

8.—Disposition of Private Saving, 1939, 1942-48

(Millions of Dollars)

NOTE.—Figures for the years 1938-41 will be found at p. 1095 of the 1948-49 Year Book.

Item	1939	1942	1943	1944	1945	1946	1947	1948
Gross Home Investment—								
Housing.....	145	128	131	157	210	338	492	650
Plant and equipment.....	409	803	697	599	672	1,024	1,565	1,926
Inventories.....	327	335	-40	-82	-300	467	879	646
Net foreign investment.....	123	47	545	27	687	332	17	419
Government deficit (+) or surplus (-).....	42	1,647	1,817	2,601	1,692	125	-816	-818
Residual error of estimate.....	+9	-171	-175	-209	-219	-25	-39	-42
Totals.....	1,055	2,789	2,975	3,093	2,742	2,261	2,098	2,781

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 value of commodity production in Canada in 1947 was the highest ever attained in the history of the country. The gross value at \$15,074,000,000 was 23.4 p.c. higher than in the preceding year, when it stood at \$12,213,000,000 and 184 p.c. higher than in 1938. The increase in the value of production was practically continuous from 1938 to the year under review, the recession in 1945 having been the only interruption.

Since for most purposes the net value of production is more significant than the gross, the subsequent analysis is based mainly on that phase of the subject. Net production was valued at a record \$7,765,000,000 in 1947 against \$6,458,000,000 in 1946. This important gain was due largely to the rapid advance in prices during the period, although physical output also increased, as evidenced by a rise of about 10 p.c. in the index of the physical volume of industrial production.

The post-war release of pent-up demand for consumer goods in Canada and abroad and record investment in housing, plant and equipment, together with marked improvement in the labour situation and the availability of raw materials, made 1947 a banner year in the history of the Canadian economy as measured by the value of commodities produced. It is estimated that a further expansion in production was achieved in 1948. The index of industrial production rose from 175.5 in 1947 to 181.5 in 1948, and the general index of wholesale prices advanced nearly 19 p.c. in the same comparison. In addition, the gross income of farm production increased from \$2,130,000,000 in 1947 to \$2,694,000,000 in 1948, indicating a substantial rise in the value of agricultural output.

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† A description of the method used in computing gross and net production figures is given in the *Survey of Production*, issued by the Dominion Bureau of Statistics.