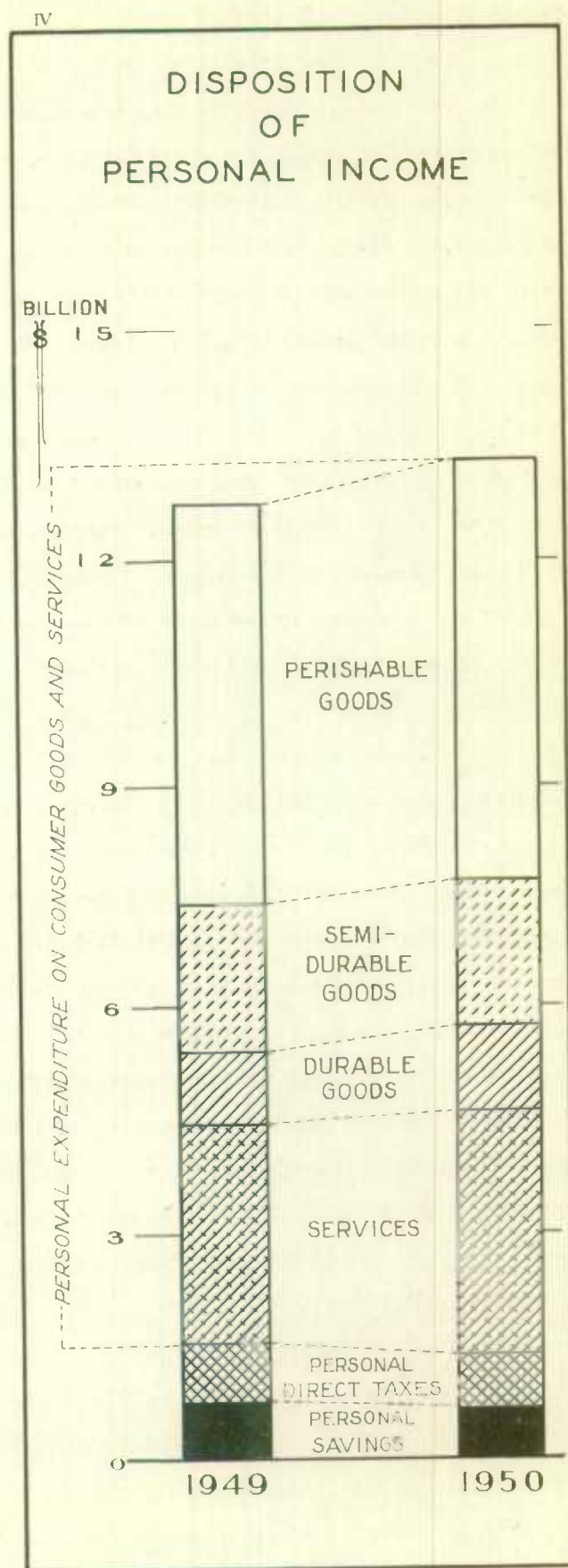
rose by approximately 60 per cent over 1949. On the other hand, a number of components in the semi-durable goods group, such as clothing, showed a decline. The increase in expenditure on food was almost entirely accounted for by price increases. Of the services, user-operated transportation, and household utilities including rents, showed the highest increases.

The substantial rise in expenditure on personal durable goods was accompanied by a notable increase in the value of credit and instalment sales. This increase in consumer borrowing is in line with a decline of 7 per cent in personal saving (including changes in farm inventories), from \$838 million in 1949 to \$776 million in 1950. However, if changes in farm inventories are deducted from the saving figures, a much greater decline in the rate of saving is indicated. Thus, personal saving, exclusive of changes in farm inventories, was \$645 million in 1950, compared with \$911 million in 1949; this represents 5 per cent of personal income in 1950 compared with 7 per cent in 1949.

