

# 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, in summarizing 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. Hence, it is necessary to keep in mind that the value of the nation's production may change because of price changes and 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 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 conditions of full employment 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.

For the first time data are now available showing volume changes as well as price changes in gross national expenditure. Gross national expenditure is shown in current and constant dollars in Table 3. Since the gross national expenditure equals the gross national product these data also reflect volume changes in the production of goods and services as measured by the gross national product. For all other tables the data are expressed in current dollars therefore, year to year changes in these tables must be considered in relation to price changes over the period.

The historical record of volume and price movements as they relate to the national accounts from 1926 to 1949, on the 1935-39 base, will be published during 1951. A description of methods and price indexes used for deflators will also be given.

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