

1.—National Income and Gross National Product, Selected Years, 1926-51

(Millions of dollars)

Item	1926	1929	1933	1939	1944	1946	1950 ¹	1951 ¹
Wages, salaries and supplementary labour income.....	2,358	2,929	1,778	2,575	4,940	5,323	8,271	9,640
Military pay and allowances.....	7	8	8	32	1,068	340	137	201
Investment income.....	685	836	299	917	1,829	1,975	3,088	3,655
Net Income of Unincorporated Business—								
Accrued net income of farm operators from farm production....	619	408	74	385	1,185	1,112	1,547	2,138
Net income of non-farm unincorporated business.....	516	608	293	464	804	1,071	1,512	1,595
Net National Income at Factor Cost.....	4,185	4,789	2,452	4,373	9,826	9,821	14,555	17,229
Indirect taxes less subsidies.....	612	681	537	733	1,111	1,269	2,005	2,386
Depreciation allowances and similar business costs.....	558	709	547	610	957	903	1,607	1,763
Residual error of estimate.....	-61	-13	16	-9	60	33	-45	-137
Gross National Product at Market Prices.....	5,294	6,166	3,552	5,707	11,954	12,026	18,122	21,241

¹ Includes Newfoundland.

Gross National Expenditure.—Gross national expenditure indicates the manner in which the nation's output is absorbed. In 1951, 50 p.c. of the increase in total volume output was utilized by the Government sector, largely as a result of the growing defence program. The remainder was accounted for almost entirely by a continued high level of investment in durable physical assets. There was no increase in the real amount taken by consumers. A small increase occurred in the physical volume absorbed by inventory accumulation but this was partly offset by the change in the negative amount represented by the net foreign deficit.

The volume of personal expenditure failed to increase in 1951, since the over-all value increase of 10 p.c. was almost exactly matched by the price rise. Expenditure on durable goods declined significantly in physical terms, although in value terms 1951 expenditure was about equal to that of the previous year. Expenditure on goods and services by federal, provincial and municipal governments rose by \$797,000,000, or approximately 34 p.c., from \$2,323,000,000 in 1950 to \$3,120,000,000 in 1951. Most of this increase was accounted for by the rise in federal defence spending from \$493,000,000 in 1950 to \$1,160,000,000 in 1951, a gain of 135 p.c. The major components of gross domestic investment showed divergent movements in 1951. Investment in new housing decreased by about 3 p.c. in value and by about 16 p.c. in volume and average cost was estimated to be about 15 p.c. higher than in the previous year. Investment in new non-residential construction increased by about 18 p.c. in value, however, the increase in volume was only 6 p.c. Investment in new machinery and equipment showed a very large increase, amounting to 18 p.c. in physical volume, the result of heavy spending in basic industries and utilities. The large inventory accumulation of \$1,700,000,000 in 1951 consisted of farm inventory increases of \$400,000,000 and increases in business inventories, totalling \$1,300,000,000.