#### 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.

It is sometimes convenient to distinguish between gross private saving and gross national saving for analytical purposes. Thus, gross private saving consists of the saving of the non-go-

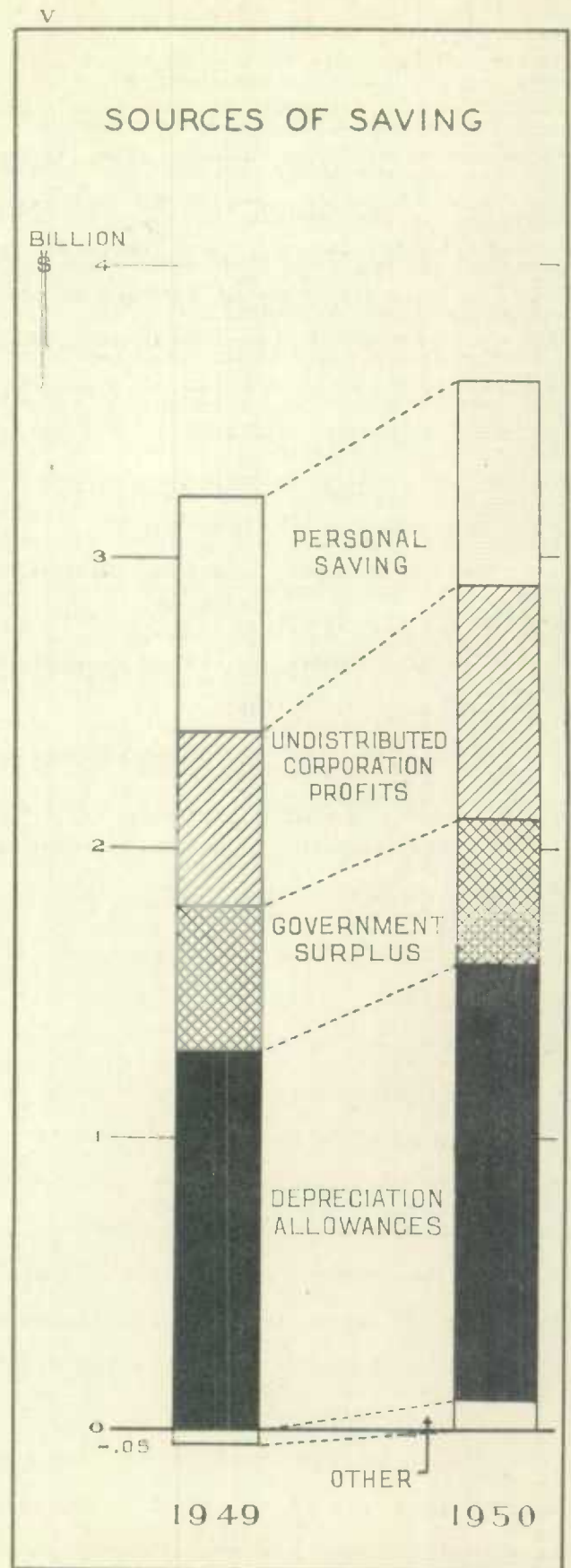


vernment or private sector of the economy, whereas gross national saving includes both gross private saving and the government surplus or deficit.

The sources of gross national saving are illustrated in Chart V. Although, as noted previously, personal saving declined in 1950, this decline was more than offset by increases in the other elements of gross private saving, notably undistributed corporation profits, undistributed Wheat Board trading profits and depreciation allowances. At the same time, in spite of higher government expenditures, a substantial government surplus\* of \$551 million was available to supplement the nation's gross private saving in 1950. Rising incomes and expenditures in the private sector of the economy, and an increase in indirect tax rates, produced a gain in total government revenues in 1950 considerably higher than the rise in expenditures (see table 7). As in 1949, however, the large government surplus is entirely accounted for by the federal government; at the provincial-municipal level, a small deficit is shown.

