

6.—Disposition of Gross Private Saving, 1938-47

(Millions of Dollars)

Item	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947 ¹
Gross home investment.....	582	881	1,084	1,212	1,266	788	674	565	1,788	2,884
Net foreign investment.....	99	123	179	491	47	545	27	683	326	17
Totals, Investment.....	681	1,004	1,263	1,703	1,313	1,333	701	1,248	2,114	2,901
Government deficit or surplus ²	166	42	62	-14	1,661	1,808	2,591	1,694	116	-932
Residual error of estimate.....	19	9	-26	-33	-170	-167	-189	-171	8	105
Totals.....	866	1,055	1,299	1,656	2,804	2,974	3,103	2,771	2,238	2,074

¹ Revised preliminary. ² This is not the conventional budgetary deficit or surplus since government revenue and expenditure are adjusted to conform with the basic definitions incorporated in the national accounts. A government deficit is here shown as a plus quantity and a surplus as a minus.

Corporation Profits.—A separate section analyses the trend of corporation profits for the years 1936 to 1947. (See pp. 1109-1112.)

PART II.—RELATED ECONOMIC STATISTICS**Section 1.—Survey of Production***

This Section deals with gross and net values of commodity production. Net production, in general, represents an estimate of the amount contributed to the national economy by the leading industrial groups engaged in commodity production. It is made up of the total value less the cost of materials, fuel, purchased electricity and process supplies consumed in production. For purposes of economic discussion, the net figure should be used in preference to the gross, in view of the large amount of duplication included in the latter.

Current Trends.—The industrial expansion generated by war conditions had, by 1944, reached the highest level in Canadian history. While the termination of war led to a reduction during the latter part of 1945, the value of commodity production in 1946 was still greater than in any other recorded year with the exception of 1944, when war production was at maximum.

This industrial expansion is indicated by comparison with the pre-war year 1938. Gross value in 1945 was 120 p.c. over that of 1938, the total in that year being \$5,300,000,000 against \$11,700,000,000 in 1945. The gain of 113 p.c. in the net value of production was rather less than in the gross value, mainly because cost of materials advanced to a greater extent than the value of the final product.

The value of production remained at the high level in 1946 of \$12,200,000,000 although industrial operations, being retarded by lack of raw materials and labour disputes, showed a recession from the preceding year, but commodity prices at wholesale recorded an increase of nearly 5 p.c. Pressure for production continued to increase under the stimulation of domestic purchasing power, large-scale government credit to finance exports abroad, and the urgent need for increased housing accommodation in Canada. Indications are that the value of production was greater in 1947 than in any other peacetime year, both volume and prices rising to higher levels.

A general description of the method used in computing gross and net production figures is given at pp. 176-177 of the 1939 Year Book and in the "Survey of Production", an annual report issued by the Dominion Bureau of Statistics.

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