

CHAPTER XXVI.—NATIONAL ACCOUNTS AND RELATED ECONOMIC STATISTICS

CONSPECTUS

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PART I.—NATIONAL ACCOUNTS*

This Chapter marks a considerable advance in the treatment of national accounts statistics. For the first time comparable historical series are made available for the years 1926 to 1947. These include national income, gross national product, gross national expenditure, and personal income and its disposition. In addition, separate tables are presented for the years 1938 to 1947 showing the sources and disposition of private saving.

These tables summarize some of the more important economic transactions in the country and make possible the study of interrelationships in the economic system as a whole. Only brief notes on the tables are included: for more detailed explanations of concepts and methods reference should be made to the 1947 Year Book and to the publications by the Bureau of Statistics on National Income. These publications contain a number of tables not presented here.

National Income and Gross National Product.—The main totals in Table 1 (columns (4) and (8)) measure the value of goods and services produced by the labour and capital of Canadian residents in a year, each at a different stage in the valuation of these goods and services. Net national income at factor cost, or more briefly, national income, measures the value of new production after provision has been made for depreciation of capital assets employed in production, and exclusive of indirect taxes less subsidies. For the economy as a whole this total equals the earnings of Canadian residents from the production of goods and services, that is, the sum of salaries and wages, profits, interest, net rent and net income of agriculture and other unincorporated business. The gross national product measures the value of these goods and services at the prices at which they are purchased in the market. Accordingly, to obtain the gross national product, it is necessary to add to the national income, provisions for depreciation and indirect taxes less subsidies.

When the resources of an economy are fully employed the volume of new goods and services produced can increase but slowly from one year to the next. In 1946 economic resources in Canada were more or less fully employed. Accordingly, only a small increase in the volume of goods and services could be expected from 1946 to 1947. Prices, however, rose substantially from 1946 to 1947. Thus the

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