

# CHAPTER X.—NATIONAL ACCOUNTS AND RELATED ECONOMIC STATISTICS

## CONSPECTUS

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NOTE.—The interpretation of the symbols used in the tables throughout the Year Book will be found facing p. 1 of this volume.

## PART I.—NATIONAL ACCOUNTS\*

The national accounts which summarize the nation's economic transactions make possible the study of interrelationships in the economic system as a whole. They are particularly important to governments concerned with problems of full employment, taxation and prices and to business men concerned with programs of investment and marketing.

The national accounts provide a summary of production and consumption in terms of prices established in the market. The value of the nation's production may change either because of price changes or because of changes in the volume of output. When the resources of the economy are fully employed the volume of goods and services produced can usually increase but slowly from one year to the next since the increase is then dependent on the annual increment to resources of labour and capital or their more efficient utilization. Consequently a rapid rise in the value of output under these conditions is explained mainly by price increases. When there are unemployed resources in the country, a substantial increase in the value of production of goods and services may occur from one year to the next as these resources are brought into use, even though prices remain stable. Since the following tables are expressed in current dollars, year to year changes must be considered in relation to price changes over the period.

The tables presented here cover only part of the complete national accounts analysis. Tables 1 and 2 give the main aggregates of national income, gross national product and expenditure and their components. Tables are also included showing personal income and disposition of personal income; government revenue and expenditure; and source and disposition of private saving. Further information can be obtained by reference to National Accounts bulletins published by the Dominion Bureau of Statistics.†

*National Income.*—Net national income at factor cost or, more briefly, national income, measures the value of goods and services produced by the labour and capital of Canadian residents in a year, 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 residents of Canada 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.

\* Prepared by the Research and Development staff, Dominion Bureau of Statistics.

† Reference may be made to *National Accounts, Income and Expenditure 1941-1948* (revised September, 1949), and previous editions of the same publication for 1938-45, 1926-47 and 1939-47 for concepts, methods and sources as well as more complete detail.