In 1949, that portion of current output not used for consumption, i.e. gross national saving, was utilized to the extent of \$3,078 million in the building up of plant, equipment, housing and inventories at home, and to the extent of \$174 million in

\* Because of numerous adjustments which are necessary to convert the conventional accounting statements of governments to a basis suitable for National Accounts presentation, the surpluses or deficits given in this publication do not agree with those shown in the accounts of the various public authorities. Some of the more substantial federal adjustments are: elimination from expenditures of Newfoundland debt assumed by the Federal Government and World War II military equipment shipped to Europe under the North Atlantic Treaty; elimination of reserves and write-downs; adjustment of corporate taxes to an accrual basis; and adjustment of accounts from a fiscal to a calendar year basis.



increasing the nation's net assets abroad. In 1950, on the other hand, the domestic resources of \$3,648 million, released through gross national saving, were supplemented by over \$300 million which was absorbed, on balance, from foreign sources; that is, there was a net disinvestment on Canada's foreign account. Thus, the nation invested at home approximately \$300 million more than was saved out of current production. These relationships are illustrated in Charts V and VI.

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

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

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

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

"National Accounts, Income and Expenditure, 1942-1949" (October, 1950).

VI

## DISPOSITION OF SAVING

BILLION  
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4 —

3 —

2 —

1 —

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PLANT  
AND  
EQUIPMENT

HOUSING

INVENTORIES

NET  
INVESTMENT  
ABROAD

1949

-.3

1950



TABLE 1

NATIONAL INCOME AND GROSS NATIONAL PRODUCT, 1948 - 1950  
(millions of dollars)

	1948	1949 <sup>1</sup>	1950 <sup>1</sup>
Salaries, Wages and Supplementary Labour Income .....	7,139	7,800	8,300
Military Pay and Allowances .....	82	115	137
Investment ( and Miscellaneous ) Income <sup>2</sup> .....	2,379	2,367	2,996
Net Income of Agriculture and Other Unincorporated Business			
Farm Operators from Farm Production <sup>3</sup> .....	1,567	1,513	1,424
Other Unincorporated Business .....	1,307	1,374	1,451
NET NATIONAL INCOME AT FACTOR COST .....	12,474	13,169	14,308
Indirect Taxes Less Subsidies .....	1,768	1,831	2,001
Depreciation Allowances and Similar Business Costs .....	1,126	1,321	1,471
Residual Error of Estimate .....	135	61	11
GROSS NATIONAL PRODUCT AT MARKET PRICES .....	15,503	16,382	17,791

1. Includes Newfoundland for the years 1949 and 1950. Estimates for Newfoundland for the whole calendar year 1949 rather than the last nine months have been included in this publication to facilitate comparison between the years 1949 and 1950. On the basis of the scanty data available for Newfoundland its Gross National Product for 1948 is estimated to be in the neighbourhood of \$175 million.
2. In addition to corporation profits, and interest and net rents received by persons, this item includes profits of government enterprises, undistributed Wheat Board trading profits, and an inventory revaluation adjustment. See Table 6, Page 10.
3. These figures differ somewhat from the estimates published by the Agricultural Division, Dominion Bureau of Statistics, because adjustments have been made to achieve consistency within the National Accounts.

TABLE 1

GROSS NATIONAL EXPENDITURE, 1948 - 1950  
(millions of dollars)

