

Personal Income, Personal Saving and Spending.—Personal income in 1951 amounted to \$15,818,000,000, an increase of over 17 p.c. as compared with 1950. The increase approximated that shown by important components such as wages and salaries, interest and dividends and net rental income of persons and the large increase in net income of farm operators also included in this figure. Direct personal tax collections rose sharply from \$735,000,000 in 1950 to \$1,016,000,000 in 1951, a gain of \$281,000,000, or 38 p.c. This increase is almost wholly accounted for at the federal level owing to higher levels of personal income and to the defence surcharge imposed in the Budget of April 1951. Personal expenditure amounted to \$13,100,000,000, 10 p.c. above 1950. The composition of personal expenditure is shown in Table 8 at p. 1086.

Subtracting personal taxes and personal expenditure from personal income, personal saving of \$1,740,000,000 is obtained for 1951. This represents the amount saved during the year, not the total accumulated savings of persons, which would be very much greater. Savings include not only liquid savings in the form of cash and government bonds but also net repayment of debt, increase in homeowner's equity and the reinvested earnings of farms and small businesses.

4.—Sources of Personal Income, 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
<i>Deduct:</i> Employer and employee contributions to social insurance and government pension funds...	-17	-27	-21	-35	-133	-149	-259	-316
Military pay and allowances.....	7	8	8	32	1,068	340	137	201
Net income received by farm operators from farm production.....	607	407	103	435	1,206	1,090	1,446	2,191
Net income of non-farm unincorporated business.....	516	608	293	464	804	1,071	1,512	1,595
Interest, dividends and net rental income of persons.....	528	616	471	602	836	957	1,290	1,454
Transfer payments (excluding interest)—								
From governments.....	74	93	181	229	259	1,106	1,012	1,001
Charitable contributions from corporations.....	4	5	2	6	11	12	25	27
Net bad debt losses of corporations.....	15	18	28	12	11	11	23	25
Totals, Personal Income.....	4,092	4,657	2,843	4,320	9,002	9,761	13,457	15,818

¹ Includes Newfoundland.