

**Recent Developments.**—National income increased from \$12,474,000,000 in 1948 to \$12,917,000,000 in 1949, a gain of 4 p.c. This increase is fully accounted for by the 8 p.c. increase in salaries, wages and supplementary labour income. Net agricultural income declined by 4 p.c. despite higher wheat adjustment payments. This decrease was due largely to a lower physical volume of production. Investment income declined by \$96,000,000 from \$2,379,000,000 in 1948 to \$2,283,000,000 in 1949. This was attributable to a decrease of \$110,000,000 in corporation profits, the largest single component of investment income. The estimate of gross national product and expenditure for 1949 is \$16,074,000,000, an increase of 4 p.c. over 1948 in value terms or 2 p.c. by volume. (See Tables 1, 2 and 3.)

### 1.—National Income and Gross National Product, 1939, 1943-49

(Millions of dollars)

NOTE.—Figures for the years 1926-41 will be found at p. 1089 of the 1948-49 Year Book, and for 1942 at p. 379 of the 1950 Year Book.

Item	1939	1943	1944	1945	1946	1947 <sup>r</sup>	1948 <sup>r</sup>	1949 <sup>p1</sup>
Salaries, wages and supplementary labour income.....	2,583	4,746	4,908	4,915	5,322	6,212	7,139	7,682
Military pay and allowances.....	32	910	1,068	1,117	340	83	82	115
Investment income.....	783	1,766	1,770	1,905	1,987	2,299	2,379	2,283
Net income of agriculture and other unincorporated business—								
Net income of farm operators from farming operations.....	461	969	1,213	959	1,130	1,104	1,567	1,509
Net income of other unincorporated business.....	430	711	782	892	1,040	1,218	1,307	1,328
<b>Net National Income at Factor Cost.....</b>	<b>4,289</b>	<b>9,102</b>	<b>9,741</b>	<b>9,788</b>	<b>9,819</b>	<b>10,916</b>	<b>12,474</b>	<b>12,917</b>
Indirect taxes less subsidies.....	737	1,117	1,111	1,003	1,269	1,601	1,768	1,780
Depreciation allowances and similar business costs.....	582	912	863	785	846	1,036	1,126	1,316
Residual error of estimate.....	-10	+152	+204	+234	+74	+104	+135	+61
<b>Gross National Product at Market Prices.....</b>	<b>5,598</b>	<b>11,283</b>	<b>11,919</b>	<b>11,810</b>	<b>12,008</b>	<b>13,657</b>	<b>15,503</b>	<b>16,074</b>

Exclusive of Newfoundland.

Gross national expenditure indicates the manner in which the total production of goods and services is utilized. In 1949 there was a further decline in the rate of inventory accumulation. Consumer expenditure on goods and services increased