

Dividends paid by Canadian corporations contribute greatly to the income of individuals. For example, gross declarations amounted to about \$400,000,000 in 1930, but only a portion of the sum was received by individuals living in Canada. A considerable part was paid to other companies, and an even larger sum to shareholders living abroad. On the other hand, dividends earned and paid by external companies were received in considerable amount by Canadian shareholders. The amount of net dividends paid by Canadian companies is determined from the annual compilation of the Income Tax Division and the examination of a large sample of company accounts.

A similar procedure is followed in computing the amount of bond interest received by individuals. An adjustment for interest payments going abroad and for interest received by individuals from external sources is necessary. Unfortunately, it is not possible to allocate exactly these payments by industrial groups and the adjustment is mainly restricted to national totals.

Interest payments on mortgages are chiefly paid to three main groups making loans on real estate: (a) various government agencies, (b) financial corporations such as insurance, mortgage, trust, loan, banking and railway corporations and (c) individuals. It is possible to estimate the amount of mortgage interest paid to individuals by utilizing the decennial census and the annual reports of the Dominion and various Provincial Governments and the financial statements of insurance, mortgage, trust, bank and railway companies. Interest on mortgages held by individuals is divided into liens on farms and on non-farm property. The latter cover business and industrial property as well as residential, the total being segregated under the industrial group of real estate.

Net rentals, whether for residential or business property, are an important form of return on investment. Offsetting expenses, such as taxes, interest on mortgages, fire insurance, repairs, depreciation and costs incidental to the ownership of property, are deducted and allowances made for vacancies and non-collection of rents on rented properties to obtain the net return. An estimate of imputed rent for owner-occupied houses is also included. While such houses are consumption goods, the occupation of them involves an addition to the income of the owner-occupants.

Section 3.—British and Foreign Capital Invested in Canada and Canadian Capital Invested Abroad

The latest information available under this Section is given at pp. 798-800 of the 1942 edition of the Year Book. So far as this subject relates to the balance of international payments, it is dealt with in the official report "Canadian Balance of International Payments—A Study of Methods and Results" obtainable from the Dominion Statistician, Ottawa.

PART II.—DOMINION, PROVINCIAL AND MUNICIPAL FINANCE

Section 1.—Comparative Statistics of Public Finance*

In planning this material, the idea of publishing combined statistics of public finance for all Governments of Canada—Dominion, Provincial and Municipal—has been constantly in mind. Reference is made in the 1942 Canada Year Book, pp. 742, 743, 782, 783, 791, to the difficulty of this task and to the efforts thus far directed towards its accomplishment.

* Revised under the direction of Col. J. R. Munro, Chief of the Finance Statistics Branch, Dominion Bureau of Statistics.