

CHAPTER XXIV.—NATIONAL ACCOUNTS AND RELATED 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.

Section 1.—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 businessmen concerned with programs of investment and marketing.

The main body of the national accounts provides a summary of production and consumption in terms of prices established in the market. Thus, it is necessary to keep in mind that the value of the nation's production may change because of price changes as well as 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 in response to population growth and additions to the country's real wealth, or as a result of more efficient utilization of existing resources. Consequently, a rapid rise in the value of output under conditions of full employment is explained mainly by price increases. However, 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 if these resources are brought into use, even though prices remain stable.

Data are now available showing volume changes as well as price changes in gross national expenditure. Gross national expenditure is shown in constant dollars (i.e., in terms of average prices prevailing in the period 1935-39) 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, and year-to-year changes in these tables must be considered in relation to price changes over the period.

The tables presented here cover the more important aspects of the national income analysis. Tables 1 and 2 show the main aggregates of national income, gross national product, gross national expenditure, and their components; Table 3 shows gross national expenditure in constant dollars and other tables are included

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