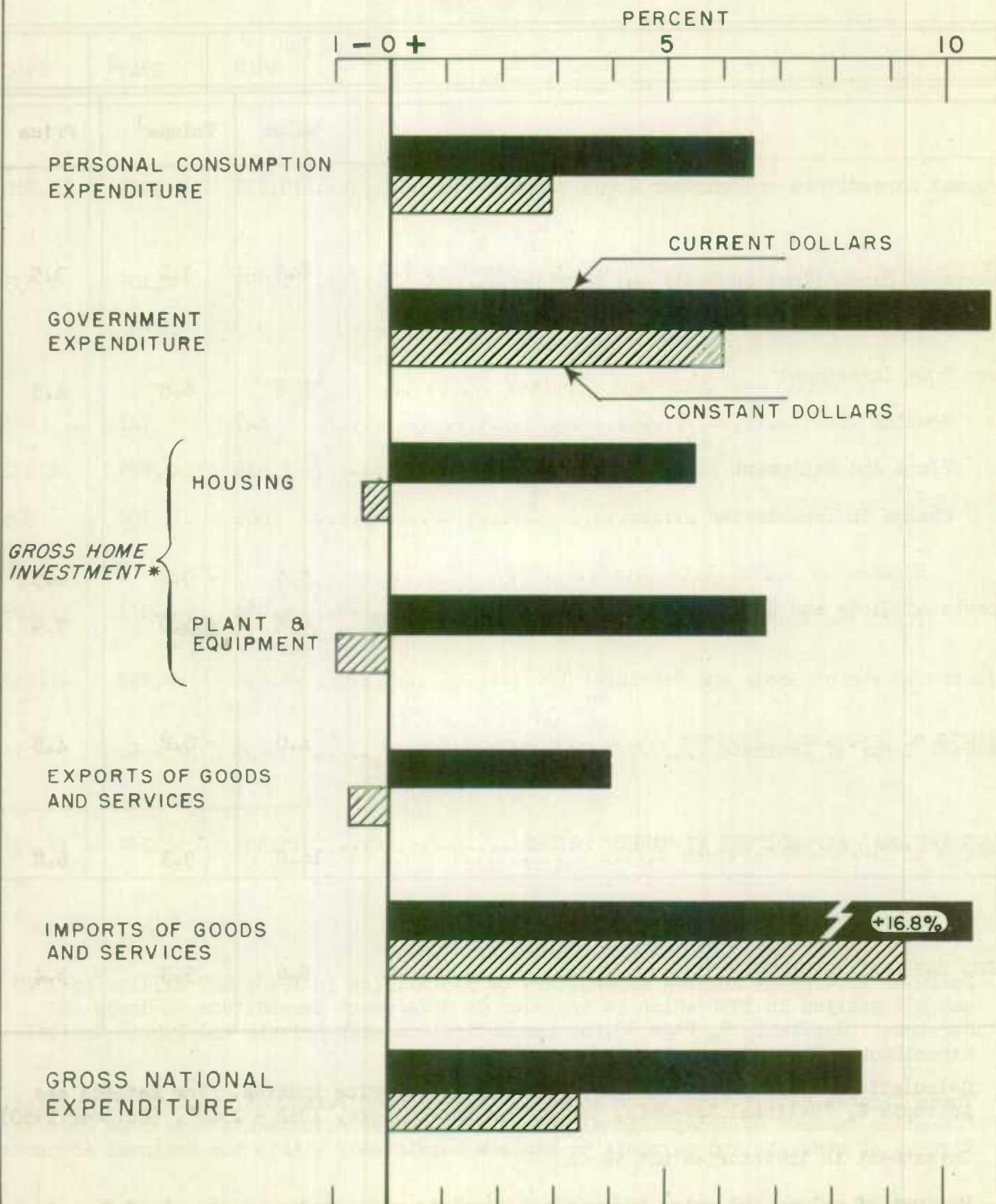
	1948	1949 <sup>1</sup>	1950 <sup>1</sup>
Personal Expenditure on Consumer Goods and Services .....	10,151	11,086	11,810
Government Expenditure on Goods and Services .....	1,797	2,106	2,333
Gross Home Investment <sup>2</sup>			
Housing .....	647	741	782
Plant and Equipment .....	2,016	2,229	2,381
Change in Inventories .....	609	108	805
Exports of Goods and Services <sup>3</sup> .....	4,054	4,011	4,173
Deduct: Imports of Goods and Services <sup>3</sup> .....	-3,636	-3,837	-4,482
Residual Error of Estimate .....	-135	- 62	- 11
GROSS NATIONAL EXPENDITURE AT MARKET PRICES .....	15,503	16,382	17,791

1. See Footnote 1, Table 1, Page 1.

2. Excludes government housing expenditure of \$35 million in 1948; \$27 million in 1949 and \$31 million in 1950 which is included in Government Expenditure on Goods and Services. See Table 8, Page 13, for reconciliation with Private and Public Capital Expenditure.

3. These figures differ from those shown in the Dominion Bureau of Statistics publication, "Canadian Balance of International Payments", because adjustments have been made to the figures of receipts and payments to achieve consistency within the National Accounts.

# PERCENTAGE CHANGES IN VALUE AND VOLUME, GROSS NATIONAL EXPENDITURE AND COMPONENTS, 1949 TO 1950



\* Excluding Change in Inventories



TABLE 2

PERCENTAGE CHANGES IN VALUE, VOLUME AND PRICE,  
GROSS NATIONAL EXPENDITURE AND COMPONENTS,  
1949 to 1950

	Value	Volume <sup>1</sup>	Price
Personal Expenditure on Consumer Goods and Services ...	6.5	3.0	3.5
Government Expenditure on Goods and Services .....	10.8	6.0	4.5
Gross Home Investment <sup>2</sup>			
Housing .....	5.5	- 0.6	6.3
Plant and Equipment .....	6.8	- 1.0	7.9
Exports of Goods and Services .....	4.0	- 0.8	4.8
Imports of Goods and Services .....	16.8	9.3	6.8
GROSS NATIONAL EXPENDITURE <sup>3</sup> .....	8.6	3.5	3.4

1. Calculations utilize deflation by 1935 - 39 based price indexes. For methods see Appendix B, "National Accounts, Income and Expenditure, 1942 - 1949", (October 1950).

2. Investment in inventories not shown.

3. Product of volume and price indexes not equal to value index by amount of Inventory Revaluation Adjustment.

TABLE 3

PERSONAL INCOME AND EXPENDITURE ACCOUNT, 1948 - 1950  
(millions of dollars)

	1948	1949 <sup>1</sup>	1950 <sup>1</sup>
INCOME			
Salaries, Wages and Supplementary Labour Income .....	7,139	7,800	8,300
Deduct: Employer and Employee Contributions to Social Insurance and Government Pension Funds .....	-223	-238	-268
Military Pay and Allowances .....	82	115	137
Net Income of Agriculture and Other Unincorporated Business	2,874	2,887	2,875
Interest, Dividends and Net Rental Income of Persons .....	1,086	1,177	1,242
Transfer Payments <sup>2</sup> (excluding interest)			
From Governments .....	863	947	1,016
Charitable Contributions from Corporations .....	21	23	25
Total .....	11,842	12,711	13,327

1. Includes Newfoundland for the calendar years 1949 and 1950.

2. Interest on government debt is included under Interest, Dividends and Net Rental Income of Persons.

TABLE 3

PERSONAL INCOME AND EXPENDITURE ACCOUNT, 1948 - 1950  
(millions of dollars)

	1948	1949 <sup>1</sup>	1950 <sup>1</sup>
EXPENDITURE			
Personal Direct Taxes			
Income Taxes .....	717	675	612
Succession Duties .....	58	55	64
Miscellaneous Taxes .....	47	57	65
Purchase of Goods and Services			
Non-Durable .....	6,685	7,244	7,475
Durable .....	781	934	1,169
Services .....	2,808	2,985	3,202
Net Personal Expenditure Abroad .....	-123	- 77	- 36
Personal Saving <sup>2</sup> .....	869	838	776
Total .....	11,842	12,711	13,327

1. Includes Newfoundland for the calendar years 1949 and 1950.

2. Includes net change in farm inventories of -\$65 million in 1948; -\$73 million in 1949, and \$131 million in 1950.



TABLE 4

SOURCE AND DISPOSITION OF SAVING, 1948 - 1950  
(millions of dollars)

	1948	1949 <sup>1</sup>	1950 <sup>1</sup>
SOURCE			
Personal Saving .....	869	838	776
Business Saving			
Undistributed Corporation Profits .....	777	601	730
Undistributed Wheat Board Trading Profits <sup>2</sup> .....	-116	-98	62
Inventory Revaluation Adjustment <sup>3</sup> .....	-2	-12	47
Depreciation Allowances and Similar Business Costs .....	1,126	1,321	1,471
Government Surplus .....	766	479	551
Residual Error of Estimate .....	135	61	11
Total .....	3,555	3,190	3,648

1. Includes Newfoundland for the calendar years 1949 and 1950.

2. See Footnote 3, Table 6, Page 10.

3. See Footnote 6, Table 6, Page 10.

TABLE 4

SOURCE AND DISPOSITION OF SAVING, 1948 - 1950  
(millions of dollars)

	1948	1949 <sup>1</sup>	1950 <sup>1</sup>
DISPOSITION			
Gross Home Investment <sup>2</sup>			
Housing .....	647	741	782
Plant and Equipment .....	2,016	2,229	2,381
Change in Inventories .....	609	108	805
Net Foreign Investment <sup>3</sup> .....	418	174	-309
Residual Error of Estimate .....	-135	-62	-11
Total .....	3,555	3,190	3,648

1. Includes Newfoundland for the calendar years 1949 and 1950.

2. See Table 8, Page 13, for reconciliation with Private and Public Capital Expenditure.

3. See Footnote 3, Table 1, Page 2.

## C A N A D A

TABLE 5

ANALYSIS OF CORPORATION PROFITS, 1948 - 1950  
(millions of dollars)

	1948	1949 <sup>1</sup>	1950 <sup>1</sup>
Corporation Profits Before Taxes .....	1,944	1,898	2,270
Deduct: Income and Excess Profits Taxes .....	-689	-727	-868
Corporation Profits After Taxes .....	1,255	1,171	1,402
Deduct: Dividends Paid Abroad .....	-249	-317	-402
Corporation Profits Retained in Canada .....	1,006	854	1,000
Deduct:			
Dividends Paid to Canadian Persons .....	-208	-230	-245
Charitable Contributions from Corporations .....	- 21	- 23	- 25
Undistributed Corporation Profits .....	777	601	730

1. Includes Newfoundland for the calendar years 1949 and 1950.



TABLE 6

## ANALYSIS OF INVESTMENT ( AND MISCELLANEOUS ) INCOME, 1948 - 1951

(millions of dollars)

	1948	1949 <sup>1</sup>	1950 <sup>1</sup>
Corporation Profits Before Taxes .....	1,944	1,898	2,270
Interest and Net Rental Income of Persons <sup>2</sup> .....	878	947	997
Undistributed Wheat Board Trading Profits <sup>3</sup> .....	-116	-98	62
Profits of Government Enterprises <sup>4</sup> .....	196	189	230
Government Interest Revenue <sup>5</sup> .....	149	188	179
Withholding Taxes on Interest and Dividends Paid Abroad ...	41	47	54
Inventory Revaluation Adjustment <sup>6</sup> .....	-2	-12	47
Deduct:			
Transfer Portion of Interest on Government Debt <sup>7</sup> ...	-462	-475	-441
Dividends Paid Abroad <sup>8</sup> .....	-249	-317	-402
Investment Income .....	2,379	2,367	2,996

1. Includes Newfoundland for the calendar years 1949 and 1950.
2. If dividends received by Canadian persons are added to this item the total of Interest, Dividends and Net Rental Income of Persons shown in Table 3 is obtained.
3. To achieve consistency in the National Accounts a number of adjustments were made to the figures of the Canadian Wheat Board, including adjustment to a calendar year basis and deduction of equalization and participation payments to farmers.
4. Includes net profits of government business enterprises such as the Canadian National Railways and provincial and municipal public utilities.
5. Includes miscellaneous investment income from loans and advances, interest on public funds, etc.
6. The Inventory Revaluation Adjustment applies only to grain held in commercial channels. It is the difference between change in values and the value of the physical change of these stocks.
7. Only interest on government debt incurred to finance existing real assets is included in national income. The remainder, or transfer portion, is excluded.
8. Dividends Paid Abroad are deducted because national income is defined to include earnings of Canadian residents only.

TABLE 7

GOVERNMENT REVENUE AND EXPENDITURE, BY LEVEL OF GOVERNMENT, 1948 - 1950  
(millions of dollars)

	1948	1949 <sup>1</sup>	1950 <sup>1</sup>
REVENUE			
1. Direct Taxes - Persons .....	822	787	741
(a) Income and Excess Profits Taxes			
(i) Federal .....	717	674	612
(ii) Provincial and Municipal .....	-	1	-
(b) Succession Duties			
(i) Federal .....	29	26	34
(ii) Provincial .....	29	29	30
(c) Miscellaneous Taxes			
(i) Federal .....	6	7	7
(ii) Provincial and Municipal .....	41	50	58
2. Direct Taxes - Corporations .....	730	774	922
(a) Income and Excess Profits Taxes			
(i) Federal .....	571	597	730
(ii) Provincial .....	118	130	138
(b) Withholding Taxes			
(i) Federal .....	41	47	54
3. Indirect Taxes .....	1,844	1,908	2,060
(a) Federal .....	1,086	1,048	1,115
(b) Provincial and Municipal .....	758	860	945
4. Investment Income .....	345	377	409
(a) Federal .....	104	130	160
(b) Provincial and Municipal .....	241	247	249
5. Employer and Employee Contributions to Social Insurance and Government Pension Funds .....	223	238	268
(a) Federal .....	129	141	158
(b) Provincial and Municipal .....	94	97	110
6. Transfers from Other Governments			
(a) Provincial and Municipal .....	150	182	256
7. Total Revenue .....	4,114	4,266	4,656
(a) Federal .....	2,683	2,670	2,870
(b) Provincial and Municipal .....	1,431	1,596	1,786
8. Deficit (+) or Surplus (-) .....	-766	-479	-551
(a) Federal .....	-785	-524	-586
(b) Provincial and Municipal .....	19	45	35
9. Total Revenue Plus Deficit or Minus Surplus .....	3,348	3,787	4,105
(a) Federal .....	1,898	2,146	2,284
(b) Provincial and Municipal .....	1,450	1,641	1,821

1. Includes Newfoundland for the calendar years 1949 and 1950.

TABLE 7

GOVERNMENT REVENUE AND EXPENDITURE, BY LEVEL OF GOVERNMENT, 1948 - 1950  
(millions of dollars)

	1948	1949 <sup>1</sup>	1950 <sup>1</sup>
EXPENDITURE			
10. Goods and Services .....	1,797	2,106	2,333
(a) Federal .....	676	869	948
(b) Provincial and Municipal .....	1,121	1,237	1,385
11. Transfer Payments .....	1,325	1,422	1,457
(a) Federal .....	1,001	1,022	1,025
(b) Provincial and Municipal .....	324	400	432
12. Subsidies .....	76	77	59
(a) Federal .....	71	73	55
(b) Provincial and Municipal .....	5	4	4
13. Transfers to Other Governments			
(a) Federal .....	150	182	256
14. Total Expenditure.....	3,348	3,787	4,105
(a) Federal .....	1,898	2,146	2,284
(b) Provincial and Municipal .....	1,450	1,641	1,821

1. Includes Newfoundland for the calendar years 1949 and 1950.



TABLE 8

RECONCILIATION OF GROSS HOME INVESTMENT AND  
PRIVATE AND PUBLIC CAPITAL EXPENDITURE, 1949 - 1950  
(millions of dollars)

	1949 <sup>1</sup>	1950 <sup>1</sup>
Gross Home Investment <sup>2</sup> .....	3,078	3,968
Deduct: Changes in Inventories .....	-108	-805
Investment in Housing, Plant and Equipment .....	2,970	3,163
Provincial Hospitals and Schools and Municipal Schools	91	122
Government Housing (Excluding C.M.H.C. Rental Housing <sup>3</sup> ).	27	31
Direct Government Department Outlays .....	403	475
Total Private and Public Capital Expenditure .....	3,491	3,791

1. Includes Newfoundland for the calendar years 1949 and 1950.

2. The above statement is a reconciliation of Gross Home Investment shown in the National Accounts (See Table 1, Page 2) and Private and Public Capital Expenditure data in "Private and Public Investment in Canada Outlook, 1951", published jointly by the Economics Research Branch, Department of Trade and Commerce, and the Dominion Bureau of Statistics.

3. Central Mortgage and Housing Corporation houses owned by the corporation and rented to tenants